Amaroq Minerals

(“Amaroq” or the “Corporation” or the “Company”)

Q3 2023 Financial Results

Successful commencement of mine rehabilitation activities at Nalunaq

TORONTO, ONTARIO – 14 November 2023 - Amaroq Minerals Ltd. (AIM, TSXV, NASDAQ Iceland: AMRQ), an independent mine development company with a substantial land package of gold and strategic mineral assets in Southern Greenland, is pleased to present its Q3 2023 Financial Results.

Q3 2023 Corporate Highlights

- Amaroq group liquidity of $115 million (cash (gold and strategic minerals businesses), convert, loan and overrun facility).
- Gold business working capital of $59 million as of September 30, 2023 ($41 million as at June 30, 2023).
- The Strategic minerals business has available liquidity of $22.5 million ($29.3 million as at June 30, 2023).
- Closing of US$50.9 million senior secured debt funding package, enabling the staged transition production at the Nalunaq gold project.
- Amaroq successfully completed the transfer of its Icelandic listing from Nasdaq First North Growth Market to the Nasdaq Main Market in September 2023
- Completion of most successful drilling program at Nalunaq to date, underpinning potential for faster resource growth in Nalunaq.
- Significant expansion of mineral license holding in South Greenland following the award of two additional mineral exploration licences.

Q3 2023 Operational Highlights

- **Contracting**: At the end of Q3 2023, contracting for the processing plant, infrastructure, and construction, as well as underground mine rehabilitation and mining, was 75% complete.
- **Engineering:** Processing plant engineering was 63% complete at the end of Q3 2023, accounting for some additional scope and optimisation procedures within the core engineering workstreams.
- **Construction**: Process Plant pad construction neared completion. The Nalunaq camp expansion and upgrade was well underway with the assembly of an additional 30-person, winterized accommodation block completed. Components for the processing plant are arriving to site on schedule.
- **Mining**: Procurement of all required equipment and machinery for mine rehabilitation was completed. Mine rehabilitation works commenced in October 2023.
- **Nalunaq Exploration**: The 1,735m resource drilling programme at the Mountain Block extension was completed. This included the highest ever grade of a Main Vein intercept at 182g/t Au over 0.69m. Drilling confirmed the existence of the parallel ‘75 Vein’ in the hanging wall, with grades of up to 256g/t Au over 0.5m.
- **Strategic Minerals**: Amaroq completed the scout drilling programme across two targets at the Sava Copper Belt and commenced the Stendalen stratigraphic drilling.

Nalunaq Project KPIs

- 33, 684 total hours worked during Q3 2023.
- Daily average of 32 people working on site at Nalunaq over the period.

- Zero Lost Time Injuries in year-to-date 2023.
- Committed to ensuring local representation among the workforce, with the ratio of Greenlandic personnel at Nalunaq standing at 59% in year-to-date 2023.
- A further update on progress at Nalunaq will be provided later in 2023.

Q4 2023 Outlook

- **Permitting**: The public consultation for the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for Nalunaq is expected to take place in Q4 2023.
- **Contracting**: Key contracting processes are expected to be 100% completed following signing of the EPCM contract by the end of Q4 2023.
- **Engineering:** Overall engineering for the processing plant is expected to be 85% complete by the end of Q4 2023.
- **Construction**: Targeting 50% overall completion by the end of Q4 2023, with construction of the processing plant's main building to commence in Q4 2023.
- **Mine Rehabilitation**: Rehabilitation of the Nalunaq Mine access portals expected to be complete at the 300 level and 450 level, alongside rehabilitation of the access ramp for 720 level in Q4 2023.
- **Support Infrastructure**: Expansion and upgrade of the 50-person Nalunaq base camp to 88-person expected to be completed by the end of 2023.
- **Nalunaq Exploration**: Further results from two additional sampled intersections at the 75 Vein expected in Q4 2023.
- **Strategic Minerals**: Results from the Sava drilling programme and initial results from the Stendalen stratigraphic drilling are expected in Q4 2023 or Q1 2024.

Eldur Olafsson, CEO of Amaroq, commented:

"We continue to make solid progress with our development workplan to bring Nalunaq into production successfully and sustainably. Post period, and following the finalization of two key services contracts, we commenced mine rehabilitation activities at the project, and I look forward to providing a fuller update on Nalunaq later this year.

We remain focused on exploration across our strategic minerals targets, and during the quarter we completed a scout drilling programme across two key targets across the Sava Copper Belt and commenced a stratigraphic drilling programme at the Stendalen nickel-copper target, with results expected in Q4."

Update on Q3 2023 Operational Workplan

Nalunaq Development Workplan

- **Nalunaq**
  - Following the successful mobilisation of equipment and personnel, mine rehabilitation works are set to commence at Nalunaq in Q4 2023, including the installation of all required mining services within the Mountain Block, ahead of initial mining commencing next year.
  - Following the finalisation of key contracts and procurement of all major long lead items for the processing plant, the Company plans to commence the construction of the Processing Plant main building in Q4 2023.
  - The expansion and upgrade of the Nalunaq all-weather camp is expected to be completed by the end of 2023.
  - The Company intends to provide a further update on the Nalunaq Project Development programme later in 2023.

Gold Exploration Projects

- **Nalunaq**
  - Results from the completed Mountain Block drilling recorded the Company's highest grade Main Vein intercept ever reported at 182g/t Au over 0.69m during a programme to explore the up-dip extension of the Mountain Block.
  - New discovery of several Hanging Wall Veins intersected, including 256g/t Au over 0.5m in the 75m Vein, showing similar thickness to Main Vein, providing potential for further minable bodies beyond the Main Vein.
  - Amaroq further expects results from two additional sampled intersections at the 75 Vein, which are currently being processed by the laboratory.
  - Further underground exploration is scheduled for Q4 2023 aimed at opening up a new high grade mining extension from the Target Block, which is located next to the Mountain Block.

- **Nanoq**
  - ALS Goldspot conducted a full review of the 2022 geophysical survey results to further define existing and new gold targets, with further surface exploration and site preparation for initial drilling to take place in 2024.

- **Vagar Ridge**
  - Amaroq continues to progress the construction of a robust geological and mineralisation model to inform future exploration, including additional data collection and review and further geological mapping and sampling.

Strategic Minerals Projects (Amaroq 51%)

- **Sava Copper Belt (Sava/North Sava)**
  - Scout drilling across the two key targets in Sava, one assessing a copper-molybdenum porphyry style and the other a copper-gold epithermal style target, continued through the period and where completed with all core transported to Nalunaq for logging and sampling. Results expected during Q4 2023.
  - The Company additionally plans to conduct a Gravity geophysical survey over the Sava licence area to ensure full coverage of the prospective copper belt.

- **Stendalen**
  - Following the review and identification of a number of geophysical targets, a stratigraphic drilling programme commenced at Stendalen during the quarter aimed at intersecting both potential Platinum Group Metals and nickel-copper sulphide mineralisation at depth.
  - In order to realise this hole, a remote camp operation has been set up on the bay leading to Stendalen. Drilling of this hole is expected to be completed during Q4.

- **Kobberminebugt**
  - Following the completion of a high-resolution MT survey over the entire licence, results are expected in Q4 2023.

- **Paatasoq**
  - Following the reconnaissance exploration conducted over licence area to assess REE and critical metal potential with the assistance of the University of St Andrews, full results and interpretations are expected in Q4 2023.

Amaroq Financial Results

The following selected financial data is extracted from the Financial Statements for the three months ended September 30, 2023.

Financial Results

	Three months ended September 30		Nine months ended September 30	
	2023 $	2022 $	2023 $	2022 $
Exploration and evaluation expenses	2,277,540	5,567,361	5,737,256	11,003,192
Site development costs	(1,825,441)	-	-	-
General and administrative	2,632,041	1,859,725	8,015,257	6,946,432
(Gain) on loss of control of subsidiary	-	-	(31,340,880)	-
Share of 3 and 9-months loss of an equity-accounted joint arrangement	3,381,749	-	5,021,231	-
Net income (loss) and comprehensive income (loss)	(6,555,222)	(7,012,481)	13,425,594	(17,472,618)
Basic and diluted income (loss) per common share	(0.02)	(0.04)	0.04	(0.10)

Financial Position

	As at September 30	As at June 30
	2023 $	2023 $
Cash on hand	53,655,954	39,669,852
Total assets	111,193,232	87,686,844
Total current liabilities (before convertible notes liability)	2,818,672	2,980,657
Shareholders' equity	77,982,519	84,089,457
Working capital (before convertible notes liability)	58,690,730	41,017,725
Gold business liquidity (excludes $22.5M ring-fenced for strategic mineral exploration)	92,353,824	39,669,852

Ends

Enquiries:
Amaroq Minerals Ltd.
Eldur Olafsson, Executive Director and CEO
eo@amaroqminerals.com

Eddie Wyvill, Corporate Development
+44 (0)7713 126727
ew@amaroqminerals.com

Stifel Nicolaus Europe Limited (Nominated Adviser and Broker)
Callum Stewart
Varun Talwar

Simon Mensley
Ashton Clanfield
+44 (0) 20 7710 7600

Panmure Gordon (UK) Limited (Joint Broker)
John Prior
Hugh Rich
Dougie Mcleod
+44 (0) 20 7886 2500

Landsbankinn hf. (Listing Agent)
Ellert Arnarson
Ellert.Arnarson@landsbankinn.is

Camarco (Financial PR)
Billy Clegg
Elfie Kent
Charlie Dingwall
+44 (0) 20 3757 4980

For Company updates:
Follow @Amaroq_minerals on Twitter
Follow Amaroq Minerals Inc. on LinkedIn

Further Information:

About Amaroq Minerals
Amaroq Minerals' principal business objectives are the identification, acquisition, exploration, and development of gold and strategic metal properties in Greenland. The Company's principal asset is a 100% interest in the Nalunaq Project, a development stage property with an exploitation license including the previously operating Nalunaq gold mine. The Corporation has a portfolio of gold and strategic metal assets in Southern Greenland covering the two known gold belts in the region. Amaroq Minerals is incorporated under the Canada Business Corporations Act and wholly owns Nalunaq A/S, incorporated under the Greenland Public Companies Act.

Glossary

Ag	silver
Au	gold
Bt	Billion tonnes
Cu	copper
g	grams
g/t	grams per tonne
km	kilometers
Koz	thousand ounces
m	meters
Mo	molybdenum
MRE	Mineral Resource Estimate
Nb	niobium
Ni	nickel
oz	ounces
REE	Rare Earth Elements
t	tonnes
Ti	Titanium
t/m^3	tonne per cubic meter
U	uranium
USD/ozAu	US Dollar per ounce of gold
V	Vanadium
Zn	zinc

Inside Information

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No. 596/2014 on Market Abuse ("UK MAR"), as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and Regulation (EU) No. 596/2014 on Market Abuse ("EU MAR").

Qualified Person Statement

The technical information presented in this press release has been approved by James Gilbertson CGeol, VP Exploration for Amaroq Minerals and a Chartered Geologist with the Geological Society of London, and as such a Qualified Person as defined by NI 43-101.

Amaroq Minerals Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023

The attached financial statements have been prepared by Management of Amaroq Minerals Ltd. and have not been reviewed by the auditor

Amaroq Minerals Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited, in Canadian Dollars except per share amounts)

	Notes	As at September 30, 2023	As at December 31, 2022
		$	$
ASSETS			
Current assets			
Cash		53,655,954	50,137,569
Due from a related party	**14.1**	1,529,406	-
Sales tax receivable		65,712	95,890
Prepaid expenses and others		6,258,331	450,290
Total current assets		**61,509,403**	**50,683,749**
Non-current assets			
Deposit		27,944	27,944
Deposit on order		-	-
Investment in equity-accounted joint arrangement	**3**	26,363,967	-
Escrow account for environmental monitoring		585,545	427,120
Mineral properties	**4**	48,821	85,579
Capital assets	**5**	22,657,552	13,871,669
Total non-current assets		49,683,829	14,412,312
TOTAL ASSETS		**111,193,232**	**65,096,061**
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		2,740,161	1,138,961
Convertible notes	**6**	29,794,898	-
Current portion of lease liabilities	**7**	78,509	71,797
Total current liabilities		**32,613,568**	**1,210,758**
Non-current liabilities			
Lease liabilities	**7**	597,145	657,440
Total non-current liabilities		597,145	657,440
Total liabilities		**33,210,713**	**1,868,198**
Equity			
Capital stock		132,117,971	131,708,387
Contributed surplus		6,170,307	5,250,865
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(60,268,987)	(73,694,617)
Total equity		77,982,519	63,227,863
TOTAL LIABILITIES AND EQUITY		**111,193,232**	**65,096,061**
Subsequent events	**17**		

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Amaroq Minerals Ltd.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited, in Canadian Dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Notes	**2023**	**2022**	**2023**	**2022**
		$	$	$	$
Expenses					
Exploration and evaluation expenses	**10**	2,277,540	5,567,361	5,737,257	11,003,192
Site development costs	**11**	(1,825,564)	-	-	-
General and administrative	**12**	2,632,041	1,859,725	8,015,379	6,946,432
Loss on disposal of capital assets		-	-	37,791	-
Foreign exchange loss (gain)		83,882	(391,133)	58,707	(417,826)
Operating loss		3,167,899	7,035,953	13,849,134	17,531,798
Other expenses (income)					
Interest income		(141,443)	(32,837)	(613,031)	(87,554)
Project management income	**14**	(601,461)	-	(1,108,101)	-
Gain on loss of control of subsidiary	**3**	-	-	(31,340,880)	-
Share of loss of an equity-accounted joint arrangement	**3**	3,381,749	-	5,021,231	-
Finance costs	**13**	748,478	9,365	766,053	28,374
Net income (loss) and comprehensive income (loss)		**(6,555,222)**	**(7,012,481)**	**13,425,594**	**(17,472,618)**

Weighted average number of common shares outstanding - basic		263,579,331	177,341,889	263,356,034	177,184,305
Weighted average number of common shares outstanding – diluted		306,335,274	186,779,284	306,111,977	186,621,700
Basic earnings (loss) per share	**15**	(0.02)	(0.04)	0.05	(0.10)
Diluted earnings (loss) per common share	**15**	(0.02)	(0.04)	0.04	(0.10)
Effect of dilution		-	-	-	-
Share options		9,126,875	9,437,395	9,126,875	9,437,395
Convertible notes		33,629,068	-	33,629,068	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Amaroq Minerals Ltd.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited, in Canadian Dollars)

	Notes	Number of common shares outstanding	Capital Stock	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total Equity
			$	$	$	$	$
Balance at January 1, 2022		**177,098,737**	**88,500,205**	**3,300,723**	**(36,772)**	**(51,795,654)**	**39,968,502**
Net loss and comprehensive loss		-	-	-	-	(17,472,618)	(17,472,618)
Options exercised		260,000	226,200	(96,200)	-	-	130,000
Stock-based compensation		-	-	1,499,028	-	-	1,499,028
Balance at September 30, 2022		**177,358,737**	**88,726,405**	**4,703,551**	**(36,772)**	**(69,268,272)**	**24,124,912**
Balance at January 1, 2023		**263,073,022**	**131,708,387**	**5,250,865**	**(36,772)**	**(73,694,581)**	**63,227,899**
Net income and comprehensive income		-	-	-	-	13,425,594	13,425,594
Options exercised, net	**9**	597,029	409,584	(433,600)	-	-	(24,016)
Stock-based compensation	**9**	-	-	1,353,042	-	-	1,353,042
Balance at September 30, 2023		**263,670,051**	**132,117,971**	**6,170,307**	**(36,772)**	**(60,268,987)**	**77,982,519**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Amaroq Minerals Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited, in Canadian Dollars)

	Notes	Nine months ended September 30, 2023	2022
		$	$
Operating activities			
Net income (loss) for the period		13,425,594	(17,472,618)
Adjustments for:			
Depreciation	**5**	585,509	638,039
Stock-based compensation	**9**	1,353,042	1,499,028
Gain on loss of control of subsidiary	**3**	(31,340,880)	-
Share of loss of an associate	**3**	5,021,231	-
Loss on change in FVTPL of Embedded derivative		(273,780)	-
Embedded derivate related transaction costs		641,526	-
Loss on disposal of capital assets		37,791	-
Other expenses		-	9,048
Escrow account for environmental monitoring		(165,946)	-
Foreign exchange		(1,114,277)	(413,443)
		(11,830,190)	(15,739,946)
Changes in non-cash working capital items:			
Sales tax receivable		30,178	(14,181)
Due from related party		(1,160,405)	-
Prepaid expenses and others		(5,808,291)	71,561
Accounts payable and accrued liabilities		1,179,419	(843,483)
		(5,759,099)	(786,103)
Net Cash used in operating activities		**(17,589,289)**	**(16,526,049)**
Investing activities			
Addition of capital assets	**5**	(9,409,183)	(301,958)
Net Cash used in investing activities		**(9,409,183)**	**(301,958)**
Financing activities			
Proceeds from convertible notes, net of issue costs	**6**	29,427,152	-
Principal repayment – lease liabilities	**7**	(53,583)	(39,659)
Exercise of stock options		-	130,000
Net Cash provided by financing activities		**29,373,569**	**90,341**
Net change in cash before effects of exchange rate changes on cash during the period		2,375,097	(16,737,666)
Effects of exchange rate changes on cash		1,143,288	445,694
Net change in cash during the period		3,518,385	(16,291,972)
Cash, beginning of period		50,137,569	27,324,459
Cash, end of period		**53,655,954**	**11,032,487**
Supplemental cash flow information			
Interest received		613,031	87,554

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION

Amaroq Minerals Ltd. (the "Corporation") was incorporated on February 22, 2017 under the *Canada Business Corporations Act*. The Corporation's head office is situated at 3400, One First Canadian Place, P.O. Box 130, Toronto, Ontario, M5X 1A4, Canada. The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. It owns interests in properties located in Greenland. The Corporation's financial year ends on December 31. Since July 2017, the Corporation's shares are listed on the TSX Venture Exchange (the "TSX-V"), since July 2020, the Corporation's shares are also listed on the AIM market of the London Stock Exchange ("AIM") and from November 1, 2022, on Nasdaq First North Growth Market Iceland which were transferred on September 21, 2023 on Nasdaq Main Market Iceland ("Nasdaq") under the AMRQ ticker.

These unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2023 ("Financial Statements") were approved by the Board of Directors on November 14, 2023.

1.1 Basis of presentation and consolidation

The Financial Statements include the accounts of the Corporation and those of its 100% owned subsidiary Nalunaq A/S, company incorporated under the *Greenland Public Companies Act.* The Financial Statements also include the Corporation's 51% equity pick-up of Gardaq A/S, a joint venture with GCAM LP. (Note 3).

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared under the historical cost convention.

The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year ended December 31, 2022, except for the policies described below.

a) Investments in joint venture

The financial results of the Corporation's investments in its joint arrangement are included in the Corporation's results using the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of comprehensive income or loss of the joint venture after the date of acquisition. The Corporation's share of profits or losses is recognized in the condensed interim statement of income (loss).

Unrealized gains on transactions between the Corporation and a joint venture are eliminated to the extent of the Corporation's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in joint venture are recognized in the condensed interim statement of income (loss).

The Corporation assesses at each period-end whether there is any objective evidence that its investments in joint ventures are impaired. If impaired, the carrying value of the Corporation's share of the underlying assets of the joint venture is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value in use) and charged to the statement of income (loss).

There are two main instances when the Corporation recognizes an investment in associate or joint venture. In the first case the entity recognizes an acquisition of new investment, has a significant influence over the investee but does not control it. In the second case, the Corporation loses control over the subsidiary because of the sale of a share in subsidiary that results in losing control over that subsidiary. If the Corporation loses control over the subsidiary, then

- The Corporation derecognizes the assets and liabilities of the subsidiary from the consolidated statement of financial position,
- Recognizes the fair value of the consideration received from the transaction that has resulted in the loss of control,
- Recognizes any investment retained in the former subsidiary at its fair value once control is lost and subsequently accounts for it and any amounts owed by or to the former subsidiary in accordance with the relevant IFRS. The fair value shall be regarded as a fair value of the initial recognition of the investment in the joint venture.
- Subsequently recognizes joint venture's share of net profits or losses proportionately to the retained share of investment for the reporting periods.

b) Nalunaq mine project

Management established that effective September 1, 2023, the Nalunaq Project is in the development phase. Accordingly, all expenditures related to the restart of the Nalunaq mine and the associated development of the initial processing plant and surface infrastructure are capitalized under Construction in Progress within Capital assets (see note 5). Capitalized expenditures will be carried at cost until the Nalunaq Project is placed into commercial production, sold, abandoned, or determined by management to be impaired in value. The mine and mobile equipment, process plant building and the Nalunaq mine are not yet available for use as intended by Management as at September 30, 2023, therefore, depreciation has not yet commenced.

1.2 Functional and presentation currency

The functional and presentation currency of the Corporation is Canadian dollars ("CAD"). The functional currency of Nalunaq A/S and Gardaq A/S is CAD. The functional currency of Nalunaq A/S and Gardaq A/S is determined using the currency of the primary source of economic activity and using the currency which is more representative of the economic effect of the underlying financings, transactions, events and conditions.

Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate rates of exchange prevailing on the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the net profit or loss.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

The preparation of the Financial Statements requires Management to make judgments and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. On an ongoing basis, Management evaluates its judgments in relation to assets, liabilities and expenses. Management uses past experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments. Actual outcomes may differ from these estimates under different assumptions and conditions.

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended December 31, 2022 except for these described below and in note 1.1 b).

Management exercised significant judgement in assessing whether the Corporation still has control over its subsidiary Gardaq A/S or whether it lost control over the subsidiary but maintained significant influence or joint control over Gardaq A/S. The result of this assessment is described under Note 3 below. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Unaudited, in Canadian Dollars)

3. INVESTMENT IN AN ASSOCIATE OR JOINT VENTURE CORPORATION

	As at September 30, 2023	As at December 31, 2022
	$	$
Balance at beginning of period	-	-
Original Investment in Gardaq ApS	7,422	-
Transfer of non-gold strategic minerals licences at cost	36,896	-
Investment at conversion of Gardaq ApS to Gardaq A/S	55,344	-
Gain on FV recognition of equity accounted investment in joint venture	31,285,536	-
Investment retained at fair value- 51% share	31,385,198	-
Share of joint venture's net losses- for 9 months ended September 30, 2023	(5,021,231)	-
Balance at end of period	**26,363,967**	**-**

On June 10, 2022, the Corporation announced that it had signed a non-binding head of terms with ACAM to establish a special purpose vehicle (the "SPV") and created a joint venture (the "JV") for the exploration and development of its Strategic Mineral assets for a combined contribution of $62.0 million (GBP 36.7 million). Subject to the final terms of the JV, ACAM invested $30.1 million (GBP 18 million) in exchange for a 49% shareholding in the SPV, with Amaroq holding 51%. Amaroq contributed its strategic non- precious mineral (i.e., non-gold) licenses, and will be required to provide a contribution in kind over a three-year period, valued, in aggregate, at $31.4 million (GBP 18.7 million) in the form of site support, logistics and overhead costs associated with utilizing its existing infrastructure in Southern Greenland to support the JV's activities. The transfer of these licenses has been approved by the Greenland Government on April 13, 2023.

The carrying value of the strategic non-precious mineral licenses transferred to Gardaq A/S is $36,758 (Note 4).

Upon execution of the Subscription and Shareholders' Agreement ("SSHA") on April 13, 2023, the Corporation has ceased the control of Gardaq on that date. Given that the relevant activities of Gardaq require unanimous consent of its shareholders in accordance with the SSHA, Management has determined that it has joint control and as such the Corporation performed deconsolidation of Gardaq A/S as at April 13, 2023, the date when control was lost. The fair value of the 51% equity investment retained in Gardaq A/S was determined to be $31,385,198 (GBP 18.7million). The fair value of Gardaq A/S was measured based on the cash consideration received in exchange for 49% of the outstanding shares.

The Corporation has determined that it has a joint control in Gardaq A/S as decisions around relevant activities require unanimous shareholder approval. Effective April 13, 2023, the Corporation's investment was accounted for as an investment in joint venture using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Corporation's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the joint venture's net assets, such as further investments or dividends. For the period ended September 30, 2023 the Corporation recorded the 51% proportion of net loss from Gardaq of $4,866,894.

The following tables summarize the unaudited financial information of Gardaq A/S as of September 30, 2023.

(Unaudited, in Canadian Dollars)

	As at September 30, 2023
	$
Cash and cash equivalent	22,147,921
Prepaid expenses and other	339,133
Total current assets	22,487,054
Mineral property	92,240
Total Assets	**22,579,294**
Accounts payable and accrued liabilities	2,177,908
Capital stock	30,246,937
Deficit	(9,845,551)
Total equity	20,401,386
Total liabilities and equity	**22,579,294**

	As at September 30, 2023
	$
Exploration and Evaluation expenses	8,565,658
Foreign exchange loss (gain)	171,792
Operating loss	**8,737,450**
Other expenses (income)	1,108,101
Net loss and comprehensive loss	**9,845,551**

4. MINERAL PROPERTIES

	As at December 31, 2022	Transfers (note 3)	As at September 30, 2023
	$	$	$
Nalunaq - Au	1	-	1
Tartoq - Au	18,431	-	18,431
Vagar - Au	11,103	-	11,103
Nuna Nutaaq - Au	6,076	-	6,076
Anoritooq - Au	6,389	-	6,389
Siku - Au	6,821	-	6,821
Naalagaaffiup Portornga - Strategic Minerals	6,334	(6,334)	-
Saarloq - Strategic Minerals	7,348	(7,348)	-
Sava - Strategic Minerals	6,562	(6,562)	-
Kobberminebugt - Strategic Minerals	6,840	(6,840)	-
Stendalen - Strategic Minerals	4,837	(4,837)	-
North Sava - Strategic Minerals	4,837	(4,837)	-
Total mineral properties	**85,579**	**(36,758)**	**48,821**

	As at December 31, 2021	Additions	As at December 31, 2022
	$	$	$
Nalunaq - Au	1	-	1
Tartoq - Au	18,431	-	18,431

(Unaudited, in Canadian Dollars)

Vagar - Au	11,103	-	11,103
Nuna Nutaaq - Au	6,076	-	6,076
Anoritooq - Au	6,389	-	6,389
Siku - Au	-	6,821	6,821
Naalagaaffiup Portornga - Strategic Minerals	6,334	-	6,334
Saarloq - Strategic Minerals	7,348	-	7,348
Sava - Strategic Minerals	6,562	-	6,562
Kobberminebugt - Strategic Minerals	-	6,840	6,840
Stendalen - Strategic Minerals	-	4,837	4,837
North Sava - Strategic Minerals	-	4,837	4,837
Total mineral properties	**62,244**	**23,335**	**85,579**

5. CAPITAL ASSETS

	Field equipment and infrastruc-ture $	Vehicles and rolling stock $	Equipment (including software) $	Construc-tion In Progress $	Right-of-use assets $	Total $
Nine months ended September 30, 2023						
Opening net book value	1,735,752	3,742,384	216,385	7,522,085	655,063	13,871,669
Additions	-	-	-	9,409,183	-	9,409,183
Disposals	-	-	(37,791)	-	-	(37,791)
Depreciation	(148,780)	(322,701)	(54,037)	-	(59,991)	(585,509)
Closing net book value	**1,586,972**	**3,419,683**	**124,557**	**16,931,268**	**595,072**	**22,657,552**
As at Sept. 30, 2023						
Cost	**2,351,041**	**4,466,971**	**232,231**	**16,931,268**	**735,270**	**24,716,781**
Accumulated depreciation	**(764,069)**	**(1,047,288)**	**(107,674)**	**-**	**(140,198)**	**(2,059,229)**
Closing net book value	**1,586,972**	**3,419,683**	**124,557**	**16,931,268**	**595,072**	**22,657,552**

Depreciation of capital assets related to exploration and evaluation properties is being recorded in exploration and evaluation expenses in the consolidated statement of income (loss) and comprehensive income (loss), under depreciation. Depreciation of $478,519 ($545,919 for the nine months ended September 30, 2022) was expensed as exploration and evaluation expenses during the nine months ended September 30, 2023.

As of September 30, 2023, the amount of $22,657,552 ($7,522,085 as of December 31, 2022) of construction in progress is related to the Nalunaq Project and includes costs incurred on the site camp upgrade, surface infrastructure, construction of the process plant foundation, mobile equipment and critical spare parts. Equipment and infrastructure include components of the process plant such as the manufactured mill, grinding and gravity concentration circuit that will be shipped and assembled at site but are not yet available for use.

As at September 30, 2023, the Corporation had capital commitments, of $46,753,582. These commitments relate to the development of Nalunaq Project, rehabilitation of the Nalunaq mine, construction of processing plant, purchases of mobile equipment and establishment of surface infrastructure.

6. LOANS AND CONVERTIBLE NOTES

	Convertible notes loan	Embedded Derivatives at FVTPL	Total
	$	$	$
Balance as at December 31, 2022	-	-	-
Additions	10,987,517	19,443,663	30,431,180
Financing costs	(362,502)	-	(362,502)
Fair value adjustment	-	(273,780)	(273,780)
Balance as at September 30, 2023	**10,625,015**	**19,169,883**	**29,794,898**
Non-current portion	-	-	-
Current portion	**10,625,015**	**19,169,883**	**29,794,898**

The Corporation closed the Debt Financing on September 1, 2023 and consisting of:

6.1 Revolving Credit Facility

A $25 million (US$18.5 million) Revolving Credit Facility ("RCF") provided by Landsbankinn hf. and Fossar Investment Bank, with a two-year term and priced at SOFR plus 950bps. Interest is capitalized and payable at the end of the term.

The credit facility is denominated in US Dollars and the SOFR interest rate is determined with reference to the CME Term SOFR Rates published by CME Group Inc. The Landsbankinn hf. and Fossar revolving credit facility carries (i) a commitment fee of 0.40% per annum calculated on the undrawn facility amount and (ii) an arrangement fee of 2.00% on the facility amount where 1.5% is to be paid on or before the closing date of the facility and 0.50% is to be paid on or before the first draw down. The facility is not convertible into any securities of the Corporation.

The facility will be secured by (i) a bank account pledge from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement.

6.2 Convertible notes

Convertible notes represent $30.4 million (US$22.4 million) notes issued to ECAM LP (US$16 million), JLE Property Ltd. (US$4 million) and Livermore Partners LLC (US$2.4 million) with a four-year term and a fixed interest rate of 5%. The conversion price od $0.90 per common share is the closing Canadian market price of the Amaroq shares on the day, prior to the closing day of the Debt Financing.

The convertible notes are denominated in US Dollars and will mature on September 30, 2027, being the date that is four years from the convertible note offering closing date. The principal amount of the convertible notes will be convertible, in whole or in part, at any time from one month after issuance into common shares of the Corporation ("Common Shares") at a conversion price of $0.90 (£0.525) per Common Share for a total of up to 33,629,068 Common Shares. The Corporation may repay the convertible notes and accrued interest at any time, in cash, subject to providing 30 days' notice to the relevant noteholders, with such noteholders having the option to convert such convertible notes into Common Shares at the conversion price up to 5 days prior to the redemption date. If the Corporation chooses to redeem some but not all of the outstanding convertible notes, the Corporation shall redeem a pro rata share of each noteholder's holding of convertible notes. The Corporation shall pay a commitment fee to the holders of the convertible notes of, in aggregate, US$4,484,032, which shall be paid pro rata to each noteholder's holding of convertible notes. The commitment fee is payable on the earlier of (a) the date falling 20 business days after all amounts outstanding under the Bank Revolving Credit Facility have been repaid in full, but no earlier than the date that is 24 months after the date of issuance of the notes; and (b) the date falling 30 (thirty) months after the date of the subscription agreement in respect of the notes, irrespective of whether or not notes have converted at that date or been repaid.

The convertible notes will be secured by (i) bank account pledge agreements from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement.

The convertible notes represent hybrid financial instruments with multiple embedded derivatives requiring separation. The debt host portion (the "Host") of the instrument is classified at amortized cost, whereas the aggregate conversion and repayment options (the "Embedded Derivatives") are classified at fair value through profit and loss (FVTPL).

The fair value of the convertible notes at inception was recognized at $30.4 million (US$22.4 million) and $19.4 million (US$14.3 million) embedded derivative component was isolated and determined using a Black Scholes valuation model which required the use of significant unobservable inputs. As of September 30, 2023 the Corporation identified the fair value of embedded derivative associated with the early conversion option to be $19.2 million (US$14.1 million). The change in fair value of embedded derivative in the period from September 1, 2023 to September 30, 2023 has been recognized in the statement of Income (loss) and comprehensive income (loss). The Host liability component at inception was recognized to be the residual amount of $10.9 million (US$8.1 million) which is subsequently measured at amortized cost.

6.3 Cost Overrun Facility

$13.5 million (US$10 million) Revolving Cost Overrun Facility from JLE Property Ltd. on the same terms as the Bank Revolving Credit Facility.

The Overrun Facility is denominated in US Dollars with a two-year term and will bear interest at the CME Term SOFR Rates by CME Group Inc. and have a margin of 9.5% per annum. The Overrun Facility carries a stand-by fee of 2.5% on the amount of committed funds. The Overrun Facility is not convertible into any securities of the Corporation.

The Overrun Facility will be secured by (i) bank account pledge agreements from the Corporation and Nalunaq A/S, (ii) share pledges over all current and future acquired shares in Nalunaq A/S and Gardaq A/S held by the Corporation pursuant to the terms of share pledge agreements, (iii) a proceeds loan assignment agreement, (iv) a pledge agreement in respect of owner's mortgage deeds and (v) a licence transfer agreement.

7. LEASE LIABILITIES

	As at September 30 2023	As at December 31 2022
	$	$
Balance beginning	729,237	763,913
Principal repayment	(53,583)	(50,722)
Balance ending	**675,654**	**729,237**
Non-current portion – lease liabilities	(597,145)	(657,440)
Current portion – lease liabilities	**78,509**	**71,797**

The Corporation entered into an office lease with a five year term on October 2020. The monthly rent is $8,825 until March 2024 and $9,070 for the balance of the lease. The Corporation has the option to renew the lease for an additional five-year period at $9,070 monthly rent indexed annually to the increase of the consumer price index of the previous year for the Montreal area.

(Unaudited, in Canadian Dollars)

8. SHARE CAPITAL

8.1 Nasdaq Main Market Listing in Iceland

Subsequent to the approval by the Central Bank of Iceland (the "FSA") and satisfaction of all Nasdaq Main Market requirements the Corporation transferred all depository receipts from the Nasdaq First North Growth Market to the Nasdaq Main Market with the first day of trading on September 21, 2023. The mainboard listing in Iceland do not affect any shares traded on AIM or the TSX-V.

9. STOCK-BASED COMPENSATION

9.1 Stock options

An incentive stock option plan (the "Plan") was approved initially in 2017 and renewed by shareholders on June 15, 2023. The Plan is a "rolling" plan whereby a maximum of 10% of the issued shares at the time of the grant are reserved for issue under the Plan to executive officers, directors, employees and consultants. The Board of directors grants the stock options, and the exercise price of the options shall not be less than the closing price on the last trading day, preceding the grant date. The options have a maximum term of ten years. Options granted pursuant to the Plan shall vest and become exercisable at such time or times as may be determined by the Board, except options granted to consultants providing investor relations activities shall vest in stages over a 12-month period with a maximum of one-quarter of the options vesting in any three-month period. The Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

On July 24, 2023, the Corporation granted an on-hire incentive stock option award to a new senior employee of Amaroq. The option award gives the employee the right to acquire up to 19,480 common shares under the Corporation's stock option Plan. The option has an exercise price of $0.77 per share and will vest on October 24, 2023. The option will expire if it remains unexercised five years from the date of the award.

The fair value of each option granted was estimated at the time of grant using the Black-Scholes option pricing model. Black-Scholes is a pricing model used to determine the fair price or theoretical value for a call or a put option based on the following average assumptions at the measurement date:

	September 30, 2023	September 30, 2022
Risk free rate	3.9%	2.4%
Expected life (years)	5 years	5 years
Volatility	68.1%	69.1%
Share price at date of grant	$0.77	$0.66
Fair value per option	$0.46	$0.39

The total share-based payment expenses related to the options and the amount credited to contributed surplus were $6,042 ($1,499,028 for the nine months ended September 30, 2022). The following table outlines the activity for stock options for the nine months ended September 30, 2023, and 2022:

	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		

Balance, beginning	10,717,395	0.57	6,935,000	0.51
Granted	19,480	0.77	4,212,395	0.60
Exercised	(1,610,000)	0.46	(260,000)	0.50
Expired	-	-	(1,450,000)	0.53
Balance, end	**9,126,875**	**0.59**	**9,437,395**	**0.55**
Balance, end exercisable	9,107,395	0.59	9,404,062	0.55

From the options exercised during the period ended September 30, 2023, 1,012,971 shares were withheld to cover the stock option grant price and related taxes.

Stock options outstanding and exercisable as at September 30, 2023 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
1,670,000	1,670,000	0.38	December 31, 2025
100,000	100,00	0.50	September 13, 2026
1,395,000	1,395,000	0.70	December 31, 2026
3,600,000	3,600,000	0.60	January 17, 2027
73,333	73,333	0.75	April 20, 2027
39,062	39,062	0.64	July 14, 2027
1,330,000	1,330,000	0.70	December 30, 2027
900,000	900,000	0.59	December 31, 2027
19,480	-	0.77	July 24, 2028
9,126,875	**9,107,395**		

9.2 Restricted Share Unit

Conditional awards under the RSU

9.2.1 Description

Conditional awards were made in 2022 that gave participants the opportunity to earn restricted share unit awards under the Corporation's Restricted Share Unit Plan ("RSU Plan") subject to the generation of shareholder value over a four-year performance period.

The awards are designed to align the interests of the Corporation's employees and shareholders, by incentivizing the delivery of exceptional shareholder returns over the long-term. Participants receive a 10% share of a pool which is defined by the total shareholder value created above a 10% per annum compound hurdle.

The awards comprise three tranches, based on performance measured from January 1, 2022, to the following three measurement dates:

- First Measurement Date: December 31, 2023;
- Second Measurement Date: December 31, 2024; and
- Third Measurement Date: December 31, 2025.

Restricted share unit awards granted under the RSU Plan as a result of achievement of the total shareholder return performance conditions are subject to continued service, with vesting as follows:

- Awards granted after the First Measurement Date - 50% vest after one year, 50% vest after three years.
- Awards granted after the Second Measurement Date - 50% vest after one year, 50% vest after two years.
- RSUs granted after the Third Measurement Date - 100% vest after one year.

(Unaudited, in Canadian Dollars)

The maximum term of the awards is therefore four years from grant.

The Corporation's starting market capitalization is based on a fixed share price of $0.552. Value created by share price growth and dividends paid at each measurement date will be calculated with reference to the average closing share price over the three months ending on that date.

- After December 31, 2023, 100% of the pool value at the First Measurement Date is delivered as restricted share units under the RSU Plan, subject to the maximum number of shares that can be allotted not being exceeded.
- After December 31, 2024, the pool value at the Second Measurement Date is reduced by the pool value from the First Measurement Date (increased in line with share price movements between the First and Second Measurement Dates). 100% of the remaining pool value, if any, is delivered as restricted share units under the RSU Plan.
- After December 31, 2025, the pool value at the Third Measurement Date is reduced by the pool value from the Second Measurement Date (increased in line with share price movements between the Second and Third Measurement Dates), and then further reduced by the pool value from the First Measurement Date (increased in line with share price movements between the First Measurement Date and the Third Measurement Date). 100% of the remaining pool value, if any, is delivered as restricted share units under the RSU Plan.

9.2.1 Valuation

The fair value of the award granted in December 2022 is $5,408,800 based on 80% of the available pool being awarded. A charge of $1,347,000 was recorded during the nine months ended September 30, 2023.

10. EXPLORATION AND EVALUATION EXPENSES (RECOVERY)

	Three months ended September 30,		**Nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Geology	201,738	148,959	176,116	954,591
Lodging and on-site support	151,495	177,655	203,208	212,910
Drilling	173,776	2,427,592	1,210,428	3,718,119
Analysis	27,416	23,246	1,061	164,628
Geophysical survey	-	412,624	(416,177)	412,624
Transport	25,510	168,180	650,263	311,395
Helicopter charter	205,073	484,135	886,755	926,959
Logistic support	-	689,739	(51,509)	791,847
Insurance	-	-	-	-
Maintenance infrastructure	628,733	706,700	1,207,624	2,450,075
Supplies and equipment	706,545	143,489	1,309,562	503,647
Project Engineering	-	-	55,792	-
Government fees	-	2,584	25,615	10,478
Exploration and evaluation expenses before depreciation	2,120,286	5,384,903	5,258,738	10,457,273
Depreciation	157,254	182,458	478.519	545,919
Exploration and evaluation expenses	**2,277,540**	**5,567,361**	**5,737,257**	**11,003,192**

Exploration and evaluation expenses for the period of nine months ended September 30, 2023 are net of $1,398,912 of exploration and evaluation expenses incurred by Nalunaq A/S during the period from June 9 to December 31, 2022 for the six non-gold strategic mineral licenses that have been transferred from Nalunaq A/S to Gardaq A/S.

(Unaudited, in Canadian Dollars)

11. SITE DEVELOPMENT COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Project Engineering and management	(1,017,206)	-	-	-
Infrastructure	(658,507)	-	-	-
Other costs (travel, logistics)	(149,851)	-	-	-
Site development costs	**(1,825,564)**	**-**	**-**	**-**

12. GENERAL AND ADMINISTRATION

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Salaries and benefits	626,384	557,721	1,864,046	1,799,488
Director's fees	158,667	157,000	472,667	471,000
Professional fees	296,024	783,765	1,818,781	1,808,377
Marketing and investor relations	173,572	112,174	480,258	414,852
Insurance	76,002	68,784	211,206	274,455
Travel and other expenses	471,992	97,019	993,167	481,589
Regulatory fees	342,668	27,288	715,222	105,523
General and administration before following elements	2,145,309	1,803,751	6,555,347	5,355,284
Stock-based compensation	451,014	18,468	1,353,042	1,499,028
Depreciation	35,718	37,506	106,990	92,120
General and administration	**2,632,041**	**1,859,725**	**8,015,379**	**6,946,432**

13. FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Change in fair value – embedded derivative	(273,780)	-	(273,780)	-
Transaction costs and service fees	1,013,771		1,013,771	
Interest expenses on lease liabilities	8,487	9,365	26,062	28,374
	748,478	**9,365**	**766,053**	**28,374**

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

14.1 Gardaq Joint Venture

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Project management fees	601,461	-	1,108,101	-
E&E expenses (Note 10)	821,047	-	2,533,011	-
	1,422,508	**-**	**3,641,112**	**-**

As at September 30, 2023, the balance receivable from Gardaq amounted to $1,529,406 ($nil as at December 31, 2022). This receivable balance represents the current balance of project management costs and exploration and evaluation costs incurred by the Corporation for six strategic minerals licenses transferred from Nalunaq A/S to Gardaq A/S. The exploration and evaluation costs incurred by the Corporation are transferred to Gardaq A/S from Nalunaq A/S in accordance with the respective clauses of the SSHA. (Note 3).

14.2 Marketing Activities in Iceland related to the Nasdaq Main Market Listing

In addition to Landsbankinn hf. acting as project manager and advisor on the admission to Nasdaq Main Market, the Corporation has engaged Fossar Investment Bank hf. (“Fossar”) to assist in introducing Amaroq to investors, organizing investor meetings, and advising and analyzing potential effect the Admission has on the liquidity and formation of the share price of the Corporation.

Fossar is a related party of Amaroq as it is a company in which Sigurbjorn Thorkelsson, Non-Executive Director, is Chairman of the Board and indirectly controls over 30% of the capital. Amaroq has agreed to pay Fossar for their services $25,000 (GBP15,000) and Amaroq will be responsible for any ancillary expenses on the planned engagement. The Engagement will end upon the completion of Admission.

The engagement with Fossar constitutes a related party transaction in accordance with AIM Rule 13. The Independent Directors, being the Amaroq Directors other than Sigurbjorn Thorkelsson, having consulted with the Corporation's Nominated Adviser, are confident that the terms of the engagement with the related party are fair and reasonable insofar as the Corporation's shareholders are concerned.

$25,000 cost of engagement is included under Marketing and Industry involvement cost category under the General and Administrative expenses (Note 12) and as of September 30, 2023 the balance is fully settled.

14.3 Debt financing

Livermore Partners LLC ("Livermore") subscribed for US$2.4 million in principal amount of convertible notes under the convertible note offering (the "Insider Participation"). The subscription by Livermore is considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Insider Participation is exempt from the formal valuation and minority shareholder requirements under MI 61-101 in reliance upon the exemptions contained in section 5.5(a) and 5.7(1)(a), respectively, of MI 61-101. The Corporation did not file a material change report more than 21 days before the expected closing date of the convertible note offering as the details of the convertible note offering and the Insider Participation was not settled until shortly prior to the closing of the convertible note offering, and the Corporation wished to close the convertible note offering on an expedited basis for sound business reasons.

For the purposes of the AIM Rules for Companies, Fossar, ECAM and Livermore are related parties of Amaroq. Fossar is a company in which Sigurbjorn Thorkelsson, Non-Executive Director of the Corporation, is Chairman of the board and indirectly controls over 30% of the capital. ECAM LP is an affiliate of GCAM LP, which owns a 49% interest in Gardaq A/S, an Amaroq subsidiary, and has appointed two directors to the subsidiary company board. Livermore is a company in which David Neuhauser, Non-Executive Director of Amaroq, is Managing Director.

As such, the elements of the debt financing with Fossar (US$1.0 million off the senior debt term loans), Livermore Partners LLC (US$2.4 million of the convertible notes), and ECAM LP (US$16.0 million of the convertible notes) constitute Related Party Transactions in accordance with AIM Rule 13.

The Independent Directors, being the Amaroq Directors other than Sigurbjorn Thorkelsson and David Neuhauser, consider, having consulted with the Corporation's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as the Corporation's shareholders are concerned.

(Unaudited, in Canadian Dollars)

In September 2023, in accordance with Clause 11.2 of Revolving Credit Facility Agreement between Nalunaq A/S, Amaroq Minerals Ltd and Fossar Investment Bank hf., the Corporation paid $20,353 (US$15,000) to Fossar Investment Bank hf., which represents 1.5% Arrangement fee.

14.4 Key Management Compensation

The Corporation's key management are the members of the board of directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice President Exploration, and the Corporate Secretary. Key management compensation is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Short-term benefits				
Salaries and benefits	316,736	295,014	971,553	937,033
Director's fees	158,667	157,000	472,667	471,000
Long-term benefits				
Stock-based compensation	2,014	3,624	6,042	1,114,986
Total compensation	**477,417**	**455,638**	**1,450,262**	**2,523,019**

15. NET EARNINGS (LOSS) PER COMMON SHARE

The following table provides a reconciliation between basic and diluted net earnings (loss) per share:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
	$	$	$	$
Net income (loss) and comprehensive income (loss)	**(6,555,222)**	**(7,012,481)**	**13,425,594**	**(17,472,618)**
Weighted average number of common shares outstanding - basic	263,579,331	177,341,88	263,356,034	177,184,305
Weighted average number of common shares outstanding – diluted	306,335,274	186,779,284	306,111,977	186,621,700
Basic earnings (loss) per share	(0.02)	(0.04)	0.05	(0.10)
Diluted earnings (loss) per common share	(0.02)	(0.04)	0.04	(0.10)
Effect of dilution	-	-	-	-
Share options outstanding	9,126,875	9,437,395	9,126,875	9,437,395
Convertible notes	33,629,068	-	33,629,068	-

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a summary of the Corporation's exposure to and concentrations of risk at September 30, 2023:

16.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risks relate to its amounts due from a related party. The Corporation performed expected credit loss assessment and assessed the amount to be fully recoverable.

(Unaudited, in Canadian Dollars)

16.2 Fair Value

Financial assets and liabilities recognized or disclosed at fair value are classified in the fair value hierarchy based upon the nature of the inputs used in the determination of fair value. The levels of the fair value hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs)

The following table summarizes the carrying value of the Corporation's financial instruments:

	September 30, 2023	**December 31, 2022**
	$	$
Cash	53,655,954	50,137,569
Due from a related party	1,529,406	-
Sales tax receivable	65,712	95,890
Deposit	27,944	27,944
Investment in equity-accounted joint arrangement	26,363,967	-
Escrow account for environmental monitoring	585,683	427,120
Accounts payable and accrued liabilities	(2,740,161)	(1,138,961)
Convertible notes	(29,794,898)	-
Lease liabilities	(675,654)	(729,237)

Due to the short-term maturities of cash, due from a related party, and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate fair value at the respective balance sheet date.

The carrying value of the convertible note instrument approximates its fair value at maturity and includes the embedded derivative associated with the early conversion option and the host liability at amortized cost.

The carrying value of lease liabilities approximate its fair value based upon a discounted cash flows method using a discount rate that reflects the Corporation's borrowing rate at the end of the period.

16.3 Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages this risk by managing its working capital and ensuring that sufficient cash is available. The following are the contractual maturities of financial liabilities as at September 30, 2023:

	September 30, 2023		
	< 1 year	**2 – 5 years**	**Over 5 years**
	$	$	$
Convertible notes	29,794,898	-	-
Lease liabilities	78,509	597,145	-
Accounts payable and accrued liabilities	2,740,161	-	-

(Unaudited, in Canadian Dollars)

	32,613,568	**597,145**	-

The Corporation has assessed that it is not exposed to significant liquidity risk due to its cash balance in the amount of $53.7 million at the period end.

17. SUBSEQUENT EVENTS

17.1 New conditional Award under RSU Plan

On 13 October 2023, Amaroq made an award (the "Award") under the RSU Plan as detailed below. The Award consists of a conditional right to receive value if the future performance targets, applicable to the Award, are met. Any value to which the participants are eligible in respect of the Award will be granted as Restricted Share Units (each an "RSU"), with each RSU entitling a participant to receive common shares in the Corporation. Each RSU will be granted under, and governed in accordance with, the rules of the Corporation's Restricted Share Unit Plan.

Award Date	October 13, 2023
Initial Price	CAD 0.552
Hurdle Rate	10% p.a. above the Initial Price
Total Pool	10% of the growth in value above the Hurdle rate, not exceeding 10% of the Corporation's share capital. The number of shares will be determined at the Measurement Dates.
Participant proportion	Edward Wyvill, Corporate Development 10%
Performance Period	January 1, 2022 to December 31, 2025 (inclusive)
Normal Measurement Dates	First Measurement Date: December 31, 2023, 50% vesting on the first anniversary of grant, with the remaining 50% vesting on the third anniversary of grant. Second Measurement Date: December 31, 2024, 50% vesting on the first anniversary of grant, with the remaining 50% vesting on the second anniversary of grant. Third Measurement Date: December 31, 2025, vesting on the first anniversary of grant.