

## FORM 51-102F3

### MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Amaroq Minerals Ltd. ("**Amaroq**" or the "**Company**")  
One First Canadian Place, Suite 3400  
Toronto, Ontario, Canada, M4X 1A4.

**Item 2 Date of Material Change**

October 19, 2022

**Item 3 News Release**

A news release with respect to the material change referred to in this report was issued by Amaroq on October 19, 2022 through the facilities of ACCESSWIRE and filed on the System for Electronic Analysis and Disclosure (SEDAR) (the "**Announcement**").

**Item 4 Summary of Material Change**

On October 19, 2022, Amaroq, an independent mining company with a land package of gold and strategic energy transition mineral assets in Greenland, announced its intention to conduct a placing and subscription of new common shares ("**Common Shares**") to raise proceeds of approximately £30 million (equivalent to C\$46.4 million or ISK4.9 billion) (the "**Fundraising**"), in addition to the £18 million (equivalent to C\$27.9 million or ISK 2.9 billion) in relation to the ACAM joint venture investment. The books were covered on the Fundraising at a price of 35 pence (C\$0.54 or approximately ISK 57 at the closing exchange rate on 18 October 2022) per new Common Share (the "**Placing Price**"), with the proceeds being used to expand the Company's resource base and accelerate exploration activities.

**Item 5.1 Full Description of Material Change**

Amaroq, an independent mining company with a land package of gold and strategic energy transition mineral assets in Greenland, announced its intention to conduct a placing and subscription of new Common Shares to raise proceeds of approximately £30 million (equivalent to C\$46.4 million or ISK4.9 billion), in addition to the £18 million (equivalent to C\$27.9 million or ISK 2.9 billion) in relation to the ACAM joint venture investment. The books were covered on the Fundraising at the Placing Price, with the proceeds being used to expand and delineate the Company's resource base at the Nalunaq gold project and progress the asset towards mine construction as well as to accelerate exploration activities across the Company's other gold assets.

The approximately £30 million Fundraising will consist of:

- A proposed placing of new Common Shares (the "**UK Placing Shares**") with new and existing institutional investors (the "**UK Placing**"), at the Placing Price, including a £5 million commitment from an existing family office shareholder;

- An oversubscribed ISK 2.4 billion (equivalent to £15 million or C\$23.2 million) underwritten proposed placing of new depository receipts representing new Common Shares (the "**Icelandic Placing Shares**") with new and existing institutional investors (the "**Icelandic Placing**"), at the Placing Price; and
- A proposed private placement of new Common Shares (the "**Canadian Subscription Shares**", together with the UK Placing Shares and the Icelandic Placing Shares, the "**Fundraising Shares**") by certain new and existing institutional investors, directors and senior management of the Company at the Placing Price (the "**Canadian Subscription**"). Directors and senior management have committed to subscribe for £1.75 million (equivalent to C\$2.71 million or ISK 285 million) in the Fundraising.

The Fundraising complements the joint venture between the Company and ACAM, LP ("**ACAM**"), announced on 10 June 2022. In addition to the Fundraising, the Company has executed final documentation in relation to the ACAM joint venture, with closing and receipt of the initial £18 million funding only subject to certain regulatory conditions precedent.

Net proceeds from the Fundraising will be used to expand and delineate the resource base at the Company's Nalunaq gold project ("**Nalunaq**") in south Greenland and progress the asset towards mine construction, as well as provide funding to accelerate exploration across the Company's significant portfolio of gold assets and other corporate purposes, and sits alongside ACAM's joint venture investment.

The Company is applying for listing of the Icelandic depository receipts, representing the Icelandic Placing Shares (the "**Icelandic Depository Receipts**"), on the Nasdaq First North Growth Market in Iceland ("**Icelandic Exchange**"), a multilateral trading facility (the "**Icelandic Listing**"), with admission to Icelandic Exchange expected to become effective on 1 November 2022, subject to completion of the Fundraising and obtaining the necessary approvals from the TSX Venture Exchange (the "**TSX-V**").

### **Details of the Fundraising**

Stifel Nicolaus Europe Limited ("**Stifel**") is acting as sole bookrunner, nominated adviser and broker on the UK Placing and Panmure Gordon (UK) Limited ("**Panmure Gordon**"; together with Stifel, the "**UK Banks**") is acting as manager and broker in relation to the UK Placing.

Arion banki hf. ("**Arion Bank**") and Landsbankinn hf. ("**Landsbankinn**") are acting as joint bookrunners and underwriters on the Icelandic Placing.

In relation to the UK Placing:

- The UK Placing is conducted through an accelerated bookbuild process (the "**Bookbuild**") conducted by the UK Banks, which launched immediately following the release of the Announcement and was made available to eligible institutional investors subject to the terms and conditions set out in the appendix to the Announcement. The Bookbuild closed on October 20, 2022;
- The UK Placing is subject to the terms and conditions set out in the appendix to the Announcement;

- The UK Placing is conditional amongst other things upon the Icelandic Placing completing and the Icelandic Listing. The Icelandic Placing is conditional, amongst other things, upon the UK Placing not having been terminated prior to the subscription for the Icelandic Placing Shares and the receipt of final approval from the TSX-V for the listing of the Fundraising Shares, but is not conditional upon the UK Placing being completed.

In relation to the Icelandic Placing:

- Arion Bank has agreed to underwrite the purchase by places procured by it of such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day of close of the Bookbuild) have an aggregate subscription price of ISK 1.846 billion (equivalent to £11.3 million and C\$17.6 million) pursuant to the terms and conditions agreed between Arion Bank and the Company;
- Landsbankinn hf. has further agreed to underwrite the purchase by places procured by it such number of Icelandic Placing Shares which at the Placing Price (converted into ISK on the day of close of the Bookbuild) have an aggregate subscription value of ISK 875 million (equivalent to £5.38 million and C\$8.32 million) pursuant to the terms and conditions agreed between Landsbankinn and the Company.

Allocations are at the absolute discretion of Stifel, in consultation with the Company and Panmure Gordon. The number of Fundraising Shares is determined following completion of the Bookbuild by agreement between the Company and Stifel. Details of the number of Fundraising Shares were announced after the close of the Bookbuild on October 20, 2022.

### **ACAM Joint Venture**

The Fundraising complements the joint venture between the Company and ACAM, announced on 10 June 2022, under which the Company will establish a new subsidiary (the "**JV Company**") to hold certain licences in which the majority of resource is expected to relate to non-gold products (the "**Initial JV Company Licences**").

ACAM, through its affiliate company GCAM, LP, will invest an initial amount of £18.0 million under a subscription and shareholders' agreement (the "**Subscription and Shareholders' Agreement**") in return for shares in the JV Company representing up to 49% of the JV Company, to fund work programmes on the Initial JV Company Licences. The Company will invest £5.0 million under the Subscription and Shareholders' Agreement, with such amount to be set-off against costs incurred by Nalunaq A/S as the JV Company's project manager.

The Subscription and Shareholders' Agreement has been signed and placed into escrow, and will be released (and will become effective) subject to satisfaction of certain conditions, expected to be satisfied by Q1 2023, including (a) written approval by the Government of Greenland pursuant to section 88(1) of the Mineral Resources Act of the transfer of the Initial JV Company Licences by Nalunaq A/S to the JV Company; (b) written confirmation from the Greenland Tax Agency that the demerger and transfer of the Initial JV Company Licences to the JV Company will be treated as tax neutral and

not result in a tax charge; (c) execution of a novation agreement by Nalunaq A/S, the Company, the JV Company, Orano Mining and GCAM, LP in relation to the novation of the existing transfer and option agreement between Nalunaq A/S and Orano Mining; and (d) receipt of final acceptance from the TSX-V in connection with the transactions outlined in the Subscription and Shareholders' Agreement. In the event that a takeover of the Company becomes effective before the conditions precedent are satisfied and the bidder notifies the Company, the JV Company or Nalunaq A/S that (a) it does not want to proceed to completion of the Subscription and Shareholders' Agreement; or (b) the conditions precedent are not satisfied or waived by 31 March 2023, GCAM will have the right to terminate the escrow and a break fee will be payable by the Company to GCAM. The break fee will be calculated based on a daily rate of £4,932 and the number of days elapsed since 19 October 2022, and is subject to a cap of £941,918.

Under the Subscription and Shareholders' Agreement, the JV Company has agreed to grant a right of first refusal to the Company in relation to any of the JV Company's licences in Greenland which it does not wish to progress, wishes to withdraw from or on which material gold assets are discovered, and the Company has agreed to grant a right of first refusal to the JV Company in relation to any of the Company's mineral licences which it does not wish to progress, wishes to withdraw from or on which material non-gold assets are discovered.

#### **Sources and Uses of Proceeds**

Existing cash will be used to fund exploration drilling and the JV deal means there is no spending requirement on the wider strategic assets in the short term, beyond the £5.0 million under the Subscription and Shareholders' Agreement, with such amount to be set-off against costs incurred by Nalunaq A/S as the JV Company's project manager.

The use of proceeds of the Fundraising includes £14.1 million to fund initial development at Nalunaq, including underground development costs and bulk sampling. In addition to this the Company plans to spend a further £1.3 million to conduct a further approximately 3,000 meters of drilling to expand the resource. Coupled together this Fundraising aims to increase both the size and the confidence level of the resource base. The increased confidence is aimed at to facilitating the conversion of Mineral Resources to Mineral Reserves and the bulk sample will possibly provide initial cash flows from Nalunaq which would be used to progress the project through a pre-feasibility study, as well as completing its EIA and SIA, moving the asset towards full scale mining.

<b>Sources of Proceeds (million)</b>	<b>Total</b>
Proceeds from ACAM transaction	£18.0
Gross fundraising	£30.0
Transaction costs	£(2.4)
<b>Net Sources of Proceeds (approximately)</b>	<b>£45.6</b>

<b>Uses of Net Proceeds (£ million)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Strategic minerals 3-year exploration program	1.0	5.0	12.0	18.0
Nalunaq drilling (~3,000 meters)	-	1.3	-	1.3
Nalunaq resources and reserve development (~1,100 meters)	-	14.1	-	14.1
Regional exploration (drilling and geophysics)	-	3.0	-	3.0
Camp support & labour	-	2.0	2.4	4.4
General & administrative expenses	-	4.6	-	4.6
EIA / SIA	-	0.2	-	0.2
<b>Total Uses of Net Proceeds</b>	<b>1.0</b>	<b>30.2</b>	<b>14.4</b>	<b>45.6</b>

In the event that the Icelandic Placing completes but the UK Placing does not, the Company would adjust the uses of proceeds to reflect a smaller resource development program as well as making other less material reductions to the wider exploration program.

### **Bookbuild**

Stifel is acting as sole bookrunner, nominated adviser and broker on the UK Placing and Panmure Gordon is acting as manager and broker on the UK Placing. Arion Bank and Landsbankinn are acting as joint bookrunners and joint underwriters on the Icelandic Placing.

The Bookbuild for the UK Placing launched following the release of the Announcement and the Bookbuild closed on 20 October 2022.

The UK Placing is subject to the terms and conditions set out in the appendix to the Announcement.

The number of Fundraising Shares is determined following completion of the Bookbuild by agreement between the Company and Stifel. Allocations are at the absolute discretion of Stifel, in consultation with the Company and Panmure Gordon, and will be confirmed orally or by email following the close of the Bookbuild. Details of the Fundraising Shares were announced on October 20, 2022.

By choosing to participate in the UK Placing and by making an oral and legally binding offer to acquire UK Placing Shares, investors will be deemed to have read and understood the Announcement in its entirety (including the appendices) and to be making such offer on the terms and subject to the conditions of the UK Placing contained therein, and to be providing the representations, warranties and acknowledgements contained in the appendix to the Announcement.

Application will be made to the London Stock Exchange plc ("**London Stock Exchange**") for the Icelandic Placing Shares to be admitted to trading on AIM. Application will also be made to the TSX-V for admission of the Icelandic Placing Shares to trading on the TSX-V, with listing subject to the approval of the TSX-V and the Company satisfying all of the requirements of the TSX-V, and to the Icelandic Exchange for the admission of the Icelandic Depository Receipts. It is currently expected that admission of the Icelandic Placing Shares to the TSX-V will occur on at 9:30 a.m. ET on 1 November 2022 and admission of the Icelandic Placing Shares to trading on AIM will occur on at 8.00 a.m. GMT on 1 November 2022 (or in each case such other date as may be agreed between the Company and the UK Banks). It is expected that the Icelandic Listing will become effective, and that dealings in the Icelandic Depository Receipts will commence on Icelandic Exchange at 9:30 a.m. GMT on 1 November 2022 (or such other date as may be agreed between the Company and the UK Banks).

Application will be made to the London Stock Exchange for the UK Placing Shares and the Canadian Subscription Shares to be admitted to trading on AIM and to the TSX-V for the UK Placing Shares and the Canadian Subscription Shares to be admitted to trading on the TSX-V, with listing subject to the approval of the TSX-V and the Company satisfying all of the requirements of the TSX-V. It is currently expected that admission will become effective, and that dealings in the UK Placing Shares and Canadian Subscription Shares will commence on AIM, at 8.00 a.m. GMT on 2 November 2022 and on the TSX-V at 9:30 a.m. ET on 2 November 2022 (or in each case such other date as may be agreed between the Company and the UK Banks).

#### **Related Party Transaction**

Certain of the Directors and members of the Company's senior management team have indicated their intention to participate in the Canadian Subscription for approximately £1.75 million (equivalent to ISK 285 million, or C\$2.71 million) in aggregate. As such, the Canadian Subscription will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") and within the meaning of Policy 5.9 of the TSX-V rules.

Related party transactions require the Company to obtain a formal valuation and minority shareholder approval unless exemptions from these requirements are available under applicable Canadian securities laws. With respect to the Canadian Subscription, the Company is relying on the exemption from the formal valuation requirements in section 5.5(b) of MI 61-101 (as a result of the Common Shares being listed on the TSX-V and being admitted for trading on AIM) and is relying on the exemption from minority approval requirements in section 5.7(1)(a) of MI 61-101, as the fair market value of the securities distributed to, and the consideration received from, interested parties does not exceed 25% of the Company's market capitalization. The Company did not file a material change report at least 21 days prior to the closing of the Canadian Subscription as participation of the insiders had not been confirmed at that time and the Company wished to close on an expedited basis for business reasons.

Unless stated otherwise, all amounts are based on ISK:GBP of 0.0061 and C\$:GBP of 0.6459 and as at 19 October 2022.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For further information please contact:

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**Item 9 Date of Report**

October 28, 2022

***Forward Looking Statements***

Certain statements in the Announcement and this document are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation, as well as other applicable international securities laws. The forward-looking statements contained in the Announcement and this document are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "is targeting", "estimated", "intend", "plan", "guidance", "objective", "projection", "aim", "goals", "target", "schedules", and "outlook").

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other mining companies and some are unique to the Company. The forward-looking information contained in the Announcement and this document speaks only as of the date thereof. The Company does not assume any obligation to publicly update the information, except as may be required pursuant to applicable laws.