

Amaroq Minerals

Metals and mining
28 March 2025

Amaroq 'n' roll

Amaroq's results to December 2024 were essentially just a pro-rata extrapolation of its earlier, nine-month results to September. More important was the fact that Nalunaq poured its first gold (39oz – although this was evidently not sold during the quarter) and that, post period end, it recorded a 51% increase in its mineral resource estimate (including a maiden contribution in the indicated category). The company will spend the remainder of FY25 ramping up to full capacity of 300tpd by Q425 and will update the market on progress on 14 May. Once achieved, it will look to further increase throughput from FY26 to 450tpd.

Greenland potential

As the premier gateway to Greenland's resource potential, Amaroq offers investors a unique opportunity to participate in one of the world's last unexplored mining frontiers. Greenland is a self-governing country within the kingdom of Denmark, closely associated with the EU (although not actually a member). From the perspective of mineral exploration, it offers exceptional bedrock exposure with very little vegetation and is estimated by the EU to contain c 20% of the world's reserves of rare earth elements. Recently, it has begun to attract investment from some of the world's mining majors, including Anglo American. Within this context, Amaroq boasts first mover advantage in the form of a strategic minerals exploration portfolio of assets and a fully integrated infrastructure, energy and servicing platform, supported by an experienced management team and a high quality shareholder base committed to responsible resource development powered, wherever possible, by renewable energy (ie hydro).

Nalunaq eyes profitability

Amaroq raised C\$49m in equity in December 2024 to bring Nalunaq into production. Nalunaq's resource is currently estimated at 484koz of gold at one of the world's highest grades of c 30g/t (close to 1oz per tonne) and should now support a life of c 10 years (cf six previously) at a throughput rate of 100–300tpd to produce 50–100koz gold pa in order to self-fund the balance of its exploration activities.

Estimates and valuation

Longer term, production of c 50–100koz pa implies revenue of c US\$100–300m pa (depending on gold price assumption), which broadly reconciles with consensus expectations for FY26 (assuming opex costs of US\$1,000–1,500/oz as indicated by the company) and, if achieved, puts Amaroq on an unremarkable P/E rating relative to its peers.

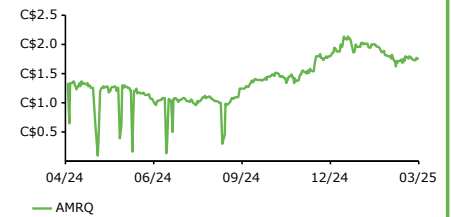
Consensus estimates

Year end	Revenue (C \$m)	PBT (C\$m)	EPS (C\$)	DPS (C\$)	P/E (x)	Yield (%)
12/23	0.0	(0.8)	0.00	0.00	N/A	N/A
12/24	0.0	(23.5)	(0.07)	0.00	N/A	N/A
12/25e	106.3	5.1	0.03	0.00	55.3	N/A
12/26e	173.7	79.9	0.18	0.00	9.7	N/A

Source: LSEG Data & Analytics.

Price **C\$1.77**
Market cap **C\$704m**

Share price performance



Share details

Code	AMRQ
Listing	TSXV
Shares in issue	397.7m
Net cash/(debt) as at end-December 2024 (excluding lease liabilities)	C\$16.6m

Business description

Amaroq Minerals is a mining and exploration company operating in south Greenland, leveraging its expertise, knowledge and first-mover advantage on the Sava Copper Belt, the Nanortalik Gold Belt and the Gardar Province Mineral Belt to create long-term value for its shareholders and stakeholders.

Bull points

- Near-term production at Nalunaq.
- Nalunaq is one of the world's highest grade gold mines.
- Diverse geological potential.

Bear points

- US policy towards Greenland.
- Active environmental lobby.
- Nalunaq was previously mined by Angel.

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