

US\$49.5m Debt Financing and Potential Main Market Listing in Iceland

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US\$49.5m cash injection to bring forward production and cash flow generation at Nalunaq

TORONTO, March 28, 2023 - [Amaroq Minerals Ltd.](#) (AIM:AMRQ)(TSXV:AMRQ)(NASDAQ:AMRQ), an independent mine development company with a substantial land package of gold and strategic mineral assets covering an area of 7,866.85 km² in Southern Greenland, is pleased to announce that it has agreed non-binding heads of terms, subject to final documentation, for US\$49.5 million in debt financing (the "Financing") to accelerate production and cash flow generation at its cornerstone Nalunaq gold development project.

Highlights

- Amaroq has signed non-binding term sheets for a US\$49.5 million senior secured financing package consisting of:
 - US\$18.5 million Senior Debt Revolving Credit Facility ("RCF") with Icelandic banks Landsbanki and Fossar Investment Bank, with a two year term and interest at the Secured Overnight Financing Rate (SOFR) plus 950bps. The RCF has a 2% arrangement fee and a 0.4% commitment fee on unutilised amounts.
 - Up to US\$21 million Syndicated Convertible Notes ("Convertible Note") with an affiliate of ACAM LP, JLE Property Ltd, Livermore Partners and First Pecos with a four year term, payment-in-kind interest of 5% per annum and a conversion price of 42 pence/share.
 - ACAM LP's main investors are the majority ultimate beneficial owners of GCAM LP.
 - US\$10 million, two year Cost Overrun loan by JLE Property Limited on the same terms as the Convertible Note, plus a 2.5% commitment fee on unutilised amounts, to insure against any potential unexpected cost increases.
- The Financing, together with existing capital, is expected to enable the transition from the bulk sample stage to trial mining, processing and production of gold doré on site at Nalunaq in a staged approach, ahead of full-scale production.
 - The Company intends to utilise the Financing to accelerate the phased construction and ramp-up of the 300tpd processing plant and associated infrastructure contemplated in 2020. This decision is enabled by positive results on the Nalunaq orebody, published in December 2022, with improved grade at Nalunaq, confirmation of the Dolerite Dyke Model for predicting high-grade mineralisation and Halyard's third-party engineering study completed in 2021. The Company intends to leverage its already engineered and manufactured components of the processing plant that have been purchased and have a carrying value of US\$8.5 million.
 - Amaroq retains a prudent and diligent approach to commencing trial mining activities at Nalunaq, and plans to derisk the project in a staged approach, including rehabilitating existing mining areas, extending exploration activities and converting current mineral resources ahead of commencing full-scale production.
- A Letter of Intent has been agreed with THYSSEN SCHACHTBAU GMBH on the underground development and Halyard will be the partner in the staged construction of the processing plant. Halyard is very familiar with the project as the partner for the third-party engineering study for the processing plant and surface infrastructure, and contractors of choice for the next development phase of Nalunaq.
- Amaroq will finalise the Financing's legally binding documentation and expects to be in a position to sign binding documents within the next three months.
- Alongside the Financing, with a defined path to cashflow, and strong Icelandic investor support, Amaroq today announces its intention to explore the possibility of a main market listing on Iceland's Nasdaq Exchange and will update on progress and timing in due course.

- Additionally, further to its announcement on 19 January 2023, Amaroq continues to progress towards the closing of the joint venture transaction with GCAM LP (the "GCAM Transaction"), announced on 10 June 2022, in which GCAM LP subscribed £18,000,000 (US\$22,000,000) for shares in the strategic minerals JV Gardaq ApS, representing 49% of its issued shares. 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 has been received and those licences have been transferred by Nalunaq A/S to Gardaq ApS. The Company expects to satisfy the remaining escrow conditions, and to complete the GCAM Transaction, before 30 April 2023.

Eldur Olafsson, CEO of Amaroq, commented:

"We are very pleased to have successfully arranged this US\$49.5 million debt package in addition to our available cash in treasury of US\$34 million, to unlock near-term value in the Gold side of our Company. Alongside the \$22 million we have secured with GCAM for exploration over our Strategic Metals portfolio, Amaroq has a very exciting future in front of it.

The Financing will enable the transition of activities at Nalunaq from the mining of the Bulk sample and potential toll treatment of ore to the extension of exploration activities, delivering a mineral reserve, and commencing trial mining and ore processing on site prior to starting commercial production.

I would like to thank our investors and debt funding partners for the confidence they have shown in Amaroq and Nalunaq, our flagship gold asset in Greenland, and I look forward to providing more details on the project plans and timescales later this year."

Related Party Transaction

Fossar Investment Bank and Livermore Partners LLC are related parties of Amaroq. Fossar Investment Bank is a company in which Sigurbjorn Thorkelsson, Non-Executive Director of the Company, is Chairman of the Board and indirectly controls over 30% of the capital. Livermore Partners LLC is company in which David Neuhauser, Non-Executive Director of Amaroq Minerals, is Managing Director.

Following completion of the GCAM Transaction, ACAM LP will (through GCAM LP) own a 49% interest in Gardaq ApS, an Amaroq subsidiary, and have the right to appoint two directors to the subsidiary company board. As such, following completion of the GCAM Transaction, ACAM LP will be a related party of the Company.

As such, the elements of the Financing with Fossar Investment Bank (US\$1 million), Livermore Partners LLC (US\$1 million), and ACAM LP (US\$16 million) constitute a Related Party Transaction in accordance with AIM Rule 13.

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

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For Company updates:

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Further Information:

About Amaroq Minerals

Amaroq Minerals' principal business objectives are the identification, acquisition, exploration, and development of gold and strategic metal properties in Greenland. The Company's principal asset is a 100% interest in the Nalunaq Project, an advanced exploration stage property with an exploitation license including the previously operating Nalunaq gold mine. The Corporation has a portfolio of gold and strategic metal assets covering 7,866.85km², the largest mineral portfolio in Southern Greenland covering the two known gold belts in the region. Amaroq Minerals is incorporated under the Canada Business Corporations Act and wholly owns Nalunaq A/S, incorporated under the Greenland Public Companies Act.

Inside Information

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

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