



Amaroq Minerals Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

Three and nine months ended September 30, 2024

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and nine months ended September 30, 2024

Table of Contents

1. NATURE OF ACTIVITIES.....	3
2. OPERATIONAL PERFORMANCE HIGHLIGHTS	4
2.1 Q3-24 Consolidated Financial Results	5
2.2 2024 Financial Performance Highlights	6
2.3 Cash Flow and Liquidity	8
3. CORPORATE UPDATE	8
3.1 GBP 44 million Fundraising	8
3.2 Directorate Change	9
3.3 Sustainability Report	9
3.4 Approval of Environmental and Social Impact Assessments.....	9
3.5 US\$35 million Revolving Credit Facility Heads of Terms	9
3.6 Amendments and Conversion of Convertible Notes	10
3.7 Appointment of Nominated Adviser and Joint Broker	10
4. OPERATIONAL UPDATES.....	10
4.1 Nalunaq Project Development.....	10
4.2 Gold Exploration Projects	11
4.3 Strategic Minerals Projects (Amaroq 51%).....	11
5. EXPLORATION AND EVALUATION EXPENSES	13
6. 2024 OUTLOOK.....	15
6.1 2024 Operational Workplan.....	15
6.2 Environmental Monitoring Expenses	16
7. OFF BALANCE SHEET ARRANGEMENTS	16
8. TRANSACTIONS BETWEEN RELATED PARTIES.....	16
8.1 Gardaq Joint Venture	16
9. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ASSUMPTIONS	17
9.1 Impairment of mineral properties and capital assets	17
9.1.2 Impairment of capital assets.....	17
9.2 Determination of functional currency	17
9.3 Capitalisation of borrowing costs.....	17
9.4 Technical Feasibility and Commercial Viability ("TCFV").....	18
9.5 Environmental monitoring costs	18
9.6 Restricted Share Units ("RSU")	18
9.7 Embedded Derivative	18
10. CHANGES IN ACCOUNTING POLICIES	18
11. FINANCIAL INSTRUMENTS	19
12. CONTRACTUAL COMMITMENTS AND OBLIGATIONS	19
13. OUTSTANDING SHARES DATA	19
14. STOCK OPTION PLAN AND RESTRICTED SHARE UNIT PLAN.....	19
14.1 Stock option Plan.....	19
14.2 Restricted Share Unit Plan.....	20
15. RISK FACTORS	20
16. DISCLOSURE CONTROLS AND PROCEDURES	20
17. INTERNAL CONTROL OVER FINANCIAL REPORTING	21
18. FORWARD LOOKING INFORMATION	21

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and nine months ended September 30, 2024

This Management's Discussion and Analysis ("MD&A") of Amaroq Minerals Ltd. (the "Corporation"), and its subsidiary companies and joint arrangements provide a detailed analysis of the Corporation's business and compare its financial results with those of the previous periods. This MD&A is dated as of November 14, 2024 and should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for three months and nine months ended September 30, 2024 (the "Financial Statements"), as well as with the MD&A and audited consolidated financial statements for the year ended December 31, 2023. The unaudited condensed interim consolidated financial statements for the three months and nine months ended September 30, 2024 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted.

Further information regarding the Corporation, including the Corporation's press release, quarterly and annual reports, Annual Information Form are available electronically on the System for Electronic Data Analysis and Retrieval + (SEDAR+) in Canada and can be found on www.sedarplus.ca. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Q4-22	October 1, 2022 to December 31, 2022
2022	January 1, 2022 to December 31, 2022
Q1-23	January 1, 2023 to March 31, 2023
Q2-23	April 1, 2023 to June 30, 2023
Q3-23	July 1, 2023 to September 30, 2023
Q4-23	October 1, 2023 to December 31, 2023
2023	January 1, 2023 to December 31, 2023
Q1-24	January 1, 2024 to March 31, 2024
Q2-24	April 1, 2024 to June 30, 2024
Q3-24	July 1, 2024 to September 30, 2024
Q4-24	October 1, 2024 to December 31, 2024
2024	January 1, 2024 to December 31, 2024
Q1-25	January 1, 2025 to March 31, 2025

1. NATURE OF ACTIVITIES

Amaroq was incorporated on February 22, 2017 under the *Canada Business Corporations Act*. As of June 19, 2024, the Corporation completed its continuance from the *Canada Business Corporations Act* into the Province of Ontario under the *Business Corporations Act (Ontario)*. The Corporation's registered office is situated at 100 King Street West, Suite 3400, First Canadian Place, Toronto, Ontario, M5X 1A4, Canada. The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties and it owns interests in properties located in Greenland. The Corporation's shares are listed (under the AMRQ ticker) on the TSX Venture Exchange (the "TSX- V") since July 2017; also, on the AIM market of the London Stock Exchange ("AIM") since July 2020 and from November 1, 2022, on Nasdaq First North Growth Market Iceland which were transferred to the Nasdaq Main Market Iceland ("Nasdaq") on September 21, 2023.

Amaroq is in the process of restarting its cornerstone Nalunaq mine and concurrently the construction of an on-site processing plant to produce and sell gold dore as a means to become self-funded in order to unlock the true mineral potential of its large licence holdings in Greenland and deliver significant value to all stakeholders. The Corporation is actively exploring for, what it believes to be world class gold deposits in Vagar and Nanoq, and through the joint venture with GCAM (the "Joint Venture" or "JV"), has expanded its focus to exploring for strategic minerals in Sava, Stendalen, Paatusoq and Kobberminebugt to potentially fill the growing supply gap.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

2. OPERATIONAL PERFORMANCE HIGHLIGHTS

For the three months ended September 30, 2024, the Corporation's continued focus was on the trial mining development of Nalunaq's Mountain Block, with 493 total development meters and further mining optimization. Concurrently, The Corporation's construction of a 300 tonne-per-day processing plant and associated infrastructure continued, which will enable the production of gold doré on site. Additional significant mining equipment arrived on site in Q3-24, including a diamond drill that arrived mid-October. The ramp in Mountain Block has been completed to 742 level; development of the East and West ore drives on 742 level began late October. The first ore was blasted June 30, 2024 at 732 level; preliminary face sample assay results from 732 level were received with an average grade of 15.27 g/t based on regular sampling of the Main Vein. The contractor's main maintenance shop was completed and both MineArc refuge stations commissioned. Furthermore, the exhaust raise fan for Target Block was commissioned in preparation for the exploration drift. A new wing was completed at the Nalunaq camp which is now in operation.

Construction of the processing plant progressed well in Q3-24. The south part of the building is now complete except for the installation of roller doors. During Q3-24 the following items were installed: Gravity Circuit, Ball Mill (all piping complete), Feed Conveyor (mechanical and electrical installation complete, C1 testing done), Reclaimer (mechanical and electrical installation complete, C1 testing done), E-house (cable brackets, trays and cables installed), Gold Room shaking table, concentrator, furnace and oven installed and electrical circuit connected, Thickener installed, mechanical, piping and electrical complete, C1 testing done (slabs and plinths completed).

In Q3-24, the Corporation successfully completed its 2024 exploration season. Exploration was completed across nine licenses, with 8,601m of core drilling across five key targets focused on gold, copper and nickel. This included first-time drilling at the exciting Nanoq gold and Josva copper projects.

At Nalunaq, a total of 2,895 meters of new core drilling across the Target Block Extension zone was completed as well as the resampling of all historical core to further assess the 75 Vein and other hanging wall vein potential. In addition, further surface outcrop sampling was completed across the Main Vein and 75 Vein at Target Block Extension. Completed exploration work has laid the foundation for a planned underground drill definition programme and an updated Mineral Resource Estimate.

In addition to the work at Nalunaq, the Corporation conducted further exploration in its gold portfolio. Surface sampling was conducted at Eagle's Nest, located 30km north of Nalunaq within the Nanortalik Gold Belt. the Corporation also made significant progress at the Nanoq gold project on the eastern side of the Nanortalik Gold Belt, where the Corporation completed its first drilling programme (130 meters across two holes). These results will be invaluable in assessing the potential of this high-grade orogenic gold system, which has previously shown grades up to 175g/t Au over 0.8m in channel samples and significant copper mineralization.

In the Corporation's strategic mineral portfolio, 4,733 meters of exploration drilling was conducted at the Stendalen Cu/Ni project, located 65km northeast of Nalunaq. The drilling was aimed at testing several strong geophysical anomalies identified from recent airborne and surface surveys. These anomalies indicate potential magmatic sulphide bodies at depth. The programme was further enhanced by a downhole electromagnetic survey completed in October. The results will play a crucial role in shaping the geological model for continued exploration in 2025.

Beyond Stendalen, the Corporation carried out extensive geological reconnaissance and drilling across the 120km-long South Greenland Copper Belt, which spans four exploration licenses and one pending application. The Corporation conducted new scout drilling (501 meters across two holes) at the epithermal copper/gold mineralization at Target North and initial drilling (212 meters across two holes) at the high-grade copper mineralization at the historic Josva mine. The drilling programme will serve to reinforce the Corporation's understanding of its substantial land package which covers a diverse range of mineralization systems. These include deep copper skarn systems, classic copper/molybdenum porphyry systems, and higher-level epithermal systems, all preserved at different stratigraphic levels. As the belt progresses from Josva in the west, through Sava, and ultimately to the new epithermal targets within the Johan Dahl Land license application, the geological complexity and potential of this region become increasingly evident.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

2.1 Q3-24 Consolidated Financial Results

Period ended September 30, 2024	Three months		Nine months	
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial Results				
Exploration and evaluation expenses	(4,424,907)	(2,277,540)	(5,172,947)	(5,737,257)
Site development costs	-	1,825,564	-	-
General and administrative expenses	(3,536,240)	(2,632,041)	(11,831,157)	(8,015,379)
Gain on loss of control of subsidiary	-	-	-	31,340,880
Loss on disposal of capital assets	(149,917)	-	(149,917)	(37,791)
Foreign exchange gain (loss)	1,040,420	(83,882)	1,475,432	(58,707)
Interest income	901,831	141,443	943,023	613,031
Garda management income and allocated cost	608,392	601,461	1,823,286	1,108,101
Share of net losses of joint arrangement	(4,788,733)	(3,381,749)	(6,698,550)	(5,021,231)
Unrealized gain (loss) on derivative liability	(3,655,048)	273,780	1,636,567	273,780
Finance costs	(9,317)	(1,022,258)	(27,449)	(1,039,833)
Net income (loss) and comprehensive income (loss)	(14,013,519)	(6,555,222)	(18,001,712)	13,425,594
Net earnings (loss) per share, basic	(0.043)	(0.020)	(0.057)	0.050
Net earnings (loss) per share, diluted	(0.043)	(0.020)	(0.057)	0.040

Financial Position	As at	
	Sep 30, 2024	Sep 30, 2023
Financial Position		
Cash	25,937,983	53,655,654
Investment in equity-accounted joint arrangement	16,794,261	26,363,967
Total assets	199,102,439	111,193,232
Total current liabilities	76,516,905	32,613,568
Total non-current liabilities	622,123	597,145
Shareholders' equity	121,963,411	77,982,519
Working capital (before convertible notes liability and loan payable) ¹	37,937,316	58,690,733
Working capital (convertible notes liability and loan payable included) ¹	(24,983,350)	28,895,835

¹ Working Capital as per the Consolidated Statement of Financial Position as at September 30 2024 is (\$24,983,350) and includes \$38,395,349 of Convertible Notes liability- hybrid instrument with complex embedded derivatives due to its early conversion and repayment feature components and loan payable of \$24,525,317. The Corporation classifies host liability and embedded derivative liability as current due to its early conversion feature. The loan payable is classified as current because it matures within 12 months of the reporting date.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

2.2 2024 Financial Performance Highlights

	Q3-24	Q2-24	Q1-24	Q4-23
	\$	\$	\$	\$
Exploration and evaluation expenses	(4,424,907)	127,173	(875,213)	(879,266)
Site development costs	-	-	-	(690,179)
General and administrative expenses	(3,536,240)	(4,335,691)	(3,959,226)	(5,616,655)
Gain on loss of control of subsidiary	-	-	-	-
Share of net losses of joint arrangement	(4,788,733)	(1,263,385)	(646,432)	(2,871,156)
Net income (loss)	(14,013,519)	5,229,322	(9,217,515)	(14,259,099)
Net income (loss) per share, basic	(0.043)	0.016	(0.03)	(0.05)
Net income (loss) per share, diluted	(0.043)	0.014	(0.03)	(0.05)
Cash	25,937,983	31,663,204	65,086,851	21,014,633
Investment in equity-accounted joint arrangement	16,794,261	21,582,994	22,846,379	23,492,811
Total assets	199,102,439	177,950,773	179,887,713	106,953,183
Total current liabilities	76,516,905	41,932,965	48,922,487	42,097,312
Total non-current liabilities	622,123	652,063	681,723	577,234
Shareholders' equity	121,963,411	135,365,745	130,283,503	64,278,637
Working capital (before convertible notes liability and loan payable) ¹	37,937,316	50,534,953	78,210,475	37,614,068
Working Capital (convertible notes liability and loan payable included) ¹	(24,983,350)	17,092,095	36,659,134	1,870,941

	Q3-23	Q2-23	Q1-23	Q4-22
	\$	\$	\$	\$
Exploration and evaluation expenses	(2,277,540)	(2,278,193)	(1,181,653)	(1,697,334)
Site development costs	1,825,564	(1,825,564)	-	-
General and administrative expenses	(2,632,041)	(2,806,181)	(2,577,035)	(3,203,588)
Gain on loss of control of subsidiary	-	31,340,880	-	-
Share of loss of joint arrangement	(3,381,749)	(1,639,482)	-	-
Net income (loss)	(6,555,222)	23,357,701	(3,376,893)	(4,426,345)
Net income (loss) per share, diluted	(0.02)	0.09	(0.01)	(0.02)
Cash	53,655,954	39,669,852	46,784,407	50,137,569
Investment in equity-accounted joint arrangement	26,363,967	29,745,716	-	-
Total assets	111,193,232	87,686,844	62,010,593	65,096,061
Total current liabilities	32,613,568	2,980,657	1,091,187	1,210,758
Total non-current liabilities	597,145	616,730	638,664	657,440
Shareholders' equity	77,982,519	84,089,457	60,280,742	63,227,863
Working capital (before convertible notes liability) ¹	58,690,733	41,017,725	46,738,567	49,472,991
Working Capital (convertible notes liability included) ¹	28,895,835	41,017,725	46,738,567	49,472,991

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

The Corporation reported a net loss of (\$14,013,519) and (\$18,001,712) respectively for the three and nine months ended September 30, 2024 compared to the net loss of (\$6,555,222) and net income of \$13,425,594 for the three and nine months ended September 30, 2023. Main comparisons to the previous year are as follows:

- Exploration and evaluation expenses of \$4,424,907 and \$5,172,947 respectively for three and nine months ended September 30, 2024 (expense of \$2,277,540 and \$5,737,257 respectively for three and nine months ended September 30, 2023). \$5,172,947 of expenses for nine months ended September 30, 2024 mainly represent the costs associated with the preparation and execution of the 2024 field programmes. Furthermore, in 2024 the drilling and exploration campaign in Nalunaq started in July, whereas in 2023 exploration activities began in May.
- General and administrative costs of \$3,536,240 and \$11,831,157 respectively for the three and nine months ended September 30, 2024 (\$2,632,041 and \$8,015,379 for the three and nine months ended September 30, 2023).
 - Salaries and benefits of \$924,737 and \$3,916,009 for the three and nine months ended September 30, 2024 (\$626,384 and \$1,864,046 for the three and nine months ended September 30, 2023). Salaries and benefits have increased and are expected to increase over the next couple of quarters due to an increase in manpower to complete the construction of the processing plant, manage on-site stores and warehousing, coordinate site rotations and logistics and collection of ESG related data. This cost is also expected to increase as Nalunaq transitions from construction to commissioning and operations.
 - Stock-based compensation of \$611,185 and \$1,347,598 for the three and nine months ended September 30, 2024 (\$451,014 and \$1,353,042 for the three and nine months ended September 30, 2023). The Corporation has implemented a Restricted Share Unit Plan ("RSU") to incentivize delivery of the exceptional shareholder returns over the longer-term and to align the interests of Senior Executives with those of shareholders. Under the RSU, participants share in a "RSU pool" of up to 10% in excess of the growth in the Corporation's value. The Corporation's value for purposes of the "RSU pool" is determined using a hurdle rate of 10% per annum over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value is based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Awards were granted to participants on December 31, 2022 and October 13, 2023. \$711,500 recorded in three months ended March 31, 2023 represents the recognition of the three-month expense based on the fair valuation of the RSU pool for current participants which increased from four to five members of the Executive team, as well as RSU plan amendment that increased the number of shares available for the conditional award to be 10% of the issued share capital at the time of the award instead of 10% of a fixed share capital amount of 177,098,740. During the three months ended June 30, 2024 the RSU share based expense declined as a result of the departure of the Corporation's CFO and forfeiture of the former CFO's awards, resulting in a decrease in the allocated restricted shares from 90% to 70% as of June 30, 2024. During August 2024, the Corporation's new CFO was granted a conditional award of 12% of the available pool, thus increasing the allocated restricted shares from 70% as of June 30, 2024 to 82% as of September 2024. Further details on the RSU description and valuation are provided under Note 9.2 of September 30, 2024 Financial Statements.
 - Director's fees of \$159,000 and \$477,000 for the three and nine months ended September 30, 2024 (\$158,667 and \$472,667 for the three and nine months ended September 30, 2023).
 - Professional fees of \$793,524 and \$2,645,492 for the three and nine months ended September 30, 2024 (\$296,024 and \$1,818,781 for the three and nine months ended September 30, 2023). Increase in professional fees is mainly due to additional advisory costs related to the measurement and valuation of complex financial instruments and associated disclosures. The increase was also impacted by the expenses related to the implementation of new social programs in Greenland as part of the Company's ESG activities as well as IT related consulting costs.
 - Investor Relations and Communication of \$169,781 and \$482,952 for the three and nine months ended September 30, 2024 (\$173,572 and \$480,258 for the three and nine months ended September 30, 2023) is slightly higher than for the same period of 2023 mainly driven by increased interaction with investors due to the equity raise in February 2024.
 - Insurance of \$83,536 and \$256,369 for the three and nine months ended September 30, 2024 (\$76,002 and \$211,206 for the three and nine months ended September 30, 2023). The increase is mainly driven by slightly higher market rates for general liability insurance and increase in coverage given the progress in construction at Nalunaq.
 - Regulatory fees of \$214,236 and \$796,695 for the three and nine months ended September 30, 2024 (\$342,668 and \$715,222 for the three and nine months ended September 30, 2023). The increase in costs reflect the upgrade from Nasdaq First North Growth (Iceland) listing to the Main Market and includes the associated increase in market making fees.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

- Foreign exchange gain of \$1,040,420 and \$1,475,432 for the three and nine months ended September 30, 2024 (loss \$83,882 in three months ended September 30, 2023 and loss of \$58,707 in the nine months ended September 30, 2023) represents the revaluation of USD and EUR denominated balances against a weakening Canadian dollar. In the 9-months of 2024 USD strengthened from 1.32 to 1.35 against the Canadian Dollar and the EUR strengthened from 1.46 to 1.51. The gain was mainly due to the FX gain on foreign currency denominated cash and receivables balances, which was partially offset by the FX loss on payables and the convertible note financial liability.
- A \$31,340,880 gain on loss of control of Gardaq was recognised in the three and nine months ended September 30, 2023, representing the Corporation's 51% share of fair value of Gardaq's non-gold strategic mineral licenses on April 13, 2023 – Joint Venture deal closing date with ACAM.
- Share of net loss in joint arrangement of \$4,788,733 and \$6,698,550 for the three and nine months ended September 30, 2024 (\$3,381,749 and \$5,021,231 in three and nine months ended September 30, 2023) representing the 51% share of exploration costs incurred by Gardaq A/S which increased during the current period.
- Gardaq management income and allocated cost of \$608,392 and \$1,823,286 for the three and nine months ended September 30, 2024 (\$601,461 and \$1,108,101 for the three and nine months ended September 30, 2023) representing corporate overhead costs charged by Nalunaq A/S to Gardaq A/S. The \$601,461 and \$1,108,101 reported in three and nine months ended September 30, 2023 represent management fee for the period from April 13 to September 30, 2023. Gardaq's exploration activities commenced subsequent to April 2023, representing 4.5 months of activity during the nine months ended September 30, 2023, compared to a full nine months of activity during the nine months ended September 30, 2024.

2.3 Cash Flow and Liquidity

Cash used in operating activities in the nine months ended September 30, 2024, totalled \$15,136,317 compared to \$18,036,374 in the nine months ended September 30, 2023. Cash used in nine months of operations reflects the increased activities on the Nalunaq Project as well as camp operations costs as discussed under section 2.2. Cash used in operations during the nine months ended September 30, 2023 was mostly directed at preparing for the 2023 exploration season as well as Nalunaq project supplier downpayments, camp maintenance and corporate overheads.

Cash used in investing activities in the nine months ended September 30, 2024, was \$81,709,348 (nine months ended September 30, 2023 \$9,575,129) representing cash spent on trial mining development in Mountain Block and advancing the construction of the 300 tonne per day processing plant, as well as associated surface infrastructure such as the vehicles maintenance workshop and communications system installation.

Cash received from financing activities in the nine months ended September 30, 2024, was \$98,716,081, compared to cash from financing activities of \$29,986,600 during the nine months ended September 30, 2023. Cash inflow during the nine months ended September 30, 2024 is mainly driven by the capital raise of GBP 44 million or \$75.6 million of gross proceeds which closed on February 23, 2024 as well as the utilization of revolving credit facilities of USD 18.5 million, or CAD \$24,394,364 net of transaction costs. As at September 30, 2024, aside from \$25.9 million available cash, the Corporation had undrawn cost overrun facility of \$13.5 million (US \$10M), representing total net liquidity of \$26 million.

As of September 30, 2024, the Corporation has working capital (before convertible note liability and loan payable) of \$38,505,150 compared to \$37,614,068 as of December 31, 2023. On October 4, 2024, the Corporation entered into an agreement with the holders of its \$38,395,349 (US \$22.4M) convertible notes to convert the notes into new common shares (see section 3.6 for more details).

3. CORPORATE UPDATE

3.1 GBP 44 million Fundraising

On February 23, 2024, the Corporation successfully completed its oversubscribed fundraising which resulted in a total of 62,724,758 new common shares placed with new and existing institutional investors at a placing price of 74 pence (CAD \$1.25, ISK 127 at the closing exchange rate on 9 February 2024). The placing price represented a 5.7% premium to the closing share price on 9 February 2024 on the AIM exchange. The fundraising consisted of:

- A placing of new common shares with new and existing institutional investors at the placing price (the "UK Placing"). Stifel Nicolaus Europe Limited acted as the sole bookrunner and broker on the UK Placing.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

- A placing of new depository receipts representing new common shares with new and existing investors at the placing price (the "Icelandic Placing"). Landsbankinn hf. and Fossar Investment Bank hf. acted as joint bookrunners on the Icelandic Placing and Landsbankinn hf. acted as underwriter.
- A private placement of new common shares by certain existing institutional investors and a director of the Corporation at the placing price (the "Canadian Subscription"). The Corporation director, Sigurbjorn Thorkelsson, participated in the Canadian Subscription for an aggregate of 2,700,000 common shares for gross proceeds of £2.0 million (equivalent to approx. C\$3.4 million or ISK 343 million) via Klettur LP (in which he is a sole beneficiary).

As a result of the subscription, net proceeds of approximately GBP 44 million (CAD 75.6 million) have been raised, exceeding the initial targeted amount of GBP 30 million. The issued shares were credited as fully paid and rank *pari passu* in all respects with the existing common shares of the Corporation. Following the admission of the subscribed shares, The Corporation's total issued share capital consisted of 326,455,446 common shares.

3.2 Directorate Change

The Corporation's Chief Financial Officer and Director Jaco Crouse stepped down from his position as CFO and Director effective June 3, 2024. The Corporation initiated a process to appoint a new Chief Financial Officer and on July 5, 2024, announced that Ellert Arnarson was appointed as Chief Financial Officer. Mr. Arnarson joined Amaroq on August 6, 2024, from Landsbankinn where he was the Head of Corporate Finance. Prior to this, Mr. Arnarson held senior positions at the Pension Fund of Commerce, Iceland's second-largest pension fund, and at GAMMA Capital Management. Mr. Arnarson has extensive experience in financial management and analysis, capital raising as well as mergers and acquisitions.

3.3 Sustainability Report

The Corporation is targeting to issue its inaugural Sustainability Report for 2023 in Q1-25.

3.4 Approval of Environmental and Social Impact Assessments

On June 28, 2024 the Corporation announced that the Government of Greenland has approved the Environmental and Social Impact Assessments for Nalunaq Project.

The purpose of the Environmental Impact Assessment (EIA) was to identify, predict and communicate the potential environmental impacts of the Nalunaq project in all of its phases - construction, operations, closure and post-closure. The assessment also identified mitigation and monitoring measures designed to eliminate or minimize negative environmental effects which we are including in our project design and implementation activities.

The purpose of the Social Impact Assessment (SIA) was to assess the project's impact on existing social conditions. Positive social impacts that were identified included:

- Creating job opportunities
- Providing training and skill upgrading opportunities
- Creating opportunities for Greenlandic companies to provide goods and services
- Generation of public revenue through the payment of royalties, corporate and income taxes

3.5 US\$35 million Revolving Credit Facility Heads of Terms

On July 2, 2024, the Corporation announced that it agreed a Head of Terms, subject to final approval and documentation, with Landsbankinn for US\$35 million in three Revolving Credit Facilities, securing a substantial increase and extension to its existing debt facilities.

- The financing package will replace the existing credit and cost overrun facilities, simplifying the structure of the debt package and increasing financial flexibility and liquidity for the Company.
- The Corporation has signed term sheets for a US\$35 million debt financing package with Landsbankinn consisting of:
 - US\$28.5 million facility with a margin of 9.5% per annum, reducing to 7.5% once the full amount has been drawn and the Company's cumulative EBITDA over a three-month period exceeds CAD 6 million. This facility will replace the Company's existing revolving credit and cost overrun facilities entered into on September 1, 2023, but not the convertible debt facilities. US\$18.5 million of the facility is to be used towards the completion of the Nalunaq development with the remaining balance available for general corporate purposes.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

- US\$6.5 million facility with a margin of 7.5% per annum, available for general corporate purposes once all other facilities have been fully drawn.
 - The new facilities will have a 1.5% arrangement fee, a 0.4% commitment fee on unutilised amounts, and an expected maturity date of October 1, 2026.
 - The new facilities will be subject to certain ongoing covenant tests, further detail of which will be provided on closing of definitive documentation.
- The Corporation will finalise the new facilities' legally binding documentation and expects to be in a position to sign binding documents before the end of the year. The Corporation's currently undrawn US\$10.0 million debt facilities and outstanding US\$18.5 million facilities will remain in place until this time.

3.6 Amendments and Conversion of Convertible Notes

On October 4, 2024, the Corporation entered into an agreement with the holders of its US \$22.4M convertible notes, due in 2027, to convert the notes into new common shares in order to simplify the Corporation's capital structure, reduce cash interest costs and permit future financial flexibility.

The Corporation amended the Convertible Notes to permit the payment of the outstanding interest and commitment fees in common shares of the Corporation at a conversion price equal to the closing price of the common shares on the TSX-V on the trading day immediately prior to such conversion. These amendments were approved by the TSX-V on October 14, 2024.

The holders of the Convertible Notes elected to convert all of the outstanding principal of the Convertible Notes into 33,629,068 Common Shares (the "Principal Conversion Shares") at a conversion price of CAD 0.90 (£0.525) per Principal Conversion Share and all of the outstanding interest of the Convertible Notes in 1,293,356 Common Shares (the "Interest Conversion Shares") at a conversion price of CAD \$1.3 (£0.73) per Interest Conversion Share. The Corporation and the holders of the Convertible Notes also agreed to make 70% of the total amount of the outstanding commitment fee immediately payable. The holders of the Convertible Notes subsequently elected to convert such commitment fee payable into 3,307,502 Common Shares (the "Commitment Fee Conversion Shares") in aggregate, at a conversion price of CAD \$1.3 (£0.73) per Commitment Fee Conversion Share.

Following the consent of the TSX-V, and their approval of the amendments to the Convertible Notes, the 33,629,068 Principal Conversion Shares, 1,293,356 Interest Conversion Shares and 3,307,502 Commitment Fee Conversion Shares were admitted to trading on AIM, TSX-V and Nasdaq Iceland's main market on October 14, 2024.

3.7 Appointment of Nominated Adviser and Joint Broker

On October 28, 2024, the Corporation announced the appointment of Panmure Liberum Limited as Nominated Adviser and Joint Broker and Canaccord Genuity Limited as Joint Broker, both with immediate effect.

4. OPERATIONAL UPDATES

4.1 Nalunaq Project Development

1. **Engineering:** Process plant detail design and engineering is 98% complete with all packages issued to the market.
2. **Contracting and Procurement:** Procurement of all key contract packages is 100% complete and procurement packages have been issued to the market for obtaining bids with most in final review. Most of the critical path items have been procured and have arrived on site. Some of the delivered electrical equipment was of the wrong size which has caused delays in the installation.
3. **Construction:** Plant pad earthworks and civil construction is 100% complete. The plant building structural steel is 100% complete and cladding is 98% complete. Mechanical installation of the crushing circuit is 68% complete and the installation of the civil foundations for the retaining walls, stockpile reclaimer and stacker conveyor were completed in August 2024. The installation of the grinding and gold room section started in the week of 22 July 2024 and most of the equipment has been C1 tested and passed. The trackless mining machines (TMM) and light vehicle workshop construction is complete, is now in operation. The crushing and grinding circuit structural and mechanical installations is completed and the electrical installation in progress. The reclaim feeder was bump tested and passed by the operating equipment manufacturer for use. The gravity tower and gold room structural, mechanical and pipework is completed, and the electrical installation is in progress. The E-house construction is completed, and cable installation is in progress. The thickener tank structure, mechanical and pipework is completed, and the electrical installation is imminent. Cable tray installation is complete, and the installation of power and control cabling is starting. Some electrical installation delays are being experienced due to the delivery

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

of the wrong size of cable glands and other termination equipment. Electrical supplier is in the process of shipping the correct items to site for installation.

4. **Mining:** Following the completion of mine rehabilitation in Q1-24, optimizing the mine development in the Mountain Block has continued to be the focus. The ramp has been completed to 742 level and ore development continued on the 732 level after blasting the first ore round on June 30th. Both MineArc refuge stations have been commissioned, and the leaky feeder communication system was installed from 300 to the 720 level. Mining team has continued the construction of the underground main heating system at the 300 level portal, and preparations for heating of the ramp were made by installing bulkheads where necessary. The exhaust raise fan for Target Block was commissioned in preparation for the development of an exploration drift for diamond drilling and resource expansion, and another portal is planned on 742 to support further development in Mountain Block.

4.2 Gold Exploration Projects

- **Nalunaq**
 - All additional 75 Vein sampling from historical core housed at Nalunaq has been completed and results have been arriving.
 - A total of 2,895 meters of core drilling has been completed across the Target Block Extension zone to the west of the historical mining areas.
 - In parallel to this, a programme of surface samples along the outcropping Main Vein and 75 Vein to the west was completed with the use of mountaineering specialists.
 - A Mineral Resource Estimate update has been initiated with a Qualified Person's site visit conducted by Mining Plus.
- **Nanoq**
 - A 130-meter scout drilling programme was completed at Nanoq across previous channel sampling results with core being geologically assessed and sampled at Nalunaq.
- **Eagle's Nest**
 - Following the discovery of an outcropping vein above historical high grade float results, a small surface sampling programme was completed with the use of mountaineering specialists.

4.3 Strategic Minerals Projects (Amaroq 51%)

- **Stendalen**
 - A new surface geophysical programme was completed ahead of commencing the 2024 drilling programme to best align the drill rigs.
 - A total of 4,733 meters of exploration drilling were completed at Stendalen with the aim of providing greater geological understanding to the mineralisation style and geometry.
 - Downhole geophysics was performed on holes drilled this year, as well as the scout hole drilled in 2023, to further enhance interpretation.
- **Copper Belt (Sava/North Sava, Kobberminebugt)**
 - Geological field team have completed a programme of mapping and sampling across the copper belt area assessing both potential porphyry and magmatic Cu-Ni targets.
 - The team has been supplemented by external support from copper subject matter expert.
 - Following this work, a 212-meter scout drilling programme was completed at Josva copper skarn target within the Kobberminebugt licence as well as 501 meter of scout drilling within the epithermal copper/gold target at Target North within the Sava licence.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

Overview of Drilling Programme

Project	Programme	Details	Approx. results date
Nalunaq	75 Vein Resampling	593 samples taken across all historical drillholes	Q4, 2024
	Surface Sampling	221 outcrop samples from the Mountain and Target Blocks	Q4, 2024
	Core Drilling	2,895m of core drilling on the Target Block Extension Zone	Q1, 2025
Eagle's Nest	Surface Sampling	Initial 84 samples upon new high grade gold target	Q4, 2024
Nanoq	Core Drilling	133m of scout drilling on high grade gold target	Q4, 2024
Stendalen	Downhole Geophysics	Downhole EM through 2023/24 drillholes	Q4, 2024
	Core Drilling	4,773m of exploration drilling	Q1, 2025
Sava	Scout Drilling	501m from the Target North cu/Au epithermal system	Q1, 2025
Josva	Scout Drilling	250m initial drilling into the former production high grade copper project	Q1, 2025
Copper Belt	Reconnaissance	Surface sampling a mapping over multiple copper targets across the 120km belt	Q4, 2024

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

5. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are included in the operating loss in the consolidated statement of comprehensive loss.

The Corporation incurred the following exploration and evaluation expenses:

	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
	\$	\$	\$	\$
Nalunaq - Au				
Geology	440,058	189,178	573,208	279,668
Lodging and on-site support	284,812	151,495	284,812	253,679
Drilling	2,028,481	173,776	2,088,481	1,354,447
Analysis	60,176	27,260	193,086	27,261
Transport	14,059	25,510	22,890	695,855
Helicopter charter	773,289	205,073	773,289	1,141,218
Maintenance infrastructure	363,154	628,733	375,099	1,391,521
Supplies and equipment	179,150	706,545	229,661	1,357,462
Project engineering costs	-	-	-	55,792
Government fees	8,750	-	16,565	25,615
Depreciation	239,752	157,254	556,631	478,519
	4,391,681	2,264,824	5,113,722	7,061,037
Vagar - Au				
Analysis	-	156	-	156
Transport	-	-	(3,922)	-
Maintenance infrastructure	-	-	4,131	-
Supplies and equipment	-	-	-	-
Government fees	-	-	16,312	-
	-	156	16,521	156
Tartoq - Au				
Maintenance infrastructure	-	-	189	-
Government fees	-	-	8,722	-
	-	-	8,911	-
Siku - Au				
Maintenance infrastructure	-	-	189	-
	-	-	189	-
Nuna Nutaaq - Au				
Geology	-	12,560	-	30,056
Helicopter Charter	32,038	-	32,038	-
Maintenance infrastructure	-	-	189	-
Supplies and equipment	1,188	-	1,188	-
	33,226	12,560	33,415	30,056
Anoritoq - Au				
Maintenance infrastructure	-	-	189	-
	-	-	189	-
Sava – Strategic Minerals				
Geology	-	-	-	(59,660)
Lodging and on-site support	-	-	-	(29,413)
Drilling	-	-	-	(144,019)
Analysis	-	-	-	(37,154)
Transport	-	-	-	(16,275)
Helicopter charter	-	-	-	(83,363)
Logistic support	-	-	-	(25,060)
Maintenance infrastructure	-	-	-	(18,736)
Supplies and equipment	-	-	-	(241,390)
	-	-	-	(655,070)

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
	\$	\$	\$	\$
North Sava - Strategic Minerals				
Geology	-	-	-	(34,913)
Lodging and on-site support	-	-	-	(8,791)
Transport	-	-	-	(3,256)
Geological Survey	-	-	-	(416,177)
Logistic support	-	-	-	(9,643)
Maintenance infrastructure	-	-	-	(48,770)
Supplies and equipment	-	-	-	(13,575)
	-	-	-	(535,125)
Stendalen - Strategic Minerals				
Geology	-	-	-	(20,202)
Lodging and on-site support	-	-	-	(5,676)
Analysis	-	-	-	(173)
Transport	-	-	-	(2,290)
Logistic support	-	-	-	(9,796)
Maintenance infrastructure	-	-	-	(26,700)
Supplies and equipment	-	-	-	(7,779)
	-	-	-	(72,616)
Kobberminebugt - Strategic Minerals				
Geology	-	-	-	(16,914)
Lodging and on-site support	-	-	-	(5,737)
Analysis	-	-	-	(1,035)
Transport	-	-	-	(2,450)
Helicopter charter	-	-	-	(13,072)
Logistic support	-	-	-	(12,479)
Maintenance infrastructure	-	-	-	(23,521)
Supplies and equipment	-	-	-	(7,148)
	-	-	-	(82,356)
Saarloq - Strategic Minerals				
Geology	-	-	-	(1,921)
Lodging and on-site support	-	-	-	(854)
Analysis	-	-	-	(87)
Transport	-	-	-	(442)
Logistic support	-	-	-	(3,316)
Maintenance infrastructure	-	-	-	(1,544)
Supplies and equipment	-	-	-	(661)
	-	-	-	(8,825)
Total				
Geology	440,058	201,738	573,208	176,116
Lodging and on-site support	284,812	151,495	284,812	203,208
Drilling	2,028,481	173,776	2,088,481	1,210,428
Analysis	60,176	27,416	193,086	1,061
Geological Survey	-	-	-	(416,177)
Transport	14,059	25,510	18,968	650,263
Supplies and equipment	180,338	706,545	230,849	1,309,562
Helicopter charter	805,327	205,073	805,327	886,755
Logistic support	-	-	-	(51,509)
Maintenance infrastructure	363,154	628,733	379,986	1,207,624
Project engineering costs	-	-	-	55,792
Government fees	8,750	-	41,599	25,615
Depreciation	239,752	157,254	556,631	478,519
Total exploration and evaluation expenses	4,424,907	2,277,540	5,172,947	5,737,257

James Gilbertson CGeol, Vice President – Exploration of the Corporation and a Chartered Geologist with the Geological Society of London and as such a qualified person as defined in NI 43-101, supervised the preparation of the technical information in this report.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

6. 2024 OUTLOOK

- **Permitting:** The Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for Nalunaq were approved by the Government of Greenland on June 27, 2024.
- **Engineering:** Engineering for phase two of the process plant flotation circuit building has started and will be completed by the end of Q4-24.
- **Procurement and Contracting:** Procurement of all key contract packages for phase I is fully complete. Contracts for the phase two building and equipment has already started and will be completed by the end of Q4-24.
- **Construction of the Process Plant:** The completion of the installation and commissioning of the mechanical and electrical process plant components of phase one is scheduled for Q4-24. The Filter Press is due to arrive at site in November and commissioning is planned for the end of Q4-24. The electrical and control and instrumentation installations started in August 2024 and targeted to be completed by early November 2024. The civil foundations and structural steel of phase two of the process plant building started in August 2024 and will be targeted to be completed in Q4-24.
- **Mining:** Two significant safety milestones have been achieved: the commissioning of two refuge chambers and the installation of an underground radio communication system. Underground development has progressed to 742 level, and the vein structure has been followed on 732. While the primary focus remains on developing the main ramp to the next level at 754, development at 742 level will proceed simultaneously in both the east and west directions. A fan has been installed to ventilate development activities in the Target Block, and another is planned in November 2024 on 742 level to support further development.
- **Nalunaq Exploration:** After the successful completion of Nalunaq's surface exploration programme, the Company will turn its efforts towards the underground exploration/resource definition drilling programme.
- **Strategic Minerals Exploration:** With the exploration completed at Stendalen, the Company will continue with its efforts of reviewing and interpreting these data through the rest of 2024 with the aim of defining a robust exploration outlook for 2025. In terms of copper exploration, the Company will be assessing drill results from both the Josva and Target North projects as well as assessing prospectivity and mineral potential across the wider copper belt target.

6.1 2024 Operational Workplan

Nalunaq Development Workplan

Nalunaq

- The Mountain Block incline development initiated at 724 on April 11, 2024. After advancing 60 meters, the first sill was accessed at 732. The incline is now beyond the access of 742. The focus is on ramp development while also extending 732 ore drives to the east and west.
- The underground diamond drilling exploration of the Target Block depends on the development of an exploration drift. Once this is in place, the 75 Vein and Main Vein structures can be drilled. Data collected from this exploration program will guide future mining strategies in the area.

Gold Exploration Projects

Nalunaq

- Following the successful completion of the exploration programmes, the Company will await the assay results before conducting a detailed review of the Target Block Extension zone with a plan to utilise these in directing the underground exploration drilling in the area scheduled for Q4-24.
- Further planning will be conducted to address the 2025 exploration priorities.

Nanoq

- Following the completion of the Company's first scout drilling at Nanoq, these cores will be geologically logged and sampled. Results will then be used to guide aims and objectives for the 2025 season.

Vagar and Surrounding Areas

- results for the surface sampling at Eagle's Nest are awaited and will be used to help direct further work programmes. The Corporation continue to assess the viability of the other surrounding project to become potential satellite feeds to Nalunaq.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

Strategic Minerals Projects (Amaroq 51%)

- **Copper Belt (Kobbreminebugt/Sava/North Sava)**
 - the Corporation is now demobilising equipment from the various projects across the belt while awaiting initial results from the surface and drill sampling.
 - Upon receipt of these assays, a fuller interpretation for the potential of the belt will be conducted and a 2025 exploration plan produced.
- **Stendalen**
 - Demobilisation of equipment from Stendalen is underway to ensure operational readiness for 2025.
 - Assay and downhole geophysical results are awaited and will be used in conjunction with the University of Leicester to assess the mineral system present at Stendalen and produce targeting models.
 - Environmental samples will also be analysed to commence the environmental baseline data for the project.
- **Nunarsuit**
 - The Corporation is conducting further review of the geological maps and results received from prospecting across the Nunarsuit licence.

6.2 Environmental Monitoring Expenses

When Nalunaq A/S purchased the Nalunaq Property on October 15, 2015, it came with an escrow account for environmental monitoring and an environmental monitoring provision. This escrow account was set up in favor of the Government of Greenland as security for fulfilling the environmental monitoring expenses following the closure of the Nalunaq Gold Mine. This environmental monitoring program was completed in 2020. In 2024 closure costs associated with the remediation plan and environmental monitoring expenses were further updated to incorporate responsible removal of Nalunaq Project related new infrastructure, process plant building construction and internal workings installation and underground equipment as well as remediation of the site to its original condition and the balance of the escrow account was increased to CAD5,716,288 as at June 30, 2024 and further increased to CAD 6,675,007 on July 17, 2024.

7. OFF BALANCE SHEET ARRANGEMENTS

The Corporation does not have significant off-balance-sheet arrangements other than the contractual obligations and commitments mentioned below.

8. TRANSACTIONS BETWEEN RELATED PARTIES

8.1 Gardaq Joint Venture

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Gardaq management fees and allocated cost	608,392	601,461	1,823,286	1,108,101
Other allocated costs	212,489	803,567	388,152	2,516,430
Foreign exchange revaluation	(34,116)	17,480	28,811	16,581
	786,765	1,422,508	2,240,249	3,641,112

As at September 30, 2024, the balance receivable from Gardaq amounted to \$5,762,187 (\$3,521,938 as at December 31, 2023). This receivable balance represents allocated overhead and general administration costs to manage the exploration work programmes and day-to-day activities of the joint venture. This balance will be converted to shares in Gardaq within 10 business days after the third anniversary of the completion of the Subscription and Shareholder Agreement dated April 13, 2023.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

9. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS 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 historical 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. Critical judgments, estimates and assumptions exercised in applying accounting policies with the most significant effect on the amounts recognized in the financial statements are described below.

JUDGMENTS

9.1 Impairment of mineral properties and capital assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

9.1.2 Impairment of capital assets

Determining whether to test for impairment of capital assets requires Management's judgement, among other factors, regarding the following: whether capital assets have been in use and depreciated, did market value of capital assets decline, whether net assets of the Corporation are higher than the market capitalization, was there any obsolescence or physical damage recorded to the capital assets, was there an increase to market interest rates.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, Management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Corporation's assets and earnings may occur during the next period.

With regards to the annual impairment test on Construction in Progress, the Management has assessed that the replacement cost approach is the most appropriate for determining the recoverable value of individual assets under CIP. The Corporation has conducted the analysis based on the enquiry of the current market prices obtained from suppliers for each asset under the CIP category as well as the assessment of the recoverable value based on the general Machinery and Equipment as well as Industrial Producer Price index changes from 2021 to 2023. As a result of this analysis, the replacement value of the assets under CIP category has produced a recoverable value that was at least 20% higher than the carrying value of assets under CIP as of December 31, 2023.

9.2 Determination of functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", Management determined that the functional currency of the Corporation and its subsidiary is the Canadian dollar.

9.3 Capitalisation of borrowing costs

The Corporation makes judgments on the amount of borrowing costs that are directly attributable to the acquisition of a qualifying asset.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

9.4 Technical Feasibility and Commercial Viability (“TFCV”)

Management uses significant judgment to determine when TFCV is demonstrable. Technical feasibility refers to the ability to physically construct and operate a mineral project in a technically sound manner to produce a saleable mineral product while commercial viability refers to the ability to mine the mineral asset to generate a reasonable return on investment. Key considerations used to determine if TFCV has been reached included the establishment of confidence about mineralization, results and status of studies, probability of obtaining key permits, the existence of other barriers that may impact mining and the ability to generate a return on investment, confidence of project potential by the Management and the Board of Directors.

Based on the criteria described above, Management has concluded that sufficient evidence existed on September 1, 2023, for the Corporation to declare TFCV for the Nalunaq Project. September 1, 2023, was aligned with the date that the Board of Directors approved and closed the Financing package deal (note 6 of September 30, 2024 Financial Statements), thus supporting the commercial viability of the project.

ESTIMATES AND ASSUMPTIONS

9.5 Environmental monitoring costs

The provisions for environmental monitoring costs are based on estimated future costs using information available at the financial reporting date. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of reparation and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the provision. At the date of the consolidated statement of financial position, environmental monitoring costs represent Management's best estimate of the charge that will result when the actual obligation is terminated.

9.6 Restricted Share Units (“RSU”)

For the purpose of determining the fair market value of restricted share unit awards and a number of assumptions are required for input in the pricing model. Determining these assumptions requires significant level of estimates and Management's judgement.

For equity-settled awards, assumptions must be determined at the date of the grant. Such assumptions include grant calculation date, projection period, share price at grant, exercise price, risk-free rate of interest, dividends, share price volatility and forfeitures. The uncertainty related to the choice of assumptions may lead to differences between the actual value of restricted share unit awards and their estimated fair value based on the Monte-Carlo simulation run. At the date of the consolidated statement of financial position, restricted share units award and embedded derivative value represents Management's best estimate of awards fair value vesting at measurement dates stipulated under the RSU award contract.

9.7 Embedded Derivative

For the purpose of determining the fair market value of the embedded derivative a number of assumptions are required for input in the pricing model. Determining these assumptions requires a significant level of estimates and Management's judgement.

Assumptions must be determined on initial recognition and at each subsequent reporting date. Such assumptions include terms, share price on the reporting date, risk-free rate of interest and volatility.

The uncertainty related to the choice of assumptions may lead to differences between the actual value of the embedded derivative and its estimated fair value based on the Black-Scholes pricing model.

10. CHANGES IN ACCOUNTING POLICIES

The new accounting policies, most relevant standards, amendments and interpretations issued up to the date of the issuance of the 2023 Financial Statements are listed in notes 1, 2 and 3 of the 2023 Financial Statements.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

11. FINANCIAL INSTRUMENTS

Financial instruments are described in notes 3.18 and 22 of the 2023 Financial Statements. The Corporation's loan payable is recorded at amortised cost, net of transaction fees, and amortised using the effective interest rate method.

12. CONTRACTUAL COMMITMENTS AND OBLIGATIONS

The Corporation has 4 exploration licences, Tartoq, Vagar, Nuna Nutaaq, Anoritoq and one exploitation licence, Nalunaq. The total amount of future exploration obligations as at December 31, 2023 for the five exploration licences is DKK 25,156,876 (\$4,933,364 using the exchange rate as at December 31, 2023). The license obligations are reviewed and determined on an annual basis by the MLSA in Greenland. For the purpose of crediting expenditures against the amounts set forth in these licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditure made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S submitted its statements of expenses for these exploration licences for the 2023 year to the MLSA on April 1, 2024. The details of the exploration commitments are described in note 8 to the 2023 Financial Statements.

The Corporation has capital asset purchase commitments of \$25,532,115 as at September 30, 2024. These commitments relate to contracts and purchase orders for Nalunaq mine development, process plant and support infrastructure construction, as well as camp major upgrades and expansion.

The Corporation has presently two leases for its office. In October 2020, the Corporation started the lease for five years and five months including five free rent months during this period. 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. On March 1, 2024, the Corporation started two-year lease in Toronto for its Finance, IT and Procurement teams with the option to extend for two more years. The monthly rent is \$5,825 until March 1, 2025, after which the monthly rent may increase as per lease terms. The total amount of lease liabilities as at September 30, 2024 is \$738,960.

13. OUTSTANDING SHARES DATA

	November 14, 2024	December 31, 2023
	Number	Number
Capital stock	365,659,743	263,670,051
Stocks options	7,261,353	9,188,365
Restricted share units	6,659,409	-
Fully diluted	379,580,505	272,858,416

14. STOCK OPTION PLAN AND RESTRICTED SHARE UNIT PLAN

14.1 Stock option Plan

The purpose of the Option Plan (the "Plan") is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, senior officers, employees and consultants of the Corporation, to reward such of these participants from time to time for their contributions toward the long- term goals of the Corporation and to enable and encourage such participants to acquire shares as long- term investments. There is no performance indicator relating to profitability or risk attached to the Plan.

The Plan was approved initially in 2017 and is renewed by shareholders annually, last on June 14, 2024. 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 attributes 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.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

On May 14, 2024, and June 3, 2024, the Corporation granted its employees 22,988 stock options with an exercise price ranging from \$1.30 to \$1.31 per share. The stock options vested 100% at the grant date. The options were granted at an exercise price equal to the closing market price of the shares the day prior to the grant. Total stock-based compensation costs amounted to \$18,163 for an estimated fair value of \$0.72 per share.

On January 5, 2024, a former director of the Corporation exercised his options. As a result, 150,000 options were exercised which resulted in the former director receiving 60,637 shares net of applicable withholdings. On May 23, 2024, the former Chief Financial Officer (“CFO”) of the Corporation exercised his options. As a result, 1,800,000 options were exercised which resulted in the former CFO receiving 963,281 shares net of applicable withholdings. On October 9, 2024, an employee of the Corporation exercised his options. As a result, 31,278 options were exercised which resulted in the employee receiving 11,090 shares net of applicable withholdings.

14.2 Restricted Share Unit Plan

The success of the Corporation will depend to a high degree on the future performance of the Senior Executives in executing the Corporation's growth strategy. The Restricted Share Unit Plan (“RSU”) was approved initially in 2022 and an amendment to the rules of the RSU Plan was approved by shareholders on June 15, 2023 and on June 14, 2024. The Corporation has implemented an RSU to incentivize delivery of this strategy and to align the interests of Senior Executives with those of shareholders.

Under the RSU, participants will share in a “RSU pool” of up to 10% in excess of the growth in the Corporation's value. The Corporation's value for purposes of the ‘RSU pool’ will be determined using a hurdle rate of 10% pa over a performance period commencing on January 1, 2022. Part of the RSU pool will be reserved for future participants. Growth in value will be based on the change in share price, with an adjustment for any dividends paid during the period (to the extent such distributions are made), based on the same number of shares in issue at the start of the performance period. Conditional Awards were granted to participants on December 30, 2022, October 13, 2023 and August 14, 2024 and part of Restricted Share Units was granted to participants on 23 February 2024 based on the first measurement date.

15. RISK FACTORS

Risk factors are more fully discussed in the Corporation's MD&A in the annual report for the year ended December 31, 2023.

16. DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer (the “CEO”) and the Chief Financial Officer (the “CFO”) of the Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures (“DCP”) including adherence to the Disclosure Procedures Manual adopted by the Corporation. The Disclosure manual requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public disclosure.

The Corporation maintains DCP designed to ensure that information required to be disclosed in reports filed under applicable Canadian securities laws, is recorded, processed, summarized and reported within the appropriate time periods and that such information is accumulated and communicated to the Corporation's management, including the CEO and CFO, to allow for timely decisions regarding required disclosure.

In designing and evaluating DCP, the Corporation recognizes that any disclosure controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met, and management is required to exercise its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

The CEO and CFO have evaluated whether there were changes to the DCP during the six months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the DCP. No such changes were identified through their evaluation.

Amaroq Minerals Ltd. Management Discussion & Analysis

For the three months and six months ended September 30, 2024

17. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") for the Corporation to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well-designed, robust and clearly understood accounting system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with IFRS, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected.

The Corporation's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

The CEO and CFO have evaluated whether there were changes to the ICFR during the nine months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the ICFR. No such changes were identified through their evaluation.

18. FORWARD LOOKING INFORMATION

Certain statements in this Management Discussion and Analysis constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, 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 Corporation's current expectations regarding future events, performance and results and speak only as of the date of this Management Discussion and Analysis.

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: 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 labor 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.

The Corporation's operational performance and financial results reflect our commitment to sustainable growth. We remain dedicated to maximizing value for our shareholders while adhering to responsible mining practices and managing potential risks proactively.

November 14, 2024

(s) "Eldur Ólafsson"
Eldur Ólafsson
President and CEO

(s) "Ellert Arnarson"
Ellert Arnarson
CFO