

# Securities Note

21 February 2024



**Amaroq Minerals**

**Listing Agent**



**Landsbankinn hf.**

# SECURITIES NOTE

## TABLE OF CONTENTS

1	RISK FACTORS .....	3
1.1	Risk related to investment in equity securities .....	5
1.2	The Shares may be subject to various factors which may make the share price volatile .....	5
1.3	Market Risk .....	6
1.4	Liquidity Risk .....	7
1.5	Trading in the Secondary Market .....	7
1.6	The shareholding of the Shareholders may be diluted .....	8
1.7	Ownership and Control.....	8
1.8	The Company's Board of Directors has the ability to issue preferred shares without Shareholder approval .....	9
1.9	The Company is triple listed in Canada, the UK and Iceland .....	9
1.10	As a triple listed company there is more regulatory requirements to comply with	10
1.11	Lock-up Agreements .....	10
1.12	Holders of Depositary Receipts are subject to the risk of insolvency and default of the Depositary.....	10
1.13	The Depositary has rights under the terms and conditions of the Depositary Agreement to terminate its arrangements with the Company .....	12
1.14	Holders of the Depositary Receipts may be subject to withholding tax in both Iceland and Canada .....	12
1.15	Exchange rate fluctuations could have an adverse impact on the value of the Shares and dividends .....	14
2	NOTICE TO INVESTORS .....	15
2.1	Potential Conflicts of Interest .....	16
2.2	Company's statement .....	18
2.3	Advisers .....	19
2.4	Documents on Display and documents incorporated by reference .....	19
2.5	Information from third parties .....	21
3	WORKING CAPITAL .....	22
3.1	Working Capital Statement .....	22
3.2	Capitalisation and indebtedness .....	22
4	INFORMATION ON THE UNDERLYING SHARES .....	23
4.1	Essential information about the Underlying Shares .....	23
4.2	Rights attached to the Underlying Shares .....	23
4.3	Canadian taxation regime of the Underlying Shares .....	25

4.4	Takeover regime .....	27
4.5	Lock-up agreements .....	31
4.6	Information regarding the Share Capital Increase.....	31
5	GENERAL TERMS AND CONDITIONS OF THE DEPOSITARY AGREEMENT .....	32
5.1	Form and transfer of the Depositary Receipts.....	32
5.2	Deposit of Underlying Shares in exchange for Depositary Receipts.....	32
5.3	Register of transfer of the Depositary Receipts .....	33
5.4	Withdrawal of Common Shares .....	33
5.5	Limitations on the issuance of Depositary Receipts and withdrawal or deposit of Common Shares .....	34
5.6	Filing proofs, certificates and other information .....	35
5.7	Payment of taxes or other governmental charges or any fees .....	35
5.8	Representations, warranties and covenants of Depositors .....	35
5.9	Cash distributions.....	36
5.10	Distributions other than cash .....	36
5.11	Subscription rights, preferences or privileges .....	37
5.12	Notice of dividends and fixing of record date .....	38
5.13	Voting rights.....	38
5.14	Changes affecting Underlying Shares and reclassification, recapitalizations etc.	39
5.15	Reports .....	39
5.16	Prevention or delay of performance .....	39
5.17	Obligations of the Depositary and the Company .....	40
5.18	Resignation, removal and appointment of Depositary.....	40
5.19	Fees .....	41
5.20	Amendments to the Depositary Agreement.....	41
5.21	Termination of the Depositary Agreement .....	42
5.22	Holder of the Depositary Receipts are parties to the Depositary Agreement....	42
5.23	Miscellaneous .....	43
6	GENERAL INFORMATION ON THE DEPOSITARY RECEIPTS .....	44
6.1	Rights attaching to the Depositary Receipts .....	44
6.2	Potential impact on the investment in the event of insolvency of the Depositary 44	
6.3	Icelandic Taxation regime of the Depositary Receipts.....	45
7	ADMISSION TO TRADING AND DEALING ARRANGEMENTS .....	47
7.1	Admission to trading .....	47
7.2	Trading markets.....	47
7.3	Market making.....	47
8	Use of proceeds and EXPENSES .....	49
8.1	Reasons for the Share Capital Increase and use of proceeds .....	49
9	TERMS AND DEFINITIONS.....	50

## 1 RISK FACTORS

This securities note, dated 21 February 2024 (hereinafter referred to as the "**Securities Note**") constitutes a part of a prospectus prepared and issued by Amaroq Minerals Ltd., corporation number 1011468-5, address at 3400 One First Canadian Place, PO Box 130, Toronto, Ontario, M5X 1A4, Canada, a Canadian public corporation (hereinafter referred to as the "**Company**", "**Corporation**", "**Amaroq**" or the "**Issuer**").

The Company's total issued and outstanding share capital, in the form of Canadian common shares shall hereinafter be referred to as the "**Existing Common Shares**". A part of the Company's Common Shares is represented by the Company's Icelandic depository receipts (the "**Existing Depository Receipts**" or the "**Existing Shares**"). This Securities Note concerns and is published in relation to the Company's issuance of 62,724,758 new Canadian common shares (the "**New Common Shares**" and together with the Existing Common Shares the "**Common Shares**"), a part of which are represented by new Icelandic depository receipts (the "**New Depository Receipts**" or "**New Shares**" and together with the Existing Shares the "**Depository Receipts**" or the "**Shares**") which will be admitted to trading on Nasdaq Iceland's Main Market (the "**Main Market**" and the "**Admission of the New Shares**"), following an increase in the Company's Common Shares (the "**Share Capital Increase**"). The Common Shares underlying Depository Receipts at any given time being referred to as the "**Underlying Shares**". The Main Market is operated by Nasdaq Iceland hf., registration number 681298-2829, Laugavegur 182, 105 Reykjavik, Iceland ("**Nasdaq Iceland**").

The Securities Note along with the Company's registration document, dated 12 September 2023 (the "**Registration Document**"), supplement to the Registration Document dated 21 February 2024 (the "**Supplement**" and together the "**Consolidated Registration Document**") and summary, dated 21 February 2024 (the "**Summary**"), are hereinafter referred to together as the "**Prospectus**".

The beneficial interests in the Common Shares are registered in Nasdaq CSD SE, branch in Iceland, Laugavegur 182, 105 Reykjavik, Iceland ("**Nasdaq CSD**") in book-entry form under the name "share" and are (or will be in case of the New Shares) admitted to trading on the Main Market in the form of depository receipts as "shares in Amaroq Minerals Ltd." Accordingly, all references to "Shares" in the Securities Note shall be in the context of the securities to be, or already, admitted to trading on the Main Market and refer to the Depository Receipts. All Shares will be in parity with another and each carry one vote per Share. The Common Shares are listed on the Toronto Stock Exchange – Venture Exchange ("**TSX-V**"). The Company's UK depository interests shall be referred to as the "**Depository Interests**". The Depository Interests are quoted on AIM, a market operated by London Stock Exchange ("**AIM**"). The Common Shares, Depository Receipts and Depository Interests shall be referred to together as the "**Securities**". The holders of the Securities, in the form of Common Shares, Depository Interests or Depository Receipts, shall be referred to as the "**Shareholders**". Under the terms of a depository agreement between the Company and Arion Banki hf. regarding the Depository Receipts, dated 21 October 2022 (the "**Depository Agreement**") the Company has appointed Arion Bank as depository (the "**Depository**").

Investments in equities involve inherent risks and investors can assume the risk of losing their entire investment. The value of the Shares can increase as well as decrease, therefore an investment in the Shares carries substantial risks. Investors should study all information contained in the Company's Prospectus, of which this Securities Note forms a part, to adequately assess the risk involved and the suitability of the Shares as an investment option for themselves. Investors are advised to properly evaluate their legal standing and any tax considerations involved with investments in the Shares and seek suitable independent counsel.

Prior to investing in the Shares, investors are encouraged to acquaint themselves with the risks and uncertainties presented in Chapter 1 “*Risk Factors*” in this Securities Note, dated 21 February 2024 and Chapter 1 “*Risk Factors*” in the Consolidated Registration Document, dated 21 February 2024. The Company considers these categories of risk factors material for the effective assessment of the market risk associated with investments in the Shares. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the Shares.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to it, or that the Company currently deems not to be risks, may individually or cumulatively also have a material adverse effect on the Company’s business, prospects, financial position and/or results of operations and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them considering the information in this Prospectus and their personal circumstances.

The Company has assessed the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact and has organized the following risk factors accordingly with each category, beginning with those estimated to be most significant for the Company. The order in which the categories of risk factors are presented does not necessarily reflect the probability of their occurrence or the magnitude of their potential impact, as the categories of risk factors mentioned herein could materialize individually or cumulatively. Any quantification of the significance of each individual category for the Company could be misleading, as the categories of risk factors may materialize to a greater or lesser degree. The likelihood of occurrence of any particular event is difficult to assess with any certainty, whether it be regarding its direct effects or knock-on effects which may lead to other events, which may in turn cause damage to the Company and/or affect the value of the Shares. Each of the risk factors listed below could repeatedly or on a stand-alone basis affect the operations and finance of the Company and thus the value of the Shares. Predicting the extent or time limit of their effects is not possible.

Additional risks and uncertainties that do not currently exist, that are presently not considered material, or of which the Company is unaware, may also impair the business and operations of the Company resulting in a change in the market price of the Shares.

The information in this chapter is presented as of the date of the Securities Note, unless otherwise noted, and is subject to change, completion, or amendment without notice.

This Securities Note or other documents that form part of the Prospectus shall not be distributed or disseminated in any way to countries where publication of the Prospectus requires further registration or action other than those required by Icelandic law and regulations.

The distribution of this Securities Note may be restricted by law in certain jurisdictions. Therefore, the Company requires all recipients to the Prospectus to inform themselves about and observe such restrictions. The Company or Landsbankinn hf., kt. 471008-0280, Reykjastræti 6, 101 Reykjavík (“**Landsbankinn**”) are not liable for any third-party distribution of this Securities Note or other documents that form part of the Prospectus in any jurisdiction.

### **1.1 Risk related to investment in equity securities**

Investments in equities are generally considered to bear more risk than investments in various other financial instruments, such as bonds. Share prices can fluctuate more than bond prices and their value can drop to zero and investors can lose their entire investment. In the event of a company's liquidation, shareholders are last in line of receivership, collecting only that which is left when all other claims have been settled. Return on investment in equity securities is dependent on dividend payments and the change in price, i.e., the difference between the purchase price and the selling price of each security. Theoretically, the risk involved can be partly mitigated by investing in a portfolio of diverse investments and limiting the investments to companies that the investor either knows well or can study in detail. Investors can further reduce risk by limiting or avoiding the use of borrowings to fund purchases of equity securities. Nevertheless, the inherent risks of the equity markets cannot be fully avoided when investing in equity securities.

Investors should bear in mind that even though equities, such as shares and depositary receipts representing shares, can provide a positive return on investment, there is always a risk that an investment in the shares of individual companies will decline in value. It is therefore recommended that investors pay close attention to diversifying their risk and they are furthermore advised to seek assistance from experts, such as licensed financial institutions, to assist them in their assessment of the Shares as an investment option.

Investments in equities, such as shares and depositary receipts representing shares, bear with them diverse risk. Examples of these risks are liquidity risk, counterparty risk and market risk. Liquidity risk is the risk that investors are not able to dispose of certain securities when they so desire or cannot dispose of them at a price deemed acceptable. This risk can be measured by the difference in the ask and bid rates of the relevant securities. Counterparty risk is the risk that a counterparty in any given transaction does not hold up his, her or its end of the contract upon settlement. Market risk is the risk of fluctuations in the market price of securities. Multiple events can lead to market price fluctuations, resulting in either an increase or decrease in the price of equity securities. Many of such events are outside the control of a company's management. The details on market and liquidity risk are further expanded upon in Sections 1.3 and 1.4 of the Securities Note, respectively.

Companies are dependent on the legal framework imposed by local authorities at any given time. Once their shares, or other securities, are admitted to trading on a regulated market companies are further subject to the laws and regulations pertaining to financial markets. Extensive or far-reaching changes to that legal framework can negatively affect financial markets or cause turbulence resulting in fluctuations in the price of listed securities.

Leverage is the use of debt (borrowed capital) to invest, e.g., in equity securities. The return from using leverage to invest in equity comes from the difference between the return on the equity and the cost of the associated interest on the borrowed capital. Leverage amplifies both investors return and loss, therefore exposing investor to higher risk of investing in equity.

### **1.2 The Shares may be subject to various factors which may make the share price volatile**

The market price of the Shares is affected by many variables not directly related to the success of the Company. These variables include but are not limited to; macroeconomic developments in North America, the United Kingdom, Iceland and globally, market perceptions of the attractiveness of particular industries, changes in financial estimates by securities analysts, changes in commodity prices, currency exchange fluctuation, the extent of analytical coverage available to investors concerning the business of the Company, the issuance of securities in connection with acquisitions made by the Company

or otherwise, and other factors. These external factors are outside the control of the Company.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration and development stage companies, has experienced wide fluctuations which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Shares.

### **1.3 Market Risk**

Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in the level or volatility of prices of market instruments, such as, but not limited to those arising from changes in interest rates, inflation, equity prices and foreign exchange rates. Financial markets have from time-to-time experienced price and volume fluctuations, which have been unrelated to the operating performance or prospects of individual companies. Consequently, the market price and liquidity of the Shares may be materially adversely affected by general declines in the market or by declines in markets for similar securities. The market price of the Shares may also be affected by market expectations for the Company's financial performance and changes in the estimates of the Company's results of operations by securities analysts, regardless of the Company's actual results of operations and financial conditions.

If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business, or its market, or if they change their recommendations regarding Shares or other Securities adversely, then the price and trading volume of the Shares could decline.

The trading market for the Shares is influenced by the research and reports that industry or securities analysts may publish about the Company, its business, its market, or its competitors. If any of the analysts who may cover the Company change their recommendation regarding the Shares adversely, cease to provide coverage or provide more favourable relative recommendations about the Company's competitors, the price of the Shares could decline. If any of the analysts who may cover the Company fail to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the price or trading volume of the Shares to decline.

In addition, the market for the Shares may not develop towards an active trading market or such development may not be maintained. Investors may be unable to sell their shares unless a viable market can be established and maintained.

The market price and trading volume of the Shares may be volatile and could decline significantly. The stock markets, including the Main Market, on which the Shares will be listed, following the Admission of the New Shares, may from time to time experience significant price and volume fluctuations. The market price of the Shares may be volatile and could decline significantly. In addition, the trading volume in the Shares may fluctuate and cause significant price variations to occur. Additionally, any substantial amount of trading or sales in the Shares could make it difficult for the Company to raise capital through the issuance of debt or equity securities in the future. Generally, securities of mining companies tend to be volatile and experience significant price and volume fluctuations. As such, the Shares may be subject to market price volatility and their market price may decline in response to developments or factors outside the Company's control.

## **1.4 Liquidity Risk**

The liquidity of the Shares is subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, changes in estimates or recommendations by financial analysts, currency exchange rates, regulatory developments, general market conditions and other factors. An example of this would be if a large shareholder needed, or decided to, liquidate his or her entire holdings at once which would then significantly increase the supply of Shares or other Securities in any market the Company is listed on which in turn would likely put downward pressure on their price.

Active market making in the Shares can act to mitigate liquidity risk. Despite such an effort there can be no guarantee issued that shareholders in the Company will be able to dispose of their holdings at the price, or in the volume, desired in the secondary market. Liquidity risk is partially determined by the number of shareholders in the Company. Illiquidity may have a severely adverse effect on the market value of the Shares.

The Company has entered into market making agreements with third parties with an obligation to submit bids and ask offers in the Shares on a daily basis. The agreements are subject to a maximum amount. For information on market making agreements in place regarding the Shares please refer to Chapter 7.3 "*Market Making*" in this Securities Note.

The triple listing of the Securities may adversely affect the liquidity and value of those shares. The Depositary Interests are listed on AIM, the Common Shares are listed on TSX-V and the Shares are listed on the Main Market. The trading of the Securities in these markets will take place in different currencies (Canadian dollars on TSX-V, British sterling pound on AIM and Icelandic krona on the Main Market), at different times (resulting from different time zones, different trading days and different public holidays in Canada, the United Kingdom and Iceland) and with different settlement mechanics. The trading prices of the Securities on these markets may differ due to these and other factors. Any decrease in the price of the Securities on AIM or TSX-V could cause a decrease in the trading price of the Shares on the Main Market and vice versa. Investors could seek to sell or buy Securities to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both the trading prices on one exchange and the magnitude of the Securities available for trading on another exchange. Arbitrage can be explained as the simultaneous purchase and sale of the same or similar asset in different markets in order to profit from small differences in the asset's prices. Such activities could mean that a part of the Securities are transferred from one market to another, and as such, the triple listing of the Securities may reduce the liquidity of the Securities in one or more markets, while simultaneously increasing liquidity in other markets. This may adversely affect the development of an active trading market for the Securities on these markets.

## **1.5 Trading in the Secondary Market**

An active and efficient secondary market with sufficient volume of trading in the Shares is conducive to investors profiting from their investment. The Company cannot guarantee that such a market for the Shares will always exist. There might arise a situation, for a shorter or longer term, where investors will not be able to sell their Shares easily or only sell them at a discount from their purchase price or at a lower price than comparable securities from other issuers, regardless of the Company's actual operating performance.

If an active public market for the Shares does not develop, or is not maintained, investors may not be able to sell their Shares. However, market making agreements with Arion Bank and Landsbankinn are in place, see Section 7.3 "*Market Making*" in this Securities Note.

## **1.6 The shareholding of the Shareholders may be diluted**

Generally, the Shareholders face dilution in the event of a share capital increase unless they subscribe for new shares (in proportion to their existing holdings). Additionally, Shareholders may be faced with increased risk to their investment alongside dilution of their existing shares depending on how the increased capital will be put to use. At the date of this Securities Note, the Company has 263,730,688 Common Shares issued and outstanding with no par value. Pursuant to the Share Capital Increase, 62,724,758 New Common Shares are intended to be issued. The Company may have further capital requirements as it proceeds with its exploration activities, development activities, or takes advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. Such continued exploration and future development may require the issuance of new common shares, in the form of common shares, depositary interests or depositary receipts, convertible bonds or warrants, in the future and any such issuance is likely to result in the then existing Shareholders sustaining dilution to their relative proportion of the Securities. In addition, the Company may issue convertible bonds which may be converted into shares with the risk of future dilution for existing shareholders. There may be other issues of Securities, such as to key employees or personnel, which may further dilute the shareholding of existing Shareholders.

Under the Articles, the Company's Board of Directors is authorised to issue an unlimited number of new common shares. Prior to the issuance of any new share capital, the Company's Board of Directors must approve the share issuance by resolution and must determine the price at which the new shares will be issued. Common shares issued by the Company must be fully paid and non-assessable. If common shares are to be issued for consideration other than cash, the Board of Directors must determine that the value of the new common shares to be issued does not exceed the value of the consideration received by the Company. In accordance with the rules of the TSX-V, the Board of Directors may determine to issue common shares at a discount to the market price; provided, however, that the maximum allowable discount will depend on the current market price of the Common Shares at the date of issue. Certain issuances of common shares will be subject to the prior approval of the Shareholders, including issuances that create a new "Control Person" of the Company (as such term is defined in the policies of the TSX-V) and, unless subject to an exemption under Canadian securities laws, issuances to a "related party" (as such term is defined in Multilateral Instrument 61-101 – "Protection of Minority Security Holders in Special Transactions").

## **1.7 Ownership and Control**

Investors must consider that the structure and composition of a company's shareholder base can be a risk factor. Lack of leading investors or concentrated ownership are examples of circumstances that can have negative effects on liquidity, price formation or shareholder control, among other things. Large Shareholders, by deciding to jointly apply their voting rights, may decide the vote on any given issue at shareholders' meetings. Such large Shareholders further have the power to veto change of control or resolve to take actions that might materially adversely affect the price of the Shares. A large concentration of ownership by lead investors may further decrease the free float of the Shares in the secondary market, thereby increasing liquidity risk.

Investors should be aware that ownership of the Company can change quickly and without notice. To the best of the Company's knowledge there exist no shareholders' agreements regarding the Securities with the purpose of exerting joint influence on the Company. Nor is the Company aware of any agreements that may result in change of control of the Company.

Shareholders are subject to *inter alia* the provisions of Chapter III of the Icelandic Act No. 20/2021 on Disclosure and Information Requirements of Issuers of Securities and Notification on Major Holdings (the "**Transparency Act**"), the Icelandic Act No. 115/2021 on Markets in Financial Instruments and the Icelandic Act No. 60/2021 on Measures Against Market Abuse, as well as other rules and regulations based on the aforementioned acts, including FSA rules No. 44/2023 on the Role and Status of Compliance Officers and Registration of Communication according to the Act on Measures Against Market Abuse as well as rules No. 320/2022 on Measures against Market Abuse.

Investors are advised to acquaint themselves with information on the Company, as well as the Shareholders contained in Section 9.1 "*Major Shareholders*", in the accompanying Consolidated Registration Document.

### **1.8 The Company's Board of Directors has the ability to issue preferred shares without Shareholder approval**

The Company's Articles of Incorporation authorise the Company's board of directors (the "**Board**" or the "**Board of Directors**") to issue an unlimited number of preferred shares without the Shareholders' approval and to determine the rights, privileges, restrictions and conditions granted to or imposed on any unissued series of preferred shares. Those rights may be superior to those of the Common Shares and other Securities. The issuance of preferred shares and the terms selected by the Board could decrease the amount of earnings and assets available for distribution to holders of the Shares or adversely affect the rights and powers of the holders of the Shares. Issuances of preferred shares, or the perception that such issuances may occur, could cause the trading price of the Shares to decrease. For further clarification, investors are advised to acquaint themselves with the Canada Business Corporations Act (the "**CBCA**") and the Company's Articles of Incorporation (and any amendments thereto) and by-laws (collectively, the "**Articles**").

The Company could in the future want to increase its capital resources. If the Company then later becomes insolvent, entities or individuals who might hold a class of shares with an attached right to a higher priority claim to the Company's assets, or might hold debt securities, as well as other creditors would receive a distribution of the Company's available assets before the Shareholders. Additionally, further equity offerings may dilute the voting rights of the Shareholders and could potentially reduce the market price of the Shares.

### **1.9 The Company is triple listed in Canada, the UK and Iceland**

The Securities are listed on three separate stock markets: the Common Shares on TSX-V, the Depositary Interests on AIM and the Shares on the Main Market. Trading price and volume levels could fluctuate significantly on each market, independent of the trading price or volume on the other markets. Investors could seek to sell or buy the Securities to take advantage of any price differences between the three markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility both in terms of trading price and volume of the Securities on any of the three markets. In addition, transfer of the Securities between markets might be subject to delays. Furthermore, transfer of the Securities between markets might not be possible immediately as procedures with the Company's transfer agents/registrars must be followed, which could result in time delays and additional costs.

As a listed company, the Company is subject to reporting and disclosure requirements in Canada, the UK and Iceland. Compliance with three sets of rules and regulations can lead to increased legal and financial compliance costs and may make some activities more time-consuming. Difficulties and/or inefficiencies due to such triple compliance may cause the Company to incur significant additional expenditures and/or expose the Company to legal,

regulatory or civil costs or penalties. As a result, the attention of the Company's management may be diverted from other business concerns. Moreover, any non-compliance could result in significant fines or other penalties as well as harm the reputation of the Company.

The Company's management team has limited but some experience managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies, *inter alia* as the Shares have been admitted to trading on the Main Market for around 5 months. The management team might not successfully or efficiently manage the Company's as a triple listed public company subject to significant regulatory oversight and reporting obligations under applicable laws and regulations.

### **1.10 As a triple listed company there is more regulatory requirements to comply with**

As a triple-listed company in Canada, the UK and Iceland, the Company is subject to reporting requirements and certain other applicable requirements under Canadian law, English law and Icelandic law, including, but not limited to, the Icelandic Act on Markets in Financial Instruments, the Act on Measures Against Market Abuse, the Transparency Act and the Takeover Act (as defined below). Adherence to the requirements of these rules and regulations may increase the Company's legal, accounting and financial compliance costs, make certain activities more difficult, time consuming and costly, place additional strain on resources and divert the Company's management's attention away from other business matters.

In addition, the applicable legal requirements or the interpretation of such requirements by regulators and courts in each of these jurisdictions may differ or conflict which could expose the Company to additional costs, sanctions and/or fines. Any of these factors could have a material effect on the Company's business, results of operations and financial condition.

Canadian securities legislation imposes obligations for all reporting issuers.

Adherence to the requirements of these rules and regulations may increase the Company's legal, accounting and financial compliance costs, make certain activities more difficult, time consuming and costly, place additional strain on resources and divert management's attention away from other business matters.

### **1.11 Lock-up Agreements**

There are no lock-up agreements applicable to the Shareholders. As such, sales of a substantial number of the Shares or other Securities on TSX-V, AIM, or the Main Market could occur at any time. These sales, or the perception in the market that the holders of a large number of Shares or other Securities intend to sell, could reduce the market price of the Shares.

### **1.12 Holders of Depositary Receipts are subject to the risk of insolvency and default of the Depositary.**

Before the Company's listing on the Main Market, the Depositary undertook to acquire Underlying Shares and subsequently issue a corresponding number of Depositary Receipts via the Nasdaq CSD. The Depositary is the registered shareholder of the Underlying Shares and undertakes to grant the holders of Depositary Receipts certain shareholder rights in

accordance with the Depositary Agreement. The Underlying Shares are held on behalf of the Depositary by the party with whom the Depositary has, from time to time, entered into a custody agreement, on the basis of which the custodian holds the Underlying Shares on the Depositary's behalf (the "**Custodian**").

Any issuance of Depositary Receipts, or withdrawal or deposit of Underlying Shares pursuant to the Depositary Agreement, are made in accordance with the terms and conditions of the Depositary Agreement and applicable Icelandic and Canadian legislation, regulation or relevant rules issued by the Nasdaq CSD, Nasdaq Iceland or TSX-V.

Although the Depositary is treated as the registered holder of the Underlying Shares, the beneficial ownership of such Common Shares rests with the holders of the corresponding Depositary Receipts in accordance with the terms and conditions of the Depositary Agreement.

In the event of an insolvency of the Depositary, owners of Depositary Receipts will be subject to the insolvency regimes applicable in Iceland.

According to Icelandic law, it is expected that any cash which is held for owners of Depositary Receipts by the Depositary as banker under the Depositary Agreement would constitute an unsecured obligation of the Depositary, as it would not be physically segregated from other cash held by the Depositary. Holders of Depositary Receipts would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash, and such cash would also be available to general creditors of the Depositary. Customers who hold funds at banks and credit institutions that are covered by the Icelandic Act No. 98/1999 on Deposit Guarantees and Investor Compensation Scheme are guaranteed compensation in their account up to a maximum of the equivalence of 100,000 EUR in ISK. The compensation is administered by the Guarantee Fund for Deposits and Investors.

The Depositary is obliged under Icelandic law to separate the Depositary Receipts, and corresponding Underlying Shares, from securities belonging to the Depositary and such Underlying Shares therefore would not form part of the bankruptcy estate of the Depositary. See further in Section 6.2 of this Securities Note.

In Canada, the Common Shares can be held electronically through the non-certificated inventory ("**NCI**") system of CDS Clearing and Depositary Services Inc. ("**CDS**"). Ownership of Common Shares registered to CDS or its nominee in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such Shareholders are entitled, will be made or delivered by, CDS or the CDS participant through which the Shareholder holds such Common Shares. A holder of a Common Share participating in the NCI system will not be entitled to a certificate or other instrument from the Company or the Company's transfer agent evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The ability of a beneficial owner of Common Shares to pledge such Common Shares or otherwise take action with respect to such owner's interest in such Common Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

If the NCI system ceases to exist or CDS advises that it is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Common Shares and the Company is unable to locate a qualified successor, or in certain other circumstances, Common Shares will be issued to the holders thereof in fully registered and certificated form.

### **1.13 The Depository has rights under the terms and conditions of the Depository Agreement to terminate its arrangements with the Company**

Under the terms and conditions of the Depository Agreement, the Depository has the right to terminate the Depository Agreement, under certain circumstances. In such a case, the Depository will notify record holders of all outstanding Depository Receipts in accordance with the Transparency Act, as well as the Nasdaq Rulebook (as defined below), at least 30 days prior to the date fixed in such notice for termination. If any Depository Receipts remain outstanding after the date of termination of the Depository Agreement, the Depository thereafter shall discontinue the transfer of Depository Receipts, but shall nevertheless continue to deliver the Underlying Shares, any money and other property represented by the Depository Receipts upon surrender thereof by the holders thereof.

Although, in the event of termination, the Company shall appoint a successor depository, and such successor depository shall become fully vested with all rights, powers, duties and obligations of its predecessor, termination may cause delays and temporary disruption in delivery of the Depository Receipts and Underlying Shares, distribution of any cash dividend or other cash distribution, and delivery of any notices, reports, communications, proxy materials, written consents or other documents to the holders of Depository Receipts.

### **1.14 Holders of the Depository Receipts may be subject to withholding tax in both Iceland and Canada**

Depository Receipts are an instrument not frequently used in Iceland, they are not explicitly addressed in Icelandic tax legislation and there is no published administrative practice addressing the tax treatment of Depository Receipts. As a result there is some uncertainty as to the treatment according to Icelandic tax law and law on withholding. For the purpose of this section the term Icelandic refers to entities residing in Iceland for tax purposes subject to Icelandic taxes on their worldwide income. The term non-Icelandic refers to entities that do not reside in Iceland for tax purposes and are only subject to tax in Iceland due to deriving Icelandic sourced income. Taking into account the general principles of the Icelandic Act No. 90/2003 on Income tax (the "ITA") and limited administrative practice, it can be assumed that the Depository Receipts would be classified as an instrument representing the ownership of the Underlying Shares. This would result in the holders of Depository Receipts being subject to tax in the same manner as holding the Underlying Shares directly. The following description of Icelandic taxation is based on this assumption of classification.

#### **Summary of Icelandic taxation of income from Depository Receipts**

##### *Icelandic holders of Depository Receipts*

Individuals are subject to tax at 22% on income derived from Depository Receipts irrespective of the income being in the form of dividends or capital gains.

Limited liability companies are subject to tax on income derived from Depository Receipts irrespective of the income being in the form of dividends or capital gains at 21%. However, such income should qualify for ITA's participation exemption that allows for a deemed deduction in the same amount as the income received. Therefore, the net tax base subject to tax should be zero for such entities.

##### *Non-Icelandic holders of Depository Receipts*

Due to the assumed classification of the Depository Receipts non-Icelandic holders should not be subject to tax in Iceland on the basis of them not deriving Icelandic sourced income.

## **Icelandic Withholding**

### *Icelandic holders of Depositary Receipts*

If shares on which dividends are paid are held by an Icelandic financial undertaking due to electronic registration of such shares in a stock market, that Icelandic financial undertaking is liable to withhold tax on dividend payments and remit such tax to the Icelandic state.

In case of individuals, therefore, tax on dividends should be withheld at 22%. No tax should be withheld on capital gains.

In case of limited liability companies, however, dividends should not be subject to withholding.

### *Non-Icelandic holders of Depositary Receipts*

There should be no withholding in case of non-Icelandic holders on account of the Underlying Shares not being shares in an Icelandic company.

## **Summary of Certain Canadian Federal Income Tax Considerations**

The following constitutes a brief summary of certain Canadian federal income tax considerations applicable to a Non-Resident Shareholder (as defined in Section 4.3 "Canadian taxation regime of the Underlying Shares" below) in connection with the holding or disposition of Shares.

The following description is qualified in its entirety by the more detailed summary contained in Section 4.3 "Canadian taxation regime of the Underlying Shares", including the qualifications and assumptions set out therein.

### *Canadian Taxation of Capital Gains*

A Non-Resident Shareholder whose Shares constitute capital property for Canadian tax purposes will generally not be subject to Canadian tax on the sale, transfer or other disposition of such Shares, unless the Shares constitute "taxation of Underlying Shares".

### *Canadian Withholding on Dividends*

Any dividends paid or credited, or deemed paid or credited, by the Company on its Common Shares (including any Underlying Shares that are beneficially owned by a Non-Resident Shareholder, will be subject to Canadian withholding tax. The rate of withholding is 25%, subject to reduction under any applicable income tax treaty.

Pursuant to the above, there is a risk that prospective investors in the Company may be subject to double taxation and withholding in Canada and in Iceland. However, the description above is not tax advice and it must be reiterated the scenario at hand is not explicitly addressed by Icelandic laws and, therefore, individual holders may need to evaluate on a case-by-case basis when determining their tax statuses. Prospective investors are encouraged to seek tax advice from outside expert counsel. For more information, see Section 4.3 "Canadian taxation regime of the Underlying Shares" and Section 6.3 "Icelandic taxation regime of the Depositary Receipts".

### **1.15 Exchange rate fluctuations could have an adverse impact on the value of the Shares and dividends**

The trading price of the Underlying Shares on the TSX-V is quoted in Canadian Dollars, while the Shares are denominated in Icelandic Krona. Therefore, an investment in the Shares potentially exposes an investor to foreign currency exchange rate risk. Any depreciation of Icelandic Krona in relation to such foreign currency could reduce the value of the Shares compared to the Underlying Shares. Similarly, any depreciation of Canadian Dollar in relation to Icelandic Krona could potentially have an effect on the price of the Shares and reduce the value of any dividends in foreign currency terms.

To the extent any dividends are declared on the Common Shares, such dividends would generally be payable in Canadian Dollars, whereas payment of such dividends on the Depositary Receipts registered with the Nasdaq CSD would be made in Icelandic Krona. According to the terms and conditions of the Depositary Agreement the Depositary shall, upon receiving cash distributions such as dividends, make reasonable efforts to convert the received cash into Icelandic Krona according to the exchange rate applied by the Depositary at the date of receipt, subject to the Depositary's sole and unfettered discretion. Under the Depositary Agreement, the date on which the conversion rate becomes fixed shall however be no longer than three business days prior to the subsequent distribution of funds from the Depositary to the Depositary Receipt holders. As a result, the exchange rate between Canadian Dollars and Icelandic Krona may fluctuate in the meantime, which may consequently affect the amount of dividends paid on the Depositary Receipts. See further Sections 5.9 "*Cash Distributions*" and 5.12 "*Notice of dividends and fixing of record date*" in this regard.

## 2 NOTICE TO INVESTORS

Investing in the Shares involves risks. Prospective investors should read the entire Prospectus and consider chapters labelled "*Risk Factors*" (Chapter 1 in the Consolidated Registration Document and Chapter 1 in this Securities Note), when considering an investment in the Company.

A prospective investor should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them. Prospective investors should also carefully consider all of the information set out in this document and the risks attaching to the investment in the Company, including, in particular, the risks described below, before making any investment decision.

The Prospectus has been scrutinised and approved by the Financial Supervisory Authority of the Central Bank of Iceland (the "**FSA**"), as competent authority under Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). The FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as any type of support or endorsement of the Company or a statement to the quality of the securities referred to in the Prospectus. The level of disclosure in this Prospectus complies with Annex 5 (Registration document for depositary receipts issued over shares) and Annex 13 (Securities note for depositary receipts issued over shares) as put forth in Commission Delegated Regulation (EU) 2019/980, supplementing the Prospectus Regulation, cf. Regulation 274/2020. The Prospectus also complies with the Nordic Main Market Rulebook for Issuers of Shares as published by Nasdaq Iceland and effective from 1 January 2024 (the "**Nasdaq Rulebook**"). The Registration Document was approved by the FSA on 12 September 2023 and is valid for twelve months after this date, the Supplement and this Securities Note, along with the Summary, and thereby the Prospectus was approved on 21 February 2024 and will be available for electronic viewing for a period of ten years after the date of publication on the Company's website: <https://www.amarogminerals.com/investors/documents-circulars/>.

Any dispute that may arise from the Prospectus or related matters shall be governed by Icelandic law and be subject to the exclusive jurisdiction of Icelandic courts, with venue before the District Court of Reykjavík.

Following the publication of the Prospectus, investors are advised to acquaint themselves with all information publicly disseminated by the Company or any other information concerning the Company or the Shares. Information in this Prospectus is based on scenarios and facts applicable at the date of its publication and may be subject to changes from the time of publication by the FSA until trading with the New Shares commences on the Main Market. If material new information, mistakes, or inaccuracies regarding the information in this Prospectus or other documentation included in the Prospectus that is likely to affect investors' assumptions of the Company or the Shares comes to light during this period, a supplement to the Prospectus will be published in accordance with Article 23 of the Prospectus Regulation. The supplement shall be confirmed by the FSA and published in the same manner as the original Prospectus.

The Company fulfils Nasdaq Iceland's conditions regarding distribution of shares. The Company will submit a final version of the application for admission of the New Shares to trading on the Main Market (the "**Application for the New Shares**"). Subsequently, Nasdaq Iceland will publish a final decision regarding the Application for the New Shares and, if accepted, the first possible day of trading with the New Shares. The first day of trading will be published at a minimum of one business day in advance.

This Securities Note or other documents that constitute a part of the Prospectus shall not be distributed (neither by mail or in any other way) to countries where the distribution

would require an additional registration process or other actions other than those stipulated by Icelandic laws and regulations if such distribution is not in accordance with the laws and rules of the countries in question. As such, this Securities Note should not be distributed in any way to countries other than Iceland. Neither the Company nor Landsbankinn hf., kt. 471008-0280, Reykjastræti 6, 101 Reykjavík ("**Landsbankinn**") are liable for damages caused by the distribution of the Prospectus or documents to third parties in other countries.

The Company and the Shares are mandated by the provisions of laws, regulations and rules regarding issuers of shares on regulated markets in the meaning of the Icelandic Act No. 115/2021 on Markets in Financial Instruments and rules specific to shares that have been admitted to trading on the Main Market, as applicable at any given time, i.a. the Transparency Act, Act No. 60/2021 on Measures against Market Abuse, Act No. 115/2021 on Markets in Financial Instruments, Act No. 108/2007 on Takeovers as well as other rules and regulations based on the aforementioned acts, including FSA rules No. 44/2023 on the Role and Status of Compliance Officers and Registration of Communication according to the Act on Measures Against Market Abuse as well as regulation No. 320/2022 on Measures against Market Abuse.

The Prospectus contains forward-looking statements that reflect the Company's current views of future events, including operational and financial developments. As such, wording such as "expect", "plan", "believe", "estimate", "should", "will", "anticipate" and other expressions predicting future trends or developments that are not based on historical facts should be taken as forward-looking statements. Forward-looking statements should not be considered guarantees as they are based on present estimates and projections, which are subject to substantial uncertainties and may turn out to be inaccurate or incorrect. As such, these forward-looking statements should not be relied upon as actual outcomes and may deviate materially from the forward-looking statements included in the Prospectus. The Company or affiliated parties do not undertake to publish revisions or updates of forward-looking statements based on new information, future events or any circumstances other than what should reasonably be expected based on applicable rules and regulations.

The distribution of this Prospectus is restricted by law in certain jurisdictions. Persons who obtain this Prospectus must inform themselves about and observe all such restrictions.

## **2.1 Potential Conflicts of Interest**

Notice is given to potential conflicts of interest between any duties of the members of the Board of Directors or the management team, their private interest and/or other duties. Both the Company's Board of Directors and management team have been involved in the writing and/or reviewing process of this Prospectus.

Certain members of the Board of Directors and Executive Officers<sup>1</sup> own Common Shares, Depositary Receipts, Depositary Interests and/or stock options, as can be seen in Section 8.3 "*Board of Directors*" of the Consolidated Registration Document. Several of these individuals have contributed to the preparation of this Prospectus and the Admission of the New Shares.

Investors are advised of the following interests Landsbankinn has regarding the Company:

Landsbankinn has been retained by the Company to manage the process of the Admission of the New Shares as well as the compilation of the Prospectus in cooperation with the Board and management of the Company. Additionally, Landsbankinn provides general banking services to the Company and is a lender to the Company as disclosed in Section 3.6 "*Important events in the development of the Issuer's business*" of the Consolidated

---

<sup>1</sup> See Section 8.4 "*Executive Officers*" in the Consolidated Registration Document.

Registration Document. Landsbankinn acts as a market maker for the Company as further disclosed in Section 7.3 "*Market Making*" in this Securities Note. In order to fulfil the market making agreement, Landsbankinn submits bids and offers on a daily basis for the Depositary Receipts in the trading system of Nasdaq Iceland, for the minimum amount of ISK 5,000,000 market value, and, therefore, holds certain number of Shares in the Company as of the end of each trading day. In accordance with Article 32 of Act No. 115/2021 on Markets in Financial Instruments, Landsbankinn has rules and policies in place for the treatment of potential conflicts of interest. Landsbankinn's "*Conflict of Interest Policy*" as of the date of this Prospectus may be found on the following website:

[https://www.landsbankinn.is/Uploads/documents/UmLandsbankann/MiFID/1542\\_Landsbankinn\\_Conflict\\_of\\_Interest\\_Policy.pdf](https://www.landsbankinn.is/Uploads/documents/UmLandsbankann/MiFID/1542_Landsbankinn_Conflict_of_Interest_Policy.pdf).

The "Conflict of Interest Policy" is not incorporated by reference into this Prospectus, and as such does not constitute a part of this Prospectus.

It could be argued that conflicts of interest may arise in such situations, but, in accordance with the statement made by the Board of Directors in Section 2.2 "*Company's Statement*", the information in the Securities Note is, to the best of the Board of Directors' knowledge, factual and contains no omission likely to affect its import.

Amaroq director, Sigurbjorn Thorkelsson, has participated in the Share Capital Increase, acquiring a total of 2,700,000 New Common Shares representing gross proceeds of £2.0 million (C\$3.4 million, ISK 343 million) via Klettur LP (in which he is a sole beneficiary). Sigurbjorn Thorkelsson's participation via Klettur LP, by virtue of his position as a director in the Company, is classified as a related party of the Company and his participation in the Share Capital Increase is considered a 'related party transaction' under MAR and the Nasdaq Rules.

The Board of Directors is not aware of any other potential conflicts of interest between the duties of the members of the Board of Directors or members of the Company's management team to the Company and their private interests or other duties.

## 2.2 Company's statement

The Company and the Board of Directors are responsible for the content of this Securities Note. The Company and the Board of Directors hereby declare, having taken all reasonable care to ensure that such is the case, that to the best of Company's and the Board of Directors' knowledge, the information contained in this Securities Note is in accordance with the facts and that the Securities Note makes no omission likely to affect its import.

21 February 2024

For and on behalf of the Board of Directors of Amaroq Minerals Ltd.



Graham Stewart

Chairman of the Board of Directors

For and on behalf of Amaroq Minerals Ltd.



Eldur Ólafsson

Director and Chief Executive Officer

## 2.3 Advisers

Landsbankinn has been retained by the Company to manage the process of the Admission of the New Shares as well as the compilation of the Prospectus in co-operation with the Board and management of the Company. The Prospectus is based on information supplied by the Company, including audited consolidated annual financial statements for the financial years 2020, 2021 and 2022 and consolidated interim Financial Statements for the three and nine months ended September 30, 2023.

Landsbankinn has not verified the information contained in the Prospectus and assumes no responsibility or liability as to the accuracy or completeness of the information contained in the Prospectus or any other information provided in conjunction with the Admission of the New Shares. No representation or warranty, expressed or implied, is made by, or on behalf of, Landsbankinn or any of its directors, officers or employees, as to the accuracy, fairness or completeness of information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or may be relied upon as, a promise or representation by Landsbankinn or any of its directors, officers or employees, as to the past or future. Neither Landsbankinn nor any of its directors, officers, agents or employees accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself or on its behalf in connection with the Company or the Shares. Accordingly, Landsbankinn disclaims, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

### Landsbankinn hf.

ID No.	471008-0280
LEI Code:	549300TLZPT6JELDWM92
Domicile:	Reykjastræti 6, 101 Reykjavík, Iceland
Phone:	+354 410-4000
Website:	<a href="http://www.landsbankinn.is">www.landsbankinn.is</a>

## 2.4 Documents on Display and documents incorporated by reference

For a period no less than twelve months from the date of issue of this Securities Note, the following documents will be available for electronic viewing on the Company's website: <https://www.amaroqminerals.com/>. In addition, all documents incorporated by reference will be available for electronic viewing for a period of ten years from the date of issue of this Securities Note on the same website.

### 2.4.1 Documents on Display

The Summary, the Registration Document, the Supplement, the Consolidated Registration Document and this Securities Note will be available for viewing on the following website link: <https://www.amaroqminerals.com/investors/documents-circulars/>.

The documents listed below can be inspected on the Company's website at <https://www.amaroqminerals.com/investors/financials/> and incorporated by reference:

- Audited Consolidated Financial Statements for the years ended December 31, 2022

and 2021.

- Audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020.
- Audited Consolidated Financial Statements for the years ended December 31, 2020 and 2019.
- Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2023.
- Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2023.
- Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023.

A copy of the Company's constitution is available on the Company's website at <https://www.amaroqminerals.com/investors/documents-circulars/#tab-articlesandby-laws>.

- Certificate and Articles of Incorporation dated 22 February 2017
- Certificate of Amendment to the Articles of Incorporation dated 27 June 2017
- Certificate of Amendment to the Articles of Incorporation dated 06 June 2018
- Certificate of Amendment to the Articles of Incorporation dated 11 July 2022
- By-Law # 1 dated 09 June 2021

A copy of the Depositary Agreement between the Company and Arion Bank hf. As the Depositary dated 21 October 2022 is available on the Company's website at <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/11/Amaroq-Minerals-Depositary-Agreement.pdf>

The Company's future financial reports and interim reports will be published on the Company's website at <https://www.amaroqminerals.com/investors/financials/>.

#### 2.4.2 Documents incorporated by reference

This Prospectus should be read and construed in conjunction with the following information which has been previously published or are published simultaneously with this Prospectus:

- Audited Consolidated Financial Statements for the years ended December 31, 2022 and 2021, together with the independent auditor's report, and notes to the Consolidated Financial Statements, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2023/03/AMRQ-FS-2022-12-31-FINAL.pdf>
- Audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020, with the independent auditor's report, and notes to the Consolidated Financial Statements; website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/04/AEX-FS-2021-12-31-v3-Sedar.pdf>
- Audited Consolidated Financial Statements for the years ended December 31, 2020 and 2019, with the independent auditor's report, and notes to the Consolidated Financial Statements, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2021/05/11143841/AEX-FS-2020-12-31-v5-Sedar.pdf>
- Unaudited Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2023, and notes to the Consolidated Financial Statements, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2023/05/AMRQ-FS-2023-03-31-FINAL.pdf>

- Unaudited Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2023, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2023/08/Financials-2023-06-30-Aug-29.pdf>
- Unaudited Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2023, <https://wp-amaroq-minerals-2024.s3.eu-west-2.amazonaws.com/media/2023/11/AMRQ-FS-2023-09-30-final-Nov-14-2023.pdf>
- Certificate and Articles of Incorporation dated 22 February 2017, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/10/01-Incorporation-Articles-22-02-2017.pdf>
- Certificate of Amendment to the Articles of Incorporation dated 27 June 2017, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/10/01-1-Certificate-of-Amendment-27-06-2017-transfer.pdf>
- Certificate of Amendment to the Articles of Incorporation dated 06 June 2018, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/10/01-2-Certificate-of-Amendment-06-06-2018-AEX.pdf>
- Certificate of Amendment to the Articles of Incorporation dated 11 July 2022, website link; <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/10/01-3-Certificate-of-Amendment-11-07-2022-Amaroq.pdf>
- By-Law # 1 dated 09 June 2021, website link: <https://wp-aexgold-2020.s3.eu-west-2.amazonaws.com/media/2022/10/02-AEX-Gold-By-Laws.pdf>

The documents above are incorporated by reference, in whole and constitute an inseparable part of the Prospectus.

## **2.5 Information from third parties**

The Company confirms that information from third parties in the Prospectus has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Third party information included in the Prospectus is referenced in footnotes where applicable.

### 3 WORKING CAPITAL

#### 3.1 Working Capital Statement

The Chairman of the Board of Directors and Chief Executive Officer of the Company, for and behalf of the Company, declare that at the date of this Securities Note the Company will have sufficient working capital to fulfil its requirements for the next 12 months thereafter following the Admission of the New Shares. The financial information contained in the table below has been prepared by the Company, based on the Company's financial position as of 30 September 2023.

#### 3.2 Capitalisation and indebtedness

The table below shows the capitalisation and indebtedness of the Company as of 31 December 2023 and 30 September 2023. The Company's latest published Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended September 30, 2023 and unpublished management accounts for the 12 months ended 31 December 2023, which are still under review and subject to change:

<b>LIABILITIES</b>	<b>C\$ December 31, 2023</b>	<b>C\$ September 30, 2023</b>
<b>Current liabilities – unguaranteed and unsecured</b>		
Accounts payable and accrued liabilities	6,273,978	2,740,151
Lease liabilities – current portion	80,206	78,509
	<b>6,354,184</b>	<b>2,818,660</b>
<b>Current liabilities –guaranteed and secured</b>		
Convertible notes	36,018,312	29,794,898
	<b>36,018,312</b>	<b>29,794,898</b>
<b>Non-current liabilities – unguaranteed and unsecured</b>		
Lease liabilities	577,234	597,145
	<b>577,234</b>	<b>597,145</b>
<b>Total liabilities- unguaranteed and unsecured</b>	<b>6,931,418</b>	<b>3,415,805</b>
<b>Total liabilities- guaranteed and secured</b>	<b>36,018,312</b>	<b>29,794,898</b>
<b>Total liabilities –</b>	<b>42,949,730</b>	<b>33,210,713</b>
<b>EQUITY</b>		
Capital stock	132,883,371	132,117,971
Contributed surplus	6,960,168	6,170,307

Accumulated other comprehensive loss	(36,772)	(36,772)
Deficit	(75,580,698)	(60,268,987)
<b>Total equity</b>	<b>63,226,068</b>	<b>77,982,519</b>
<b>Total liability and equity</b>	<b>106,175,799</b>	<b>111,193,232</b>

## 4 INFORMATION ON THE UNDERLYING SHARES

### 4.1 Essential information about the Underlying Shares

As of the date of this Securities Note the Company's issued and outstanding share capital consists of 263,730,688 Common Shares with no par value. All issued and outstanding Common Shares have been validly issued in accordance with the CBCA. The Underlying Shares are registered in a securities depositary in accordance with applicable Canadian securities law. The ISIN of the Underlying Shares is CA02312A1066. For further information on share capital please see certificate and Articles of Incorporation dated 22 February 2017, which have been incorporated by reference to this Securities Notes, and Section 9.2 of the Consolidated Registration Document. For information on the Share Capital Increase, see Section 4.6 of this Securities Note.

The Common Shares are issued and governed in accordance with the federal laws of Canada pursuant to the CBCA. All Common Shares are fully paid and are freely transferable. The Common Shares are quoted in CAD.

The Common Shares are in registered form (as opposed to bearer form) and may be held either in certificated form or in uncertificated form. In Canada, the Common Shares can be held electronically through the NCI system of CDS. Ownership of Common Shares registered to CDS or its nominee in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such Shareholders are entitled, will be made or delivered by, CDS or the CDS participant through which the Shareholder holds such Common Shares. A holder of a Common Share participating in the NCI system will not be entitled to a certificate or other instrument from the Company or the Company's transfer agent evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The Company's transfer agent and registrar for the Common Shares on the Company's Canadian register is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario at 100 University Avenue, Toronto, Ontario M5J 2Y1.

### 4.2 Rights attached to the Underlying Shares

The Company has one class of shares issued and outstanding, being the Common Shares, as set out in the Articles, including the right to receive any dividend declared by the Board of Directors from time to time, the right to receive the residual assets of the Company upon liquidation, dissolution or winding up, and the right to vote at meetings of Shareholders of the Company. Each Common Share carries one vote at each meeting of Shareholders of the Company at which holders of Common Shares are entitled to vote.

The rights, privileges, restrictions and conditions attaching to the Common Shares are contained in the Articles and such rights, privileges, restrictions and conditions may be changed by amending the Articles. In order to amend the Articles, the CBCA requires a

resolution to be passed by a majority of not less than two-thirds of the votes cast by the Shareholders entitled to vote thereon. In addition, if the Company resolves to make certain amendments to the Articles, a holder of Common Shares may dissent with regard to such resolution and, if such Shareholder so elects, the Company would have to pay such Shareholder the fair value of the Common Shares so held. The types of amendment that would be subject to dissent rights include without limitation: (a) to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class; and (b) to add, change or remove any restriction on the business that the Company may carry on.

#### *4.2.1 Dividend rights*

Subject to the CBCA, the holders of Common Shares shall, in each financial year of the Company, at the discretion of the Board, be entitled to receive, subject to the rights of the holders of any other class of shares, any non-cumulative dividend declared by the Company.

Dividends may be paid in money or property or by issuing fully paid shares of the Company. Any dividend unclaimed after a period of six years from the date on which it has been declared to be payable shall be forfeited and shall revert to the Company.

The Board may, within the period prescribed by the CBCA, fix in advance a date as the record date for the purpose of determining Shareholders entitled to receive payment of a dividend. Notice of the record date shall be given within the period prescribed by the CBCA in the manner provided by the CBCA. If no record date is so fixed, the record date for the determination of the Shareholders entitled to receive payment of any dividend shall be at the close of business on the day on which the Board passes the resolution relating to such dividend.

There are no dividend restrictions and procedures for non-resident holders.

Whilst the Company intends to make distributions to holders of the Securities at the appropriate time in its development, it does not currently have a formal policy on the payment of dividends and has not declared any dividends or made any distributions to Shareholders since its incorporation. For the foreseeable future, the Company anticipates that it will retain any future earnings and other cash resources for the operation and development of its business. The payment of future dividends, if any, will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the directors of the Company consider appropriate.

#### *4.2.2 Voting rights.*

The holders of Common Shares are entitled to receive notice of and to attend all meetings of Shareholders of the Company, except meetings at which only holders of a specified class or series of shares are entitled to vote, and to vote thereat on the basis of one vote per Common Share held.

#### *4.2.3 Pre-emption rights*

The Common Shares do not carry any pre-emptive rights or subscription rights, nor do they contain any sinking or purchase fund provisions.

#### *4.2.4 Right to share in the issuer's profits*

Owners of Common Shares have equal rights to share in the Company's profits, if any, and equal rights to receive dividends or distributions made by the Company, if any, to holders of Common Shares.

#### *4.2.5 Rights to share in any surplus in the event of liquidation*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, the remaining property of the Company.

#### *4.2.6 Redemption provisions*

The Common Shares do not carry any redemption rights.

#### *4.2.7 Conversion provisions*

The Common Shares do not carry any conversion rights.

### **4.3 Canadian taxation regime of the Underlying Shares**

The income received from the Underlying Shares may be impacted by applicable tax legislation by the tax legislation of the country of residence of the investor, as well as the tax legislation of the Issuer's country of incorporation. The discussions below summarize the relevant tax consequences under Canadian law (as the Company is resident in Canada for tax purposes).

The following is a summary of certain Canadian federal income tax considerations generally relevant to an Investor who acquires Shares and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) the ("**Canadian Tax Act**"): (i) is not resident in Canada and is not deemed to be resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, Shares in connection with carrying on a business in Canada; and (iii) holds their Shares as capital property.

Investors who meet all of the foregoing requirements are referred to in this summary as "Non-Resident Shareholders". This summary applies only to such Non-Resident Shareholders. Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer that carries on business in Canada and elsewhere or an "authorised foreign bank" as defined in the Canadian Tax Act.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations thereunder, the current provisions of the Canada-Republic of Iceland Income Tax Convention (the "**Iceland Treaty**"), and the Company's counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date of this Securities Note. This summary also takes into account specific proposals to amend the Canadian Tax Act announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary assumes that under applicable laws each Share represents an undivided beneficial ownership interest in one Common Share.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental, administrative or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations.

**This summary is of a general nature only, and is not to be construed as, legal or income tax advice to any particular Non-Resident Shareholder. Each Non-Resident Shareholder is urged to obtain independent tax advice as to the Canadian income tax consequences of an investment in Shares applicable to the Non-Resident Shareholder's particular circumstances.**

Prospective investors are advised to consult their tax advisers as to the consequences, under the tax law of the countries of their respective citizenship, residence or domicile, of a purchase of Shares.

#### *4.3.1 Taxation of Dividends*

Any dividend on an Underlying Share, including a stock dividend, that is paid or credited, or deemed to be paid or credited, by the Company to a Non-Resident Shareholder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend. The rate of withholding tax may be reduced under the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident for tax purposes. Pursuant to the Iceland Treaty, the rate of withholding tax applicable to a dividend paid (or deemed to be paid) on an Underlying Share to a Non-Resident Shareholder who is the beneficial owner of the dividend and is a resident of Iceland for purposes of, and entitled to the full benefits under, the Iceland Treaty (an "**Icelandic Shareholder**") will generally be reduced to 15% of the gross amount of the dividend (or 5% in the case of an Icelandic Shareholder that is a company that controls, directly or indirectly, at least 10% of the voting power of the Company). The Company will be required to withhold any such tax from the dividend paid or credited to the Non-Resident Shareholder, and to remit the tax directly to the Receiver General for Canada for the account of the Non-Resident Shareholder.

#### *4.3.2 Taxation of Capital Gains*

A Non-Resident Shareholder generally will not be subject to tax under the Canadian Tax Act on any capital gain realised by the Non-Resident Shareholder on a disposition (or deemed disposition) of a Share unless the Share constitutes "taxable Canadian property" to the Non-Resident Shareholder for purposes of the Canadian Tax Act at the time of disposition.

Provided that, at the time a Share is disposed of by a Non-Resident Shareholder, the Common Shares are listed on a "designated stock exchange" (as defined in the Canadian Tax Act), which includes tiers 1 and 2 of the TSX-V, the Shares generally will not constitute taxable Canadian property to the Non-Resident Shareholder unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Resident Shareholder, either alone or together with persons with whom the Non-Resident Shareholder did not deal at arm's length or with any partnership in which the Non-Resident Shareholder or a person with whom the Non-Resident Shareholder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Shareholder together with all such persons, owned 25% or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50% of the fair

market value of the Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act), "timber resource properties" (as defined in the Canadian Tax Act) or options in respect of, or interests in, or for civil law rights in, such property.

If the Shares are considered taxable Canadian property to the Non-Resident Shareholder, then upon a disposition or a deemed disposition of such Shares (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), the Non-Resident Shareholder will realise a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Shares, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Shares to the Non-Resident Shareholder.

One half of any such capital gain (a "taxable capital gain") realised by a Non-Resident Shareholder in a taxation year will be required to be included in computing the Non-Resident Shareholder's income for that year, and one half of any such capital loss (an "allowable capital loss") realised by a Non-Resident Shareholder in a taxation year must generally be deducted against taxable capital gains realised by the Non-Resident Shareholder in that year from dispositions of taxable Canadian property. Allowable capital losses from dispositions of taxable Canadian property not deductible in the taxation year in which they are realised may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains realised in such years from dispositions of taxable Canadian property, subject to the detailed rules contained in the Canadian Tax Act in this regard.

A Non-Resident Shareholder that would otherwise be subject to Canadian income tax on a capital gain realised on a disposition of a Share that constitutes taxable Canadian property may be eligible for relief pursuant to an income tax convention between Canada and the country in which the Non-Resident Shareholder is resident for tax purposes.

Non-Resident Shareholders whose Shares constitute "taxable Canadian property" should consult their own tax advisors.

#### *4.3.3 Relief from double taxation in Iceland*

To the extent income of Icelandic investors in Depositary Receipts is subject to tax in Canada relief from double taxation may be available. Canadian tax authorities should be approached in order to seek a reduced tax rate via relief at source in accordance with the Iceland Treaty (5 or 15% as applicable). To the extent tax is paid in Canada relief from double taxation must be sought by Icelandic investors via a claim for relief in their relevant Icelandic tax returns.

## **4.4 Takeover regime**

### *4.4.1 Icelandic Takeover Regime*

According to Article 99 of the Icelandic Act on Takeovers No 108/2007 (the "**Icelandic Takeover Act**"), the provisions of Chapter X of the Icelandic Takeover Act which concerns takeovers applies to the Issuer.

Article 99 (6) of the Icelandic Takeover Act provides that the provisions of Chapter X of the Act apply to takeover bids targeting issuers having their registered office in a state

outside the EEA<sup>2</sup> who have had a class of securities admitted to trading on a regulated market only in Iceland and not in other markets.

Paragraph 1 of Article 100 of the Icelandic Takeover Act states that if a party, directly or indirectly gains control of a company that has a class of shares which has been admitted to trading on a regulated market, that person shall no later than four weeks after the person knew or could be expected to have known about the mandatory bid obligation, or a decision on the bid was available, extend a takeover bid to other shareholders of the company, i.e. a bid to purchase their shares in the company.

Control of the Issuer means that the party and any party acting in concert with it has acquired:

- i. in total at least 30% of the voting rights in the Issuer;
- ii. the right to control at least 30% of the voting rights in the Issuer by virtue of an agreement with other shareholders; and
- iii. the right to appoint or dismiss the majority of the members of the Issuer's Board of Directors.

This applies where the increased holding is the result of a purchase, subscription, conversion or any other form of acquisition of shares in the target company (other than a public offer) or by establishing a close relationship.

A related party can be an entity within the same corporate group as the buyer, a spouse, co-habitant or minor child, as well as any person or entity that cooperates with the buyer to obtain control over the Company or with whom the buyer has reached an agreement regarding the coordinated exercise of voting rights with the aim of obtaining a long-term controlling influence on the Company's management. An authorisation from the FSA is required to permit the acquirer (or the related party) to reduce its level of voting share ownership within the grace period of four weeks to below 30.0%.

Pursuant to the Icelandic Takeover Act, if an offeror, and parties acting in concert with it, acquire shares representing more than 90.0% of all shares and voting rights in a company from a takeover bid, the offeror and board of the company may jointly decide that other shareholders shall be subject to redemption of their shares, at a fair price. Furthermore, any individual minority shareholder shall be entitled to require redemption of its shares by the offeror under such circumstances. If an offeror or a shareholder requests redemption within three months from the end of the offer period, the price offered in the bid shall be considered a fair price, unless the offeror or parties acting in concert with it paid a higher price than provided for in the takeover bid during the offer period or three months following the conclusion of the period.

Pursuant to Article 99 (7) of the Icelandic Takeover Act takeover bids targeting issuers having their registered office in a state outside the EEA and having had a class of securities admitted to trading on a regulated market in Iceland and other markets are subject only to the provisions of Chapter X of the Act, concerning takeovers, relating to consideration in the case of mandatory takeover bids and the provisions relating to the conduct of the bid. This means that in the case of mandatory bids Icelandic law stipulates that the offer price must be equivalent to the highest price paid by the offeror, or by parties acting in concert with it, for shares acquired in the undertaking in question during the past six months prior to making the bid. The bid must, however, be at least equal to the latest

---

<sup>2</sup> The European Economic Area

transaction price for shares in the undertaking in question the day before the mandatory bidding obligation arose or notification was given of the proposed bid.

An offeror must make all shareholders of the same class of shares an offer on the same terms. The Financial Supervisory Authority may adjust a bid price either upwards or downwards under exceptional circumstances, provided that the principle of equal treatment of shareholders is observed.

An offeror must notify the regulated market in question of any decision on a bid without delay. The regulated market must make the notification public. The bid shall furthermore be presented to the employees of the undertakings in question.

Pursuant to Article 112 of the Icelandic Takeover Act, the provisions of Chapter XI of the Icelandic Takeover Act which concern the offer document applies to the Issuer. Such an offer document must be approved by the Icelandic FSA.

#### *4.4.2 Canadian Takeover Regime*

Canadian laws applicable to the Company provide for early warning disclosure requirements and for takeover bid rules for bids made to security holders in various jurisdictions in Canada, a summary of which is set out below.

In Canada, securities laws are a matter of provincial/territorial jurisdiction and, as a result, bids are governed by applicable corporate and securities legislation in each province or territory, in addition to policies and instruments implemented by the Canadian securities law regulators.

In Ontario, where the Ontario Securities Commission acts as the Company's principal regulator, a takeover bid is defined as an offer to acquire outstanding voting securities or equity securities of a class of an issuer made to one or more persons, any of whom is in Ontario or whose last address as shown on the books of the issuer is in Ontario, where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20% or more of the outstanding securities of that class of securities at the date of the offer to acquire but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders.

It should be noted that one exemption from the aforementioned provision is in the case of a "foreign take-over bid". Such an exemption may be available where (among other criteria):

- (a) security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid;
- (b) the offeror reasonably believes that security holders in Canada beneficially own less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid;
- (c) the published market on which the greatest volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada;
- (d) security holders in the local jurisdiction are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class; and

- (e) at the same time as material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid, the material is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in the local jurisdiction.

For a complete description of the foreign take-over bid exemption, please refer to National Instrument 62-104 – “Take-Over Bids and Issuer Bids of the Canadian Securities Administrators”.

Subject to limited exemptions, a takeover bid must be made to all holders of securities of the class that is subject to the bid who are in the local jurisdiction (also referred to as a jurisdiction in Canada) and must allow such security holders 105 days to deposit securities pursuant to the bid. The offeror must deliver to the security holders a takeover bid circular which describes the terms of the takeover bid and the directors of the reporting issuer must deliver a directors’ circular not later than 15 days of the date of the bid, making a recommendation to security holders to accept or reject the bid and the reasons for the recommendation or a statement that the directors are unable to make or are not making a recommendation and the reasons why. While individual provincial securities laws in Canada only regulate offers to residents of that province, the Canadian Securities Administrators have adopted a policy whereby they may issue a cease trade order against a company if a takeover bid is not made to all Canadian security holders.

Takeover bids must be subject to a minimum tender condition of more than 50% of the outstanding securities of the class subject to the bid (excluding target securities held by the bidder and its joint actors). Additionally, a takeover bid must be extended for 10 days after the bidder satisfies the minimum tender condition and announces its intention to immediately take up and pay for the deposited securities.

Under the CBCA, under which the Company exists, if within 120 days after the date of a takeover bid the bid is accepted by the holders of not less than 90% of the shares of a company (exclusive of those previously held by the offeror), the offeror may, within 60 days after the date of the termination of the takeover bid and in any event within 180 days after the date of the takeover bid, send written notice to any shareholder who did not accept the offer compelling them to sell their shares on the same terms as contained in the original offer, subject to the right of such shareholder to demand payment of the fair value of shares by making an application to court, in which case the court may set the price and terms of payment and make such other consequential orders and give such directions as it deems appropriate.

Applicable Canadian securities laws provide that any person who acquires beneficial ownership of, or the power to exercise direction or control over, voting or equity securities of any class of the Company or securities convertible or exchangeable into voting or equity securities of any class which, when added to the acquirer’s securities of that class, would constitute 10% or more of the securities of that class is required to disclose the acquisition by preparing and filing an early warning report in the required form along with issuing a press release announcing the acquisition.

For every increase or decrease of two per cent. of such securities thereafter (or upon falling below 10%), a new press release must be issued and a new early warning report must be filed. Canadian securities laws also require the Company to disclose, in its proxy circular sent out for a general meeting, the names of holders known to the Company who beneficially own, directly or indirectly, or who exercise control or direction over, 10% or more of the Company’s issued and outstanding Common Shares.

Following the Admission, both Icelandic and Canadian takeover legislation could apply to the Issuer, which may frustrate such takeovers, if any.

There have been no public takeover bids by third parties during the last financial year and the current financial year.

#### **4.5 Lock-up agreements**

There are no lock-up agreements applicable to the Shareholders regarding the Securities to the Company's knowledge.

Should the Company resolve to conduct a placing and issue of new Common Shares pursuant to an exemption from the prospectus requirements under applicable Canadian securities laws, such new Common Shares may be subject to a statutory hold period under applicable Canadian securities laws expiring upon four months and a day after the closing date of issuance of such Common Shares.

#### **4.6 Information regarding the Share Capital Increase**

At the meeting on February 11, 2024, the Company's Directors decided that the fundraising should be launched at a placing price of 74 pence/ISK 127 per New Share.

The New Common Shares will be issued on 22 February 2024 and following that the New Depositary Receipts will be issued.

The Share Capital Increase entails the issuance of the New Common Shares which are all in the same class and bear the same rights as the Existing Common Shares. The Share Capital Increase will be comprised of 62,724,758 Common Shares, representing 19,21% of the Company's total issued share capital post-dilution. There are no pre-emption rights attached to the Common Shares, as discussed in Section 4.2.3. Accordingly, unless Shareholders participated in the Share Capital Increase on a pro-rata basis and receive allocation in line with their pro-rata subscriptions, they will become subject to dilution. One Common Share prior to the Share Capital Increase equals 0.808 Common Shares following the conclusion of the Share Capital Increase. The net asset value of one Common Share prior to the Share Capital Increase, at the date of the latest published financial information equals CAD 0.296. The New Common Shares were sold at a price of ISK 127/CAD 1.25/GBP 0.74.

The Share Capital Increase will include admission to trading of 62,724,758 New Common Shares at TSX-V, the same number of new depositary interests issued over the New Common Shares (the "**New Depositary Interests**") on AIM and the same number of New Depositary Receipts admitted to trading on the Main Market.

## 5 GENERAL TERMS AND CONDITIONS OF THE DEPOSITARY AGREEMENT

*This "General Terms and Conditions of the Depositary Agreements" is a summary of the contents of the Depositary Agreement, between the Company and Arion Bank hf. (the Depositary) regarding the Depositary Receipts issued over the Company's Common Shares. In the event of any difference between this summary and the Depositary Agreement, the Depositary Agreement, which is on display on the Company's website, cf. Section 2.4.1, shall govern. Holders of Depositary Receipts are parties to the Depositary Agreement in accordance with the terms of the Depositary Agreement. For further information, see the Depositary Agreement.<sup>3</sup>*

### 5.1 Form and transfer of the Depositary Receipts

The electronically registered Depositary Receipts are created and issued in registered and dematerialized form in the book-entry system of the Nasdaq CSD in accordance with the Icelandic Act No. 7/2020 on Central Depositories, Settlement and Electronic Registration of Financial Instruments (the "**CSD Act**") and the Icelandic Act No. 115/2021 on Markets in Financial Instruments.

The Existing Depositary Receipts were issued on 1 November 2022. The expected issue date of the New Depositary Receipts is 22 February 2024. The Existing Depositary Receipts are admitted to trading on the Main Market under the ISIN IS0000034569 and ticker symbol AMRQ.

Subject to the terms of the Depositary Agreement, the Depositary shall record in its books all Depositary Receipts issued in exchange for the Underlying Shares and delivered as provided for in this Depositary Agreement. Moreover, the Depositary shall take all steps reasonably necessary to ensure proper registration of such Depositary Receipts by the Depositary and the Nasdaq CSD.

Each Depositary Receipt shall be listed, traded and settled in ISK and shall represent one Common Share. Each Depositary Receipt is denominated in ISK and has a nominal value of ISK 1.

Rights to the Depositary Receipts must be registered with the Nasdaq CSD in order to enjoy legal protection with regard to enforcement measures and disposal by contract. Negotiable certificates may not be issued for the rights attached to the Depositary Receipts nor may such certificates be transferred; any such negotiable certificates and transactions are invalid cf. Art. 8 (1) of the CSD Act.

Registration of title to a Depositary Receipt in the Nasdaq CSD, following final entry by the Nasdaq CSD, grants the registered holder legal authority to the registered rights and shall be the equivalent of certification of ownership of the Depositary Receipts towards the Depositary.

The priority of incompatible rights shall be determined by the time of receipt by the Nasdaq CSD of a request for registration of rights by a holder of Depositary Receipts or his agent.

### 5.2 Deposit of Underlying Shares in exchange for Depositary Receipts

Subject to the terms and conditions of the Depositary Agreement, any holder of Common Shares may deposit such Common Shares under the Depositary Agreement (such Shareholder then being termed the "**Depositor**") by delivery to the Depositary of such

---

<sup>3</sup> Whereas the Depositary Agreement refers to First North and the rules of First North, a reference is made here to the Main Market and the Nasdaq Rulebook as the Company has since entering into the Depositary Agreement been admitted to trading on the Main Market.

Common Shares to be deposited, properly endorsed and accompanied, if required by the Depository, in accordance with the Depository Agreement.

Subject to the terms and conditions of the Depository Agreement and as further set forth therein, upon receipt by the Depository of the Common Shares to be deposited, the Depository shall promptly take all steps reasonably necessary to:

1. effectuate the issuance of such number of Depository Receipts which corresponds to the number of deposited Common Shares;
2. effectuate the registration of the newly issued Depository Receipts in the name of the Depositor or whomever is nominated by the Depositor;
3. assure the transfer and registration of the deposited shares in the name of the Depository, or another party as nominated by the Depository at its sole discretion, in the Company's share registry; and
4. use its reasonable endeavours to assure that the exchange is appropriately reflected in the Nasdaq CSD system.

The Depository shall electronically deliver such Depository Receipts into the Account of the Depositor, in the name or names under which such Depository Receipts are to be registered, provided that the confirmation of the Depositor being the registered holder of the Common Shares has either been provided in such a way that is deemed sufficient by the Depository or the Depository deems such confirmation unnecessary.

Delivery of Depository Receipts according to the above will be made only upon payment to the Depository of all taxes and other governmental charges and any fees payable in connection with such deposit and the transfer of the deposited Common Shares.

### **5.3 Register of transfer of the Depository Receipts**

Whenever may be necessary for purposes of executing the provisions of the Depository Agreement, but no less frequently than once per month, the Depository shall obtain a register of all holders (inclusive of names, addresses and holdings) of Depository Receipts from Nasdaq CSD for registration on its books. The Depository shall maintain an up-to-date register of all issuances, deposits and withdrawals of Common Shares. Moreover, the Depository shall take all steps reasonably necessary to ensure proper registration by the Nasdaq CSD of all issuances, deposits and withdrawals of Common Shares.

### **5.4 Withdrawal of Common Shares**

Any holder of a Depository Receipt shall have the right at any time (including upon termination of the Depository Agreement, upon payment of any amount due to the Depository with respect to the Depository Receipts and delivery of any required transfer documents, certifications, representations and warranties, or covenants as set forth below and in the Depository Agreement), to withdraw any or all of the Common Shares represented by the Depository Receipts and all money and other property, if any, represented by such Depository Receipts. Holders of the Depository Receipts will be solely responsible for payment of withdrawal fees to the Depository.

As a condition precedent to the withdrawal of any Common Shares, the Depository shall receive from the holder seeking to exchange its Depository Receipts for the Underlying Shares, a written order from such holder directing the Depository to deliver to such holder in book-entry form a specified number of Common Shares equal to the number of Depository Receipts being exchanged by such holder, together with any certifications, representations and warranties, or covenants as maybe deemed reasonably necessary or

appropriate by the Depositary or the Company to effectuate the exchange (as further set out in the Depositary Agreement).

After receipt by the Depositary of the order and other documents specified above, without unreasonable delay, the Depositary shall:

1. procure and subsequently deliver to the holder the whole number of Common Shares and all such money and other property, if any, represented by the Common Shares evidenced by the Depositary Receipts so exchanged;
2. promptly record such exchange in its books; and
3. promptly take all steps necessary to: 1) assure the exchange, and Depositary Receipt cancellation if applicable, is appropriately reflected in the Nasdaq CSD system, and 2) comply with any applicable rules or regulations relating to such exchange.

The Depositary has undertaken to use its best efforts to work with the Company to effectuate any Common Shares or Depositary Receipt cancellations or issuances deemed necessary or appropriate by the Company in connection with any requested Common Share withdrawals.

Delivery of the Common Shares and such money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. The Depositary shall deliver the Common Shares and the money and other property, if any, represented by the Depositary Receipts requested to be exchanged, without unreasonable delay, by which ever means may be reasonably necessary at the time of exchange.

### **5.5 Limitations on the issuance of Depositary Receipts and withdrawal or deposit of Common Shares**

In addition to the conditions precedent set forth in Sections 5.2 and 5.4, as a condition precedent to the issuance of any Depositary Receipts or withdrawal or deposit of Common Shares pursuant to the Depositary Agreement, the Depositary or the Company may require any or all of the following:

1. payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Company shall have made such payment, the reimbursement to it) of any tax or other governmental charge or any fee with respect thereto (including any such tax or charge or fee with respect to the Common Shares being deposited or withdrawn or with respect to property of the Company being issued thereupon); and
2. production of proof, satisfactory to it, as to the identity and genuineness of any signature.

The issuance of any Depositary Receipts or withdrawal or deposit of Common Shares pursuant to the Depositary Agreement may be suspended in the following cases:

1. during any period when the Company, the Custodian, the Depositary, TSX-V, the Nasdaq CSD or the Main Market is closed for any reason;
2. if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of this Depositary Agreement; or

3. with the approval of the Company, for any other reason.

The Depositary shall take all necessary steps to assure any issuance of Depositary Receipts or withdrawal or deposit of Common Shares pursuant to the Depositary Agreement are made in compliance with applicable Canadian and Icelandic laws, regulation, rules issued by the Nasdaq CSD or TSX-V or the Nasdaq Rulebook. The Company shall take all necessary steps to assure that any deposit or withdrawal of Common Shares is in accordance with Canadian laws and regulations as well as any rules issued by the TSX-V.

## **5.6 Filing proofs, certificates and other information**

Any Depositor or any holder of a Depositary Receipt may be required to file such proof of residence and other information (including applicable KYC documentation<sup>4</sup>), to execute such certificates and to make such representations and warranties or covenant as the Depositary or the Company may reasonably deem necessary or proper (including, without limitation, any certifications, representations or covenants reasonably deemed necessary or proper by the Depositary or the Company for assurance of compliance with applicable Canadian or Icelandic laws or the rules and regulations of the TSX-V or Nasdaq Iceland). Until such proof or other information is filed, such certificates are executed or such representations and warranties are made, delays and withholdings may apply, as further set forth in the Depositary Agreement.

## **5.7 Payment of taxes or other governmental charges or any fees**

If any tax or other governmental charge or any fee, in any jurisdiction, shall become payable by or on behalf of the Depositary with respect to:

1. any Depositary Receipts;
2. the Common Shares (or fractional interest therein) or other property represented by such Depositary Receipts; or
3. any transaction referred to in the Section 5.14 on "*Changes affecting Shares and Reclassifications, Recapitalization, etc.*" below, such tax (including transfer, issuance or acquisition taxes, if any) or governmental charge or fee;

shall be payable by the holder of such Depositary Receipt, who shall pay the amount thereof to the Depositary.

## **5.8 Representations, warranties and covenants of Depositors**

In the case of initial deposit of Common Shares, each person or legal entity in whose name the deposited Common Shares are registered shall be deemed thereby to represent and warrant at the time of such deposit that:

1. such Common Shares are validly issued;
2. such Depositor is the registered holder of such Common Shares; and
3. such Depositor is duly authorized to execute such transaction.

Each person or legal entity in whose name Depositary Receipts are registered (whether in connection with an initial deposit of Shares or in connection with the transfer of Depositary

---

<sup>4</sup> Referring to Know Your Customer documentation.

Receipts effectuated through the Nasdaq CSD) shall be deemed thereby at the time of such deposit to represent and warrant that:

1. the act of depositing the Common Shares does not violate or infringe on any right of a third party and the depositing party is permitted under law to perform the act of depositing; and
2. the Depositary will bear no liability for any infringement claim of any kind to the extent it results from the Depositary's actions according to this Depositary Agreement.

Such representations, warranties and covenants shall survive the deposit of the Common Shares and the issuance of Depositary Receipts therefore, or the transfer of the Depositary Receipts from one holder to another, as applicable.

## **5.9 Cash distributions**

Whenever the Depositary receives any cash dividend or other cash distribution on the Underlying Shares, the Depositary shall, subject to Section 5.7, distribute said cash received from the Company to holders of Depositary Receipts on the record date fixed pursuant to Section 5.12, in such amounts as are, as nearly as practicable, in proportion to the respective numbers of Depositary Receipts held by such holders. The Company shall inform the Depositary of the amount per Underlying Share of any cash distribution no later than five (5) days in advance of the date of payment on the Underlying Shares to the Depositary.

In the event the Depositary undertakes to withhold such taxes as may be required by Icelandic law to be withheld and shall withhold from any cash dividend or other cash distribution in respect of the Underlying Shares an amount on an account of taxes, and the amount made available for distribution or distributed in respect of Depositary Receipts shall be reduced by the Depositary accordingly.

The Company shall have no obligations under this Depositary Agreement to withhold taxes due to Icelandic tax authorities with respect to any cash distribution pursuant this Section 5.9.

Upon receiving cash distributions under this Section 5.9, the Depositary shall make reasonable efforts to convert the received cash into ISK according to the exchange rates applied by the Depositary at the date of receipt, subject to the Depositary's sole and unfettered discretion. The date on which conversion rate becomes fixed shall however be no longer than three (3) Business Days prior to the subsequent distribution of funds from the Depositary to the Depositary Receipt holders.

## **5.10 Distributions other than cash**

Whenever the Depositary receives any distribution other than cash, rights, preferences or privileges upon the Underlying Shares, the Depositary shall in a reasonable manner, subject to Section 5.7, distribute to the record holders of Depositary Receipts on the record date fixed pursuant to Section 5.12, such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of Depositary Receipts held by such holders, in any manner that the Depositary and the Company may deem equitable and practicable for accomplishing such distribution. The Company shall inform the Depositary of the amount per Underlying Share no later than ten (10) days in advance of the date of the distribution.

If, in the opinion of the Company after consultation with the Depositary, such distribution cannot be made available proportionately among such record holders, or if for any other reason (including tax withholdings or other requirements of law), the Depositary deems, after consultation with the Company, such distribution not to be feasible, the Depositary may adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall, subject to Section 5.7, be distributed or made available for distribution, as the case may be, by the Depositary to record holders of Depositary Receipts as provided in Section 5.9 in the case of a distribution received in cash.

### **5.11 Subscription rights, preferences or privileges**

If the Company shall at any time offer or cause to be offered to the persons or legal entities in whose name Underlying Shares are registered on the books of the Depositary any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be made available by the Depositary to the record holders of Depositary Receipts in such manner as the Company shall instruct, provided however that:

1. if at the time of issue or offer of any such rights, preference or privileges the Company determines and instructs the Depositary that it is not lawful or feasible to make such rights, preferences or privileges available to some or all holders of Depositary Receipts; or
2. if and to the extent instructed by holders of Depositary Receipts who do not desire to exercise such rights, preferences or privileges;

the Depositary shall then, in each case, and if applicable laws or the terms of such rights, preferences or privileges so permit and a market exists for such rights, preferences or privileges, sell such rights, preferences or privileges of such holders at a public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale, if any, shall be distributed by the Depositary to the record holders of Depositary Receipts entitled thereto as provided for in Section 5.9. Should the net proceeds so derived be in another currency than ISK, conversion into ISK will take place in accordance with Section 5.9 prior to distribution of proceeds to the holders of Depositary Receipts.

The Company shall inform the Depositary of subscription rights, preferences or privileges no later than ten (10) days in advance of the date of the issue of the subscription rights, preferences or privileges to the Depositary, but in no event later than two (2) days after the decision to offer such subscription rights, preferences or privileges on the Underlying Shares.

If registration under any applicable Canadian securities law, regulation or rule, to which rights, preferences or privileges relate is required in order for holders of Depositary Receipts to be offered or sold such securities, the Depositary shall not make available to the holders of Depositary Receipts such rights, preferences and privileges unless and until a prospectus covering the offer and sale of such securities shall have become effective or unless the offer and sale of such securities to such holders is exempt from such prospectus requirements under any Canadian securities law, regulation or rule.

If any action under the law of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to holders of Depositary Receipts, the Company agrees with the Depositary that the Company will use its reasonable efforts to take such action or

obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such holders to exercise such rights, preferences or privileges.

### **5.12 Notice of dividends and fixing of record date**

In case of the following:

1. any cash dividend or other cash distribution shall become payable, or any distribution other than cash shall be made, or any rights preferences or privileges shall at any time be offered, with respect to the Shares; or
2. the Depositary shall receive notice of any meeting at which holders of Shares are entitled to vote or of which shareholders in the Company are entitled to notice;

the Depositary shall in each such instance fix a record date provided that the Company has adhered to its obligations of informing the Depositary of the record date as set out below, which shall be the same date as the record date fixed by the Company with respect to the Underlying Shares, for the determination of the holders or Depositary Receipts, who shall:

1. be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof; or
2. be entitled to give instructions for the exercise of voting rights at any such meeting or to receive notice of such meeting.

The Company shall inform the Depositary of the record date pursuant to this Section 5.12 as soon as practicable after fixing, but no later than ten (10) days before the record date is fixed.

### **5.13 Voting rights**

Upon receipt of notice of any meeting at which the Shareholders of the Company are entitled to vote, or of a request of action by written consent of shareholders in lieu of a meeting, the Depositary shall, as soon as practicable thereafter, give notice to the record holders of Depositary Receipts, which shall be provided by the Company and which shall contain:

1. such information as is contained in such notice of meeting or written consent, as applicable;
2. a statement that the holders of Depositary Receipts at the close of business on a specified record date fixed pursuant to Section 5.12 will be entitled, subject to any applicable provision of law, the Company's articles of incorporation or by-laws, as amended, or any other documents which may be necessary to instruct the Depositary as to the exercise of the voting rights pertaining to the Shares represented by the their respective Depositary Receipts; and
3. a brief statement as to the manner in which such instructions may be given.

Upon the written request of a holder of a Depositary Receipt on such record date, the Depositary shall endeavour insofar as reasonably practicable to vote or cause to be voted the Underlying Shares represented by the Depositary Receipts in accordance with the instructions set forth in such request.

The Company hereby agrees to take all reasonable action that may be deemed reasonably necessary by the Depositary, in order to enable the Depositary to vote such Shares or

cause such Shares to be voted. In the absence of specific instructions from the holder of a Depositary Receipt, the Depositary shall abstain from voting the Shares represented by such Depositary Receipts.

The Company shall, at the latest 30 days before a shareholder meeting, inform the Depositary of the proposed shareholders meeting. The Depositary shall submit to the Company a voting proxy, granting a specified person authority to vote the Shares at a shareholder meeting in accordance with the instructions from Depositary Receipt holders.

#### **5.14 Changes affecting Underlying Shares and reclassification, recapitalizations etc.**

Upon any split-up, consolidation or any other reclassification of the Company's Common Shares and the Underlying Shares, or upon any recapitalization, reorganization, merger, amalgamation or consolidation affecting the Company or to which it is a party or sale of all or substantially all of the Company's assets, the Depositary shall treat any Common Shares of the Company or other securities or property (including cash) that shall be received by the Depositary in exchange for or in conversion of or in respect of the Underlying Shares as new deposited property under the Depositary Agreement, and Depositary Receipts then outstanding shall henceforth represent the proportionate interests of holders thereof in the new deposited property so received in the exchange for or in respect of such Underlying Shares.

Distribution to the Depositary in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, shall be distributed in accordance with the above-mentioned.

The Company may resolve to exchange the existing Depositary Receipts for new depositary receipts in the instances mentioned in the first paragraph of this Section 5.14.

In any such case as specified in this Section 5.14, the Depositary may, in its reasonable discretion, with the approval of the Company, execute and deliver additional Depositary Receipts to be exchanged, together with existing Depositary Receipts, for new depositary receipts specifically describing such new deposited property. In that event, the record date will be fixed in accordance with Section 5.12.

#### **5.15 Reports**

If the Company transmits to the Depositary any notices, reports, communications, proxy materials, written consents or other documents to be furnished by the Company to its shareholders of record, upon receipt of such transmission, the Company shall in addition transmit such notices, reports, communications or other documents to each record holder of Depositary Receipts in accordance with the Transparency Act, as well as and the Nasdaq Rulebook.

All notices, reports, communications, proxy materials, written consents or other documents to be furnished by the Company to its shareholders of record and the holders of Depositary Receipts shall be in English.

#### **5.16 Prevention or delay of performance**

Neither the Depositary nor the Company shall incur any liability to any holder of Depositary Receipt or other person, if either the Depositary or the Company is prevented from

performing and obligation under this Depositary Agreement, or its timely performance is delayed, under any of the following circumstances:

1. if by reason of any provision of any present or future law or regulation thereunder of Iceland or Canada or the Company's articles of incorporation or by-laws, as amended;
2. if by reason of any act of God, war or other circumstances beyond the control of the relevant party, the Depositary or the Company should be prevented or forbidden from doing or performing any act or thing that the terms of this Depositary Agreement provides shall be done or performed;
3. if by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing that the terms of this Depositary Agreement provide shall or may be done or performed; or
4. by reason of any exercise of, or failure to exercise, any discretion provided for in this Depositary Agreement.

### **5.17 Obligations of the Depositary and the Company**

The Company assumes no obligation and shall be subject to no liability to any holder of Depositary Receipts or other persons under the Depositary Agreement or the Depositary Receipts, except to perform its obligations as are specifically set forth and undertaken by it to perform pursuant to the Depositary Agreement without negligence or wilful misconduct.

The Depositary assumes no obligation and shall be subject to no liability to any holder of Depositary Receipts or other person under the Depositary Agreement or the Depositary Receipts, except to perform such obligations as are specifically set forth and undertaken by it to perform under the Depositary Agreement without negligence or wilful misconduct.

Neither the Depositary nor the Company shall be liable for any action or any failure to act by it in reliance upon the information from any person presenting Common Shares for deposit, any holder of a Depositary Receipt or any other person believed by it in good faith to be competent to give such information. The Depositary and the Company may each rely and shall each be protected in acting upon any written notice, request, direction or other document believe by it to be genuine and to have been signed or presented by the proper party or parties.

### **5.18 Resignation, removal and appointment of Depositary**

The Depositary may at any time resign as depositary under the Depositary Agreement by written notice to the Company of its election to do so, such resignation to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

The Depositary may at any time be removed by the Company by written notice to the Depositary of such removal, such removal to take effect upon the appointment of a successor depositary and its acceptance of such appointment as hereinafter provided.

If at any time the Depositary, acting under the Depositary Agreement, resigns or is removed, the Company shall, within a reasonable time, appoint a successor depositary after the delivery of the notice of resignation or removal according to this Section 5.18. Every successor depositary shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment under the Depositary Agreement, and

thereupon such successor depositary, without any further act or deed, shall become fully vested with all rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under the Depositary Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Company, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor under the Depositary Agreement, shall duly assign, transfer and deliver all rights, title and interest in the Underlying Shares and any moneys or property held under to such, and deliver to such successor a list of the record holders of all outstanding Depositary Receipts. Any successor depositary shall promptly mail notice of its appointment to the record holders of the Depositary Receipts.

Any corporation or other legal entity into or with which the Depositary may be merged, consolidated or converted shall be the successor of the Depositary without the execution or filing of any document or any further act.

### **5.19 Fees**

The holders of Depositary Receipts shall pay the Depositary the fees set out in Depositary's Fees and Charges, as they are at any given time, available on the Depositary's website.

The Company shall pay the Depositary fees as further set out in the Depositary Agreement and Schedule 1 to the Depositary Agreement.

### **5.20 Amendments to the Depositary Agreement**

Any content relating to the Depositary Receipts and any provisions of the Depositary Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary in any respect that they may deem necessary or desirable. Each holder of an outstanding Depositary Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Depositary Receipts, to consent and agree to such amendment and to be bound by the Depositary Agreement as amended thereby.

In no event shall any amendment impair the right, subject to the provisions of this Depositary Agreement, of any holder to surrender any Depositary Receipts with instructions to the Depositary to deliver to the holder the Underlying Shares and to deliver all securities, money and other property, if any, represented thereby, except in order to comply with the mandatory provisions of applicable law.

Notwithstanding the foregoing, in no event shall an amendment adversely alter the rights of holders of Depositary Receipts in the Underlying Shares except through an amendment of the Company's articles of incorporation, as amended, which amendment is approved by the requisite vote of the Shareholders in accordance with applicable laws and the Company's charter documents, and duly authorized amendments to the Company's articles of association, as amended.

## **5.21 Termination of the Depositary Agreement**

The Depositary Agreement may be terminated by either the Company or the Depositary, upon written notice to the other, in the following cases:

1. all of the outstanding Depositary Receipts have been exchanged for the Underlying Shares and no Depositary Receipts are outstanding and trading on the Main Market; or
2. there has been a final distribution to the holders of the Depositary Receipts in connection with the Company's liquidation, dissolution or winding up, or a merger involving the Company where the Company is not the resulting controlling entity.

This Depositary Agreement may be terminated by the Depositary upon written notice to the other, in the following cases:

1. the Company adopts a resolution according to which the Shares shall no longer be represented by the Depositary Receipts in accordance with this Depositary Agreement;
2. the Custodian terminates its agreement with the Depositary to hold custody over the Shares on behalf of the Depositary and a replacement custodian has not taken its place within 30 days after such termination; or
3. the Nasdaq CSD gives notice of termination of the registration of the Depositary Receipts on the Main Market.

The Depositary will notify record holders of all outstanding Depositary Receipts in accordance with the Transparency Act as well as the Nasdaq Rulebook, at least 30 days prior to the date fixed in such notice for termination. If any Depositary Receipts remain outstanding after the date of termination of the Depositary Agreement, the Depositary thereafter shall discontinue the transfer of Depositary Receipts, but shall nevertheless continue to deliver the Underlying Shares, any money and other property represented by the Depositary Receipts upon surrender thereof by the holders thereof.

Upon termination the Depositary shall be discharged from all obligations under the Depositary Agreement except to account for such Underlying Shares, money, other property and security deposit amount.

Upon termination the Company shall be discharged from all obligations under the Depositary Agreement, except for its obligations to the Depositary under Clauses 21 "Fees" and 22 "Indemnification" of the Depositary Agreement.

The Depositary shall have the right to terminate this Depositary Agreement with immediate effect if payments(s) payable by the Company under this Depositary Agreement are overdue for more than 30 days.

## **5.22 Holders of the Depositary Receipts are parties to the Depositary Agreement**

Notwithstanding whether holders of Depositary Receipts have executed and delivered the Depositary Agreement or any counterpart thereof, by acceptance of delivery of Depositary Receipts as contemplated by this Depositary Agreement, the holders of Depositary Receipts at any given time shall be deemed to be parties to the Depositary Agreement and shall be bound by all its terms and conditions, and shall be entitled to all of the benefits hereof and of the Depositary Receipts.

### **5.23 Miscellaneous**

*The Depositary Agreement is governed by Icelandic law.*

Certain Clauses of the Depositary Agreement have not been described specifically herein, these include Clause 16 "Register of holders of Depositary Receipts", Clause 17 "Maintenance of offices and transfer of books by the Depositary", Clause 22 "Indemnification", Clause 25 "Counterparts", Clause 26 "Exclusive benefit of the parties", Clause 27, "Invalidity of provisions", Clause 28 "Notices" and Clause 30 "Headings".

Investors should carefully read through the Depositary Agreement which can be found in Section 2.4.1 "*Documents on display*", before deciding to invest in the Depositary Receipts.

## **6 GENERAL INFORMATION ON THE DEPOSITARY RECEIPTS**

### **6.1 Rights attaching to the Depositary Receipts**

The Depositary Receipts represent a beneficial ownership interest in the Underlying Shares, and accordingly the rights attached to the Depositary Receipts are in all material aspects the same as the rights attached to the Underlying Shares. See further Section 4.2 "*Rights attached to the Underlying Shares*". The procedure for exercise of these rights is in accordance with the Depositary Agreement, see further Chapter 5 "*General Terms and Conditions of the Depositary Agreement*", especially Sections 5.9-5.13.

There are no restrictions on the transferability of the Depositary Receipts. There are no bank or other guarantees attached to the Depositary Receipts and intended to underwrite the Company's obligations.

### **6.2 Potential impact on the investment in the event of insolvency of the Depositary**

According to Icelandic law, it is expected that any cash which is held for owners of Depositary Receipts by the Depositary as banker under the Depositary Agreement would constitute an unsecured obligation of the Depositary, as it would not be physically segregated from other cash held by the Depositary.

Holders of Depositary Receipts would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash, and such cash would also be available to general creditors of the Depositary.

Customers who hold funds at banks and credit institutions that are covered by the Icelandic Act No. 98/1999 on Deposit Guarantees and Investor Compensation Scheme are guaranteed compensation in their account up to a maximum of the equivalence of 100,000 EUR in ISK. The compensation is administrated by the Guarantee Fund for Deposits and Investors.

The Depositary is obliged under Icelandic law to separate the Depositary Receipts, and corresponding Underlying Shares, from securities belonging to the Depositary and such Underlying shares therefore would not form part of the bankruptcy estate of the Depositary.

In Canada, the Common Shares can be held electronically through the NCI system of CDS. Ownership of Common Shares registered to CDS or its nominee in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by, CDS or the CDS participant through which the shareholder holds such Common Shares. A holder of a Common Share participating in the NCI system will not be entitled to a certificate or other instrument from the Company or the Company's transfer agent evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The ability of a beneficial owner of Common Shares to pledge such Common Shares or otherwise take action with respect to such owner's interest in such Common Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

If the NCI system ceases to exist or CDS advises that it is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Common Shares and the Company is unable to locate a qualified successor, or in certain other

circumstances, Common Shares will be issued to the holders thereof in fully registered and certificated form.

### **6.3 Icelandic Taxation regime of the Depositary Receipts**

The income received from the Depositary Receipts may be impacted by applicable tax legislation by the tax legislation of the country of residence of the investor, as well as the tax legislation of the issuer of the Depositary Receipts' country of incorporation. The discussions below summarize the relevant tax consequences under Icelandic law (as the issuer of the Depositary Receipts is resident in Iceland for tax purposes, and the Depositary Receipts are listed, traded and settled therein).

The following is a summary of a general nature concerning tax considerations in Iceland and should not be considered exhaustive. Investors are encouraged to seek outside expert counsel regarding specific tax issues which may regard them. Further, investors should be aware that the tax legislation of the investors' residential jurisdiction for tax purposes and of the Company's country of incorporation may have an impact on the income received from the Depositary Receipts.

Depositary Receipts are an instrument not frequently used in Iceland, they are not explicitly addressed in Icelandic tax legislation and there is no published administrative practice addressing the tax treatment of Depositary Receipts. As a result, there is some uncertainty as to the treatment according to Icelandic tax law.

For the purpose of this section on taxation of the Depositary Receipts in Iceland the term Icelandic refers to entities residing in Iceland for tax purposes subject to Icelandic taxes on their worldwide income. The term non-Icelandic refers to entities that do not reside in Iceland for tax purposes and are only subject to tax in Iceland due to deriving Icelandic sourced income.

This summary is not exhaustive of all possible Icelandic income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental, administrative or judicial action. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the Icelandic considerations.

**This summary is of a general nature only and is not, and is not to be construed as, legal or income tax advice to any particular Shareholder. Each Shareholder is urged to obtain independent tax advice as to the Icelandic income tax consequences of an investment in Depositary Receipts applicable to the Shareholder's particular circumstances.**

#### *6.3.1 Classification of Depositary Receipts*

Depositary Receipts are not explicitly addressed in ITA. Taking into account the general principles of the ITA and limited administrative practice, it can be assumed that the Depositary Receipts would be classified as an instrument representing the ownership of the Common Shares. This should result in the holders of Depositary Receipts being subject to tax in the same manner as holding Common Shares directly. The following description of Icelandic taxation is based on this assumption of classification.

### *6.3.2 Taxation of income from Depositary Receipts*

#### *6.3.2.1 Icelandic holders of Depositary Receipts*

Individuals are subject to tax at 22% on income derived from Depositary Receipts irrespective of the income being in the form of dividends or capital gains.

Limited liability companies (Icelandic: hf./ehf.) are subject to tax on income derived from Depositary Receipts irrespective of the income being in the form of dividends or capital gains at 21%. However, such income should qualify for the ITA's participation exemption that allows for a deemed deduction in the same amount as the income received. Therefore, the net tax base subject to tax should be zero for such entities.

#### *6.3.2.2 Non-Icelandic holders of Depositary Receipts*

Due to the classification of the Depositary Receipts non-Icelandic holders should not be subject to tax in Iceland on the basis of them not deriving Icelandic sourced income.

### *6.3.3 Taxation of losses on Depositary Receipts*

#### *6.3.3.1 Icelandic holders of Depositary Receipts*

Individuals incurring losses from the sale of Depositary Receipts generally cannot deduct such losses from their taxable income. The exception to this rule is the ITA allowing for a deduction from capital gains within the same fiscal year from the sale of comparable assets.

Limited liability companies cannot deduct losses incurred from the sale of Depositary Receipts from their taxable income.

#### *6.3.3.2 Non-Icelandic holders of Depositary Receipts*

Non-Icelandic holders of Depositary Receipts cannot deduct losses incurred on the sale of Depositary Receipts.

### *6.3.4 Withholding*

#### *6.3.4.1 Icelandic holders of Depositary Receipts*

If shares on which dividends are paid are held by an Icelandic financial undertaking due to electronic registration of such shares in a stock market, that Icelandic financial undertaking is liable to withhold tax on dividend payments and remit such tax to the Icelandic state.

In case of individuals, therefore, tax on dividends should be withheld at 22%. No tax should be withheld on capital gains.

In case of limited liability companies, however, dividends should not be subject to withholding.

#### *6.3.4.2 Non-Icelandic holders of Depositary Receipts*

There should be no withholding in case of non-Icelandic holders on account of the Depositary Receipts not representing shares in an Icelandic company.

### *6.3.5 Delivery of Depositary Receipts into Underlying Shares*

There should be no tax liability arising from the delivery of Depositary Receipts into Underlying Shares.

## **7 ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

### **7.1 Admission to trading**

Following the publication of the Prospectus, investors are advised to acquaint themselves with all information publicly disseminated by the Company or any other information concerning the Company or the Depositary Receipts. Information in this Prospectus is based on scenarios and facts applicable at the date of its publication and may be subject to changes from the time of publication by the FSA until trading with the New Depositary Receipts commences on the Main Market. If material new information, mistakes, or inaccuracies regarding the information in this Prospectus or other documentation included in the Prospectus that is likely to affect investors' assumptions of the Company or the Depositary Receipts comes to light during this period, a supplement to the Prospectus will be published in accordance with Article 23 of the Prospectus Regulation. The supplement shall be confirmed by the FSA and published in the same manner as the original Prospectus.

The Existing Depositary Receipts were admitted to trading on the Main Market, pursuant to the Admission, on 21 September 2023. Once Nasdaq Iceland has approved the Application for the New Shares, the New Shares will be admitted to trading on the Main Market, pursuant to the Admission of the New Shares. The Admission of the New Shares is expected to be granted on or about 23 February 2023.

The Company fulfils Nasdaq Iceland's conditions regarding distribution of shares. The Company will submit a final version of the Application for the New Shares. Subsequently, Nasdaq Iceland will publish a final decision regarding the Application for the New Shares and, if accepted, the first possible day of trading with the Depositary Receipts. The first day of trading will be published at a minimum of one business day in advance.

### **7.2 Trading markets**

The Common Shares have been listed on the TSX-V since 13 July 2017, Depositary Interests representing Common Shares on AIM since 31 July 2020 and Depositary Receipts representing Underlying Shares on Main Market since 21 September 2023. See chapter 4.6 regarding the Share Capital Increase the subsequent admission to trading on the TSX-V, Aim and the Main Market.

### **7.3 Market making**

The Company has entered into market making agreements with Fossar fjárfestingabanki hf., reg. no. 660907-2050, Fríkirkjuvegur 3, 101 Reykjavík and Landsbankinn hf., reg. no. 471008-0280, Reykjastræti 6, 101 Reykjavík, who will, according to the agreements, place bids and offers for certain amounts or number of Depositary Receipts with a defined spread between the bid and offer prices. Fossar fjárfestingabanki shall post on each trading day buy- and sell quotes in the trading system of Nasdaq Iceland. Each buy- and sell quote must be a minimum 50,000 shares at nominal value. Such a quote shall not deviate by more than 5% from the last trading price. The spread of the buy- and sell quotes shall be as close as possible to 1.5% but not lower than 1.495%. Landsbankinn will submit bids and offers daily in the trading system of Nasdaq Iceland for the minimum amount of ISK 5,000,000 (Approx. C\$50,000). The maximum net amount that the Market Maker is obliged to buy or sell each day shall be ISK 10,000,000 (Approx. C\$100,000) market value. The volume-weighted bid/ask spread of the Market Maker is determined by the 10-day share price volatility. If the 10-day volatility is lower than 35% then the maximum volume weighted spread is 2,0% and if the 10-day volatility is equal to or higher than 35% then the maximum volume weighted spread is 4%.

The market making agreements entered into force on 5 October 2023. The agreements are indefinite in duration and unilaterally terminable on 14 and 7 days' notice accordingly.

## 8 USE OF PROCEEDS AND EXPENSES

### 8.1 Reasons for the Share Capital Increase and use of proceeds

The net use of proceeds from the the Share Capital Increase will be used to fund the accelerated development of the Target Block, infrastructure investment to allow for the mining of two blocks simultaneously, preparatory works at the South & Valley Blocks, installation of the flotation circuit and dry-stack tailings facility, and accelerated exploration at Vagar/Nanoq and the Gardaq joint venture. By further de-risking the development of Nalunaq and advancing exploration activities across Amaroq's gold and strategic minerals portfolio, the Company intends to enhance value creation in anticipation of delivering shareholder returns.

<b>Proceeds</b>	<b>CAD\$ millions</b>	<b>ISK millions</b>	<b>GBP millions</b>
Exchange rate		CAD:ISK 102.064	CAD:GBP 0.587
Fundraising	51.10	5,215.47	30.00
Transaction Costs	(1.55)	(158.2)	(0.91)
<b>Total Net Proceeds</b>	<b>49.55</b>	<b>5,057.2 7</b>	<b>29.09</b>

<b>Uses of Net Proceeds</b>	<b>CAD\$ millions</b>	<b>ISK millions</b>	<b>GBP millions</b>
Exchange rate		CAD:ISK 102.064	CAD:GBP 0.587
Acceleration of Target Block	12.33	1,258.45	7.24
Infrastructure Extension to Mine 2 Blocks	7.02	716.49	4.12
South Block / Valley Block Preparation	3.75	382.74	2.20
Dry Stack Tailing Facility and Flotation	18.72	1,910.64	10.99
Exploration for strategic minerals and gold	7.73	788.95	4.54
<b>Total Uses of Net Proceeds</b>	<b>49.55</b>	<b>5,057.2 7</b>	<b>29.09</b>

The net proceeds of approximately £44 million (C\$75 million, ISK 7.6 billion) will consist of a proposed placing of New Common Shares with new and existing institutional investors. Net proceeds raised in excess of the initially targeted £30 million will be used to further advance exploration at the Company's Vagar and Nanoq licenses and to fund an additional capital injection into its Gardaq joint venture.

The expenses related to the Admission of the New Shares consist of fees due to FSA and Nasdaq Iceland, as well as legal and administrative expenses, financial advisor fees, listing agent fees, publication costs and applicable taxes, if any. The Company estimates that the total expenses related to Admission of the New Shares will amount to approximately ISK 20,000,000.

## 9 TERMS AND DEFINITIONS

<b>"Admission"</b>	admission of the Depositary Receipts to trading on the Main Market
<b>"Admission of the New Shares"</b>	the admission of the New Depositary Receipts to trading on the Main Market
<b>"AIM"</b>	the market of that name operated by the London Stock exchange
<b>"Amaroq", "Company", "Corporation" and "Issuer"</b>	The Company Amaroq Minerals Ltd corporation number 1011468-5 (Icelandic reg. no. 600122-9910), address at 3400 One First Canadian Place, PO Box 130, Toronto, On, M5X 1A4, Canada, a Canadian public corporation
<b>"Application"</b>	The final version of the application for the Admission
<b>"Application for the New Shares"</b>	the final version of the application for the Admission of the New Shares
<b>"Articles"</b>	the Articles of incorporation of the Company (and any amendments thereto) and By-laws
<b>"Board" or "Board of Directors"</b>	the board of Directors of the Company
<b>"By-laws"</b>	the by-laws of the Company
<b>"\$", "C\$" or "CAD", or "Canadian Dollars"</b>	Canadian dollars, the lawful currency of Canada
<b>"Canadian Tax Act"</b>	the Income Tax Act (Canada)
<b>"CBCA"</b>	the Canada Business Corporations Act
<b>"CDS"</b>	the Canadian Depositary for Securities Limited
<b>"certificated" or "in certificated form"</b>	in relation to a Common Share, recorded on the Company's register as being held in certificated form (that is not in CREST)
<b>"Common Shares"</b>	the Existing Common Shares and the New Common Shares
<b>"Consolidated Registration Document"</b>	the Registration Document as supplemented by the Supplement
<b>"Convertible Note"</b>	Up to US\$21 million Syndicated Convertible Notes with an affiliate of ACAM LP, JLE Property Ltd, Livermore Partners LLP and First Pecos LLC with a four-year term, payment-in-kind interest of 5% per annum and a conversion price of 42 pence/share.
<b>"Cost Overrun loan"</b>	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.
<b>"CSD Act"</b>	Icelandic Act No. 7/2020 on Central Depositories, Settlement and Electronic Registration of Financial Instruments
<b>"Custodian"</b>	the party with whom the Depository has, from time to time, entered into a custody agreement, on the basis of which the custodian holds the Underlying Shares on the Depository's behalf
<b>"Depository"</b>	Arion Banki hf., kt. 581008-0150, Borgartúni 19, 105 Reykjavík, Iceland
<b>"Depository Agreement"</b>	a depository agreement between the Company and the Depository regarding the Depository Receipts, dated 21 October 2022
<b>"Depository Interests"</b>	a dematerialised depository interest which represents an entitlement to Common Shares issued to Computershare Investor Services Plc of The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom
<b>"Depository Receipts" or "Shares"</b>	the Existing Depository Receipts and the New Depository Receipts
<b>"Directors"</b>	Members of the Board, the current directors of the Company whose names are set out in Section 8.3. "Board of Directors" of the Consolidated Registration Document
<b>"EEA"</b>	European Economic Area
<b>"Executive Officers"</b>	Individuals referred to in Section 8.4 of the Consolidated Registration Document "Executive Officers"
<b>"Existing Common Shares"</b>	existing common shares of no par value in the capital of the Company prior to the Share Capital Increase
<b>"Existing Depository Receipts" or "Existing Shares"</b>	all depository receipts issued by the Company, as registered at Nasdaq CSD SE, Iceland under the ISIN IS0000034569, prior to the Share Capital Increase
<b>"EU"</b>	the European Union
<b>"First North"</b>	a division of Nasdaq Nordic and an alternative stock exchange (legally a multilateral trading facility) for smaller companies in Europe
<b>"FSA"</b>	Fjármálaeftirlit Seðlabanka Íslands, ID No. 560269-4129, having its registered office at Kalkofnsvegur 1, 101 Reykjavík, Iceland. (e. Financial Supervisory Authority of the Central Bank of Iceland)

<b>"Iceland Treaty"</b>	Canada-- Republic of Iceland Income Tax Convention
<b>"Icelandic Shareholder"</b>	a Shareholder who is the beneficial owner of the dividend and is a resident of Iceland for purposes of, and entitled to the full benefits under, the Iceland Treaty
<b>"Icelandic Takeover Act"</b>	Icelandic Act on Takeovers No. 108/2007
<b>"ISK" or "króna" or "kr."</b>	Króna, the lawful currency of Iceland
<b>"ISIN"</b>	International Securities Identification Number
<b>"Landsbankinn"</b>	Landsbankinn hf., kt. 471008-0280, Reykjastræti 6, 101 Reykjavík; Listing manager
<b>"LEI"</b>	Legal Entity Identifier
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Main Market"</b>	regulated market operated by Nasdaq Iceland
<b>"Nasdaq CSD"</b>	Nasdaq CSD SE, Iceland, reg. no. 510119-0370, having its registered office at Laugavegur 182, 105 Reykjavík, Iceland
<b>"Nalunaq Property"</b>	the property located in the Municipality of Kujalleq on the northern side of the Kirkespirdalen Valley, about 33 kilometres northeast of the town of Nanortalik in Greenland
<b>"Nasdaq Iceland"</b>	Nasdaq Iceland hf., reg. no. 681298-2829, having its registered office at Laugavegur 182, 105 Reykjavík, Iceland.
<b>"Nasdaq Rulebook"</b>	the Nordic Main Market Rulebook for Issuers of Shares as published by Nasdaq Iceland and effective from 1 January 2024
<b>"NCI"</b>	non-certificated inventory system of the CDS
<b>"New Common Shares"</b>	the new Common Shares to be issued by the Share Capital Increase
<b>"New Depositary Interests"</b>	new Depositary Interests, issued over New Common Shares
<b>"New Depositary Receipts" or "New Shares"</b>	new Depositary Receipts which will be issued over a part of the New Common Shares
<b>"Prospectus"</b>	the Consolidated Registration Document (consisting of the Registration Document and Supplement), Securities Note and Summary dated 21 February 2024
<b>"Prospectus Regulation"</b>	Regulation (EU) 2017/1129 on the prospectus to be published when securities

	are offered to the public or admitted to trading on a regulated market, as amended
<b>"RCF"</b>	US\$18.5 million Senior Debt Revolving Credit Facility with Icelandic banks Landsbankinn and Fossar Investment Bank hf., 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.
<b>"Securities"</b>	the Common Shares, Depositary Receipts and Depositary Interests
<b>"Securities Note"</b>	Securities Note for depositary receipts issued over shares dated 21 February 2024 as put forth in Commission Delegated Regulation (EU) 2019/980, supplementing the Prospectus Regulation
<b>"Shareholders"</b>	the holders of the Securities, in the form of Common Shares, Depositary Interests or Depositary Receipts
<b>"Share Capital Increase"</b>	The increase in the Common Shares prior to the Admission of the New Shares
<b>"South Block"</b>	a section of the Nalunaq Property identified on the plan in Section 3.3. "Principal Activities" of the Registration Document
<b>"Sterling" or "£" or "GBP"</b>	UK Pounds Sterling the currency of the United Kingdom
<b>"Subscription and Shareholders' Agreement"</b>	Agreement dated April 13 2023 between the Company and ACAM LP (through its affiliate company GCAM LP) to establish a special purpose vehicle and create a joint venture for the exploration and development of its strategic mineral assets
<b>"Summary"</b>	Part of the Prospectus dated 21 February 2023
<b>"Supplement"</b>	a supplement to the Registration Document, dated 21 February 2024
<b>"Target Block"</b>	a section of the Nalunaq Property identified on the plan in Section 3.3. "Principal Activities" of the Registration Document
<b>"Transparency Act"</b>	the Icelandic Act No. 20/2021 on Disclosure and Information Requirements of Issuers of Securities and Notification on Major Holdings
<b>"TSX-V"</b>	TSX Venture Exchange
<b>"US\$", "USD" or "US dollars"</b>	US dollars, the lawful currency of the United States of America

<b>“Underlying Shares”</b>	the Common Shares underlying Depositary Receipts
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“Valley Block”</b>	a section of the Nalunaq Property identified on the plan in Section 3.3. “Principal Activities” of the Registration Document