

## 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**

September 1, 2023

**Item 3 News Release**

A news release with respect to the material change referred to in this report was issued by Amaroq on September 1, 2023 and filed on the System for Electronic Analysis and Retrieval + (SEDAR+) (the "**Announcement**").

**Item 4 Summary of Material Change**

On September 1, 2023, Amaroq announced the closing of its previously announced US\$50.9 million senior secured package (see press releases dated March 28, 2023 and August 11, 2023), consisting of:

- (i) US\$18.5 million senior debt term loans ("**Senior Debt Term Loans**") pursuant to revolving credit facilities provided by Landsbankinn hf. ("**Landsbankinn**") and Fossar Investment Bank ("**Fossar**");
- (ii) a total of US\$22.4 million convertible notes (the "**Convertible Notes**"), with US\$16 million of Convertible Notes issued to ECAM LP, US\$4 million of Convertible Notes issued to JLE Property Ltd. and US\$2.4 million of Convertible Notes issued to Livermore Partners LLC (the "**Convertible Note Offering**"); and
- (iii) an overrun loan from JLE Property Ltd. of up to US\$10 million under a revolving credit facility (the "**Overrun Loan**" and together with the Senior Debt Term Loans, the "**Facilities**").

**Item 5.1 Full Description of Material Change**

On September 1, 2023, Amaroq announced the closing of its previously announced US\$50.9 million senior secured package (see press releases dated March 28, 2023 and August 11, 2023), consisting of:

- (i) US\$18.5 million Senior Debt Term Loans pursuant to revolving credit facilities provided by Landsbankinn and Fossar;
- (ii) a total of US\$22.4 million Convertible Notes, with US\$16 million of Convertible Notes issued to ECAM LP, US\$4 million of Convertible Notes issued to JLE Property Ltd. and US\$2.4 million of Convertible Notes issued to Livermore Partners LLC; and

(iii) an Overrun Loan from JLE Property Ltd. of up to US\$10 million under a revolving credit facility.

The Convertible Notes will bear interest at a rate of 5% per annum and will mature on September 1, 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 Company ("**Common Shares**") at a conversion price of C\$0.90 (£0.525) per Common Share for a total of up to 33,629,068 Common Shares. The Company 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. If the Company chooses to redeem some but not all of the outstanding Convertible Notes, the Company shall redeem a *pro rata* share of each noteholder's holding of Convertible Notes. The Company 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 Senior Debt Term Loans 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 Facilities have a two year term and will bear interest at the CME Term SOFT Rates by CME Group Inc. and have a margin of 9.5% per annum. The Landsbankinn hf. and Fossar revolving credit facilities under the Senior Debt Term Loans contain (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 such facility and 0.50% is to be paid on or before the first draw down. The Overrun Loan contains a stand-by fee of 2.5% on the amount of committed funds. The Facilities are not convertible into any securities of the Company.

The Facilities and Convertible Notes will be secured by (i) bank account pledge agreements from the Company 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 Company 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 proceeds from the Convertible Notes and the Facilities will be used to fund the transition of the Company's Nalunaq mining licence from a bulk sample trial mining development plan to staged, full scale production of gold doré on site by bringing forward construction of a processing plant and associated infrastructure.

### **Related Party Transaction**

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 Company 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 Company wished to close the Convertible Note Offering on an expedited basis for sound business reasons.

*Please see the table summary attached as Schedule "A" hereto for a detailed overview of the insider participation under the Convertible Note Offering.*

**Approval of the Offering**

The Convertible Note Offering and Facilities were unanimously approved in writing by each of the directors of the Company entitled to vote on such matters.

The Convertible Note Offering is subject to final acceptance of the TSX Venture Exchange.

**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:

Eldur Olafsson  
Executive Director and Chief Executive Officer  
+354 665 2003

**Item 9 Date of Report**

September 8, 2023

***Forward Looking Statements***

Certain statements in the Announcement constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including but not limited to, the expected use of proceeds from the Facilities and Convertible Notes. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company, its projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will"

be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance and results and speak only as of the date of the Announcement.

Forward-looking statements and information involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements or information, including, but not limited to: the failure to obtain the final acceptance of the Convertible Note Offering from the TSX Venture Exchange, material adverse changes, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with the company to perform as agreed; social or labour unrest; changes in commodity prices; and the failure of exploration, refurbishment, development or mining programs or studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations.

**SCHEDULE A**  
**OWNERSHIP OF SECURITIES OF THE COMPANY PRE-OFFERING AND POST-OFFERING**

<u>Related Party</u>	<u>Securities Held Prior to Offering<sup>(1)</sup></u>	<u>Percentage Held Prior to Offering (Undiluted Basis)</u>	<u>Convertible Notes Purchased</u>	<u>Securities Held After Offering</u>	<u>Percentage Held After Offering (Undiluted Basis)<sup>(2)</sup></u>	<u>Percentage Held After Offering (Partially-Diluted Basis)<sup>(2)</sup></u>
Livermore Partners LLC	14,481,924 common shares	5.5%	2,400,000	14,481,924 common shares 2,400,000 convertible notes	5.5%	6.1%

**Notes**

- (1) The information as to securities held by the insider, not being within the knowledge of the Company, has been furnished by the insider listed above and/or has been obtained from insider reports filed by such shareholder on SEDI by insiders at [www.sedi.ca](http://www.sedi.ca).
- (2) Assuming the issuance of 33,629,068 Common Shares upon conversion of the Convertible Notes pursuant to the Convertible Note Offering.