ALX RESOURCES CORP.

(formerly ALX Uranium Corp.)

Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of ALX Resources Corp. (formerly ALX Uranium Corp.),

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of ALX Resources Corp. (formerly ALX Uranium Corp.) (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
April 27, 2020

ALX Resources Corp. (formerly ALX Uranium Corp.)
Statements of Financial Position
As at December 31,
(Expressed in Canadian Dollars)

		2019		2018
Assets				
Current				
Cash and cash equivalents	**$**	**1,689,778**	$	889,437
Taxes receivable		**35,485**		11,187
Other receivables		**12,196**		3,522
Marketable securities (Note 4)		**340,905**		1,191,753
Prepaid expenses and deposits		**79,592**		184,746
Total Current Assets		**2,157,956**		2,280,645
Marketable securities (Note 4)		**22,500**		52,500
Property and equipment (Note 5)		**156,449**		26,790
Exploration and evaluation assets (Note 6)		**8,082,723**		8,608,775
Total Assets	**$**	**10,419,628**	$	10,968,710
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**118,391**	$	60,492
Current portion of lease liabilities (Note 10)		**28,119**		-
Liability for flow-through shares (Note 7)		**102,796**		-
Total Current Liabilities		**249,306**		60,492
Lease liabilities (Note 10)		**120,378**		-
Equity				
Share capital (Note 8)		**16,287,375**		14,135,304
Reserves (Note 9)		**2,032,902**		1,871,765
Deficit		**(8,270,333)**		(5,098,851)
Total Equity		**10,049,944**		10,908,218
Total Liabilities and Equity	**$**	**10,419,628**	$	10,968,710

Going concern of operations (Note 2)
Commitments (Note 10)
Event after the reporting period (Note 15)

Approval on behalf of the Board of Directors:

*"Warren Stanyer"*___________ *"Howard Haugom"*___________
Director Director

The accompanying notes are an integral part of these financial statements.

ALX Resources Corp. (formerly ALX Uranium Corp.)
Statements of Comprehensive Loss
For the years ended December 31,
(Expressed in Canadian Dollars)

		2019		2018
Expenses				
Accounting and audit fees	**$**	**22,422**	$	20,725
Advertising and promotion		**114,438**		129,016
Depreciation		**45,525**		5,812
Consulting fees and salaries (Note 11)		**570,218**		537,676
Insurance		**20,522**		19,203
Investor relations		**75,797**		24,566
Legal fees		**24,981**		16,068
Office and general		**97,381**		8,584
Property investigation		**23,223**		20,806
Share-based payments (Note 9)		**118,818**		50,206
Transfer agent and filing fees		**33,283**		22,481
Travel Expenses		**38,620**		42,574
Operating Expenses		**1,185,228**		897,717
Other Expenses (Income)				
Foreign exchange loss		**314**		203
Interest and recovery of office and general		**(70,800)**		(49,572)
Impairment of exploration and evaluation assets		**2,146,630**		920,275
Gain of sale of exploration and evaluation assets		**-**		(175,713)
Unrealized loss on marketable securities (Note 4)		**125,438**		601,195
Gain on sale of marketable securities (Note 4)		**(143,828)**		(384,840)
Loss before Income Taxes		**3,242,982**		1,809,265
Deferred income tax recovery (Note 7 and 12)		**(71,500)**		-
Net Loss and Comprehensive Loss for the Year	**$**	**3,171,482**	$	1,809,265
Basic and Diluted Loss Per Share	**$**	**0.03**	$	0.02
Weighted Average Number of Common Shares Outstanding - Basic and Diluted		**105,558,092**		84,072,244

The accompanying notes are an integral part of these financial statements.

ALX Resources Corp. (formerly ALX Uranium Corp.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Reserves		Share Subscription Receivable		Deficit		Total
Balance, January 1, 2018	**81,091,422**	**$**	**13,709,304**	**$**	**1,821,559**	**$**	**(150,000)**	**$**	**(3,289,586)**	**$**	**12,091,277**
Issuance of shares for cash (Note 8)	-		-		-		150,000		-		150,000
Issuance of shares for exploration and evaluation assets (Note 6 and 8)	5,400,000		426,000		-		-		-		426,000
Share issuance costs	-		-		-		-		-		-
Share-based compensation (Note 9)	-		-		50,206		-		-		50,206
Net loss for the year	-		-		-		-		(1,809,265)		(1,809,265)
Balance, December 31, 2018	**86,491,422**	**$**	**14,135,304**	**$**	**1,871,765**		**-**		**(5,098,851)**	**$**	**10,908,218**
Issuance of shares for cash (Note 8)	37,794,623		1,915,435		-		-		-		1,915,435
Issuance of shares for exploration and evaluation assets (Note 6 and 8)	8,250,000		385,500		-		-		-		385,500
Share issuance costs	-		(148,864)		42,319		-		-		(106,545)
Share-based compensation (Note 9)	-		-		118,818		-		-		118,818
Net loss for the year	-		-		-		-		(3,171,482)		(3,171,482)
Balance, December 31, 2019	**132,536,045**	**$**	**16,287,375**	**$**	**2,032,902**	**$**	**-**	**$**	**(8,270,333)**	**$**	**10,049,944**

The accompanying notes are an integral part of these financial statements.

ALX Resources Corp. (formerly ALX Uranium Corp.)
Statements of Cash Flows
For the years ended December 31,
(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss for the year	**$ (3,171,482)**	$ (1,809,265)
Items not involving cash:		
Deferred income tax recovery	**(71,500)**	-
Depreciation	**45,525**	5,812
Finance charges	**17,737**	-
Gain on sale of exploration and evaluation assets	**-**	(175,713)
Gain on sale of marketable securities	**(143,828)**	(384,840)
Impairment of exploration and evaluation assets	**2,146,630**	920,275
Share-based payments	**118,818**	50,206
Unrealized loss on marketable securities	**125,438**	601,195
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	**3,790**	(140,873)
Prepaid expenses	**105,154**	200,882
Taxes and other receivables	**(32,972)**	31,443
Net cash flows provided used in operating activities	**(856,690)**	(700,878)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Exploration and evaluation asset expenditures	**(1,180,969)**	(1,395,354)
Proceeds from sale of marketable securities	**899,238**	1,644,084
Proceeds from sale of resource property	**-**	50,000
Purchase of property and equipment	**-**	(10,936)
Net cash flows provided from (used in) investing activities	**(281,731)**	287,794
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:		
Interest and finance charges paid	**(17,737)**	-
Issuance of shares for cash	**2,089,731**	150,000
Reclamation bond	**-**	10,000
Repayment of lease liabilities	**(26,687)**	-
Share issuance costs	**(106,545)**	-
Net cash flows provided from financing activities	**1,938,762**	160,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**800,341**	(253,084)
Cash and cash equivalents, beginning of year	**889,437**	1,142,521
Cash and cash equivalents, end of year	**$ 1,689,778**	$ 889,437

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

ALX Resources Corp. ("ALX" or the "Company") is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia. The shares of the Company are listed on the Toronto Venture Exchange ("TSX-V") under the symbol 'AL', on the Frankfurt Stock Exchange ("FSE") under the symbol "6LNN". The Company is principally engaged in the acquisition, exploration, and development of mineral properties.

The head office, principal address and registered and records office of the Company are located at 408 – 1199 West Pender Street, Vancouver, BC, Canada, V6E 2R1.

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

On January 1, 2018 the Company amalgamated with its wholly owned subsidiary Alpha Exploration Inc. ("Alpha").

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Going concern of operations

These financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof in the future. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its development projects.

Approval of the financial statements

The financial statements of ALX Resources Corp. for the year ended December 31, 2019 were approved and authorized for issue by the board of directors on April 27, 2020.

Significant accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. BASIS OF PREPARATION - continued

Significant accounting judgments, estimates and assumptions – continued

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The ability of the Company to continue as a going concern for the next fiscal year; and
- assessment as to whether any impairment exists in the valuation of its assets;
- impairment of marketable securities;
- recovery of taxes and other receivables;
- the useful life and recoverability of property and equipment;
- rehabilitation provisions;
- fair value of share-based payments; and
- deferred income tax asset valuation allowances.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout the Company for purposes of these financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of twelve months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value. At December 31, 2019 the Company had $1,581,000 (2018 - $846,000) in cash equivalents.

Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months.

Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Exploration and evaluation expenditures incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation expenditures incurred are capitalized. All capitalized exploration and evaluation expenditures are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of comprehensive loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “Mines under construction”. There is no amortization during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a liability for flow-through shares on the statement of financial position. When expenditures are incurred, a deferred tax liability is recognized and the liability for flow-through shares in the statement of comprehensive loss is reversed. The net amount is recognized as deferred income tax recovery in the statement of comprehensive loss.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes party to the contractual provisions of the instrument.

i. Financial assets

- Cash (see above) is classified as subsequently measured at fair value through profit and loss.

- Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

- Reclamation deposits are classified as subsequently measured at amortized cost.

- Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at fair value through profit and loss. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date (See Note 4).

ii. Financial liabilities

- Accounts payable are non-interest bearing if paid when due and are recognized at the face amount, except when fair value is materially different. Accounts payable are subsequently measured at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to ten years, which may include vesting provisions and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries, and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted loss per share. Under this method the dilutive effect on loss per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Impairment of non-current assets

Non-current assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in income to the extent that the carrying amount exceeds the recoverable amount.

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Restoration and environmental obligations - continued

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at December 31, 2019 and 2018, the Company has no restoration and environmental obligations.

Adoption of new and revised accounting standards

- IFRS 16, *Leases (effective on or after January 1, 2019)*

On January 1, 2019, ALX adopted the provisions of IFRS 16 Leases ("IFRS 16") using the modified retrospective approach. Accordingly, comparative information has not been restated. There was no transitional impact of the change in accounting policy as the only right-of-use asset identified was an office lease which expired December 31, 2018. Additional disclosures related to ALX's IFRS 16 right-of-use assets and lease liabilities are disclosed in notes 5 and 10, respectively. ALX's new accounting policy for leases is as follows:

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost so as to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

The Company holds marketable securities in quoted public companies. The investments are measured at fair value using a level 1 input in the fair value hierarchy. The shares are publicly listed on a TSX Venture Stock Exchange or the Canadian Securities Exchange and published price quotes are widely available. The aggregate amount of the investments can be summarized as follows:

	December 31, 2019		**December 31, 2018**	
	Cost	Fair Market Value	Cost	Fair Market Value
	$	$	$	$
Aurelius Minerals Inc.	96,021	105,025	105,256	80,588
Denison Mines Corp.	172,380	182,520	869,805	1,074,465
Manitou Gold Inc.*	97,500	67,500	146,250	78,750
Uravan Minerals Inc.	58,520	8,360	58,520	10,450
	424,421	363,405	1,179,831	1,244,253
Less: shares subject to a hold period*	(32,500)	(22,500)	(97,500)	(52,500)
Total	391,921	340,905	1,082,331	1,191,753

*The Manitou Gold shares are subject to a hold period (See Note 6(xvii)).

5. EQUIPMENT

	Right-of-use assets (Note 10)	**Computer equipment**	**Field equipment**	**Office equipment**	**Total**
	$	$	$	$	$
Cost:					
Balance, December 31, 2018	-	8,299	16,640	23,356	48,295
Additions	175,184	-	-	-	175,184
Balance, December 31, 2019	175,184	8,299	16,640	23,356	223,479
Accumulated depreciation:					
Balance, December 31, 2018	-	4,550	8,579	8,376	21,505
Additions	35,037	2,490	3,328	4,670	45,525
Balance, December 31, 2019	35,037	7,040	11,907	13,046	67,030
Carrying amounts:					
Balance, December 31, 2018	-	3,749	8,061	14,980	26,790
Balance, December 31, 2019	140,147	1,259	4,733	10,310	156,449

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, except as described below, they are properly registered and in good standing.

	Uranium Properties	Other Properties	Total
Balance, January 1, 2018	$ 7,745,545	$ 57,963	$ 7,803,508
Additions during the year --			
Property acquisition costs			
Cash	10,000	40,000	50,000
Staking	33,770	2,464	36,234
Shares	400,000	-	400,000
Property exploration costs			
Assays	15,948	3,436	19,384
Camp	103,123	35,548	138,671
Drilling	438,845	30,852	469,697
Field supplies and rentals	89,309	16,605	105,914
Geological and field personnel	229,475	37,243	266,718
Other	16,548	-	16,548
Surveying costs	245,835	22,185	268,020
Travel and accommodation	9,409	2,984	12,393
Total additions during the year	1,592,262	191,317	1,783,579
Impairment of exploration and evaluation assets	(915,775)	(4,500)	(920,275)
Proceeds received on sale of exploration and evaluation assets	-	(233,750)	(233,750)
Gain on sale of exploration and evaluation assets	-	175,713	175,713
Balance, December 31 2018	$ 8,422,032	$ 186,743	$ 8,608,775
Additions during the year--			
Property acquisition costs			
Cash	10,000	62,605	72,605
Staking	305	55,774	56,079
Shares	252,000	133,500	385,500
Property exploration costs			
Assays	8,809	18,886	27,695
Camp	78	1,512	1,590
Drilling	387,163	-	387,163
Field supplies and rentals	9,203	12,645	21,848
Geological and field personnel	169,837	221,691	391,528
Other	(4,594)	16,496	11,902
Surveying costs	152,795	66,865	219,660
Travel and accommodation	6,493	38,515	45,008
Total additions during the year	992,089	628,489	1,620,578
Impairment of exploration and evaluation assets	(2,146,630)	-	(2,146,630)
Balance, December 31, 2019	$ 7,267,491	$ 815,232	$ 8,082,723

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties

	Close Lake	Gibbons Creek	Kelic Lake	Lazy Edward	South Pine/Perch	Newnham Lake	Carpenter Lake	Hook-Carter	Cluff Lake	Black Lake	Other Uranium Properties	Total
Note	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	
Balance, January 1, 2018	$ -	$ 1,560,061	$ 1,702,542	$ 418,887	$ 317,761	$ 1,452,340	$ 299,740	$ 1,422	$ 887,066	$ 1,035,615	$ 70,110	$ 7,745,544
Additions during the year --												
Property acquisition costs												
Cash	-	-	-	-	10,000	-	-	-	-	-	-	10,000
Staking	-	-	-	1,381	4,576	5,865	-	-	1,449	-	20,499	33,770
Common shares	-	-	-	-	-	-	-	-	-	400,000	-	400,000
Property exploration costs												-
Assays	-	-	-	-	-	15,948		-	-	-	-	15,948
Camp	-	-	-	32	33	103,058	-	-	-	-	-	103,123
Drilling	-	-	-	-	-	432,845	-	-	-	6,000	-	438,845
Field supplies	-	36	1,280	-	380	87,645	-	-	-	(32)	-	89,309
Geological and field personnel	-	10,140	-	22,327	19,346	90,633	203	81	1,259	32,713	52,773	229,475
Other expenses	-	-	-	-	-	-	-	(1,502)	26,001	-	(7,951)	16,548
Surveying costs	-	-	-	173,850	47,595	-	-	-	-	9,350	15,040	245,835
Travel and accommodation	-	-	-	-	-	9,409	-	-	-	-	-	9,409
Total additions during the year	-	10,176	1,280	197,590	81,930	745,403	203	(1,421)	28,709	448,031	80,361	1,592,262
Impairment		-	-	-	-	-	-	-	(915,774)	-	-	(915,774)
Balance, December 31, 2018	$ -	$ 1,570,237	$ 1,703,822	$ 616,477	$ 399,691	$ 2,197,743	$ 299,943	$ 1	$ 1	$ 1,483,646	$ 150,471	$ 8,422,032
Additions during the year --												
Property acquisition costs												
Cash	-	-	-	-	10,000	-	-	-	-	-	-	10,000
Staking	-	-	-	-	-	-	-	-	-	-	305	305
Common shares	240,000	-	-	-	-	12,000	-	-	-	-	-	252,000
Property exploration costs												
Assays	8,000	-	-	-	-	-	-	-	-	-	809	8,809
Camp	-	-	-	-	-	-	-	-	-	-	78	78
Drilling	372,686	-	-	-	-	-	-	-	-	-	14,477	387,163
Field supplies	-	-	-	740	410	1,946	-	-	-	410	5,697	9,203
Geological and field personnel	78,669	1,050	-	3,224	137	37,184	-	-	-	21,800	27,773	169,837
Other expenses	5,200	-	-	-	9,094	-	-	-	-	-	(18,888)	(4,594)
Surveying costs	65,325	-	-	-	-	-	-	-	-	87,470	-	152,795
Travel and accommodation	-	-	-	-	-	-	-	-	-	-	6,493	6,493
Total additions during the year	769,880	1,050	-	3,964	19,641	51,130	-	-	-	109,680	36,744	992,089
Impairment	(769,880)	-	-	(293,593)	-	(984,872)	-	-	-	-	(98,285)	(2,146,630)
Balance, December 31, 2019	-	$ 1,571,287	$ 1,703,822	$ 326,848	$ 419,332	$ 1,264,001	$ 299,943	$ 1	$ 1	$ 1,593,326	$ 88,930	$ 7,267,491

6. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties - continued

i) Close Lake Property

On February 25, 2019 the Company entered into a letter of intent (LOI) with Orano Canada Inc. ("Orano") to earn up to a 51% participating interest in the Close Lake Property. Following the LOI, a definitive option agreement was completed with an "Effective Date" of April 17, 2019.

Close Lake is located in the eastern Athabasca Basin area of northern Saskatchewan. The eastern boundary of the property adjoins the Cigar Lake uranium mine property and its southern boundary adjoins the McArthur River uranium mine property. Close Lake is currently the subject of a joint venture in which Orano as operator, holds a 74.4% interest, with Cameco Corp. holding a 15% interest, and Japan-Canada Uranium Company ("JCU") holding the remaining 10.6% interest.

In summary, in order for ALX to earn an option to acquire a 51% interest in Close Lake, ALX would be required to issue to Orano a total of 10,000,000 common shares of ALX and fund a total of $12.0 million towards exploration expenditures.

Subsequent to year end, ALX terminated the option agreement by sending written notice to Orano. In accordance with the option agreement, ALX shall have no further obligations to Orano for funding the project and has not met the earn-in requirements. Accordingly, at December 31, 2019, the Company fully impaired these claims with a cost of $769,880.

ii) Gibbon's Creek Property

In 2013, the Company acquired, by staking, claims known as the Gibbon's Creek Property. Additionally, on November 27, 2013, the Company announced that it signed a joint venture agreement (the "JV Agreement") with Star Minerals Group Ltd. ("Star Minerals") granting the Company an option to acquire a 100% interest in additional claims located in the Athabasca Basin, near the Gibbons Creek Property. Under the terms of the JV agreement, the Company earned a 100% interest in the additional claims by paying $60,000 (paid) and issuing 200,000 common shares (issued). Star Minerals will retain the option of a 25% buyback for four times the exploration monies spent by the Company to the date that the buyback option is exercised. The buyback option will be exercisable at any time up to a 90 day period following the completion and publication of a NI 43-101 compliant resource estimate. The transaction was approved by the TSX-V on November 28, 2013.

iii) Kelic Lake Property

On August 29, 2014, the Company entered into an option agreement with Jody Dahrouge and 877384 Alberta Ltd. to acquire a 100% interest in the Kelic Lake property located in southern margin of the Athabasca Basin. To earn its interest, the Company paid $80,000, issued 500,000 common shares, and incurred exploration expenditures of at least $750,000. The optionors retained a 2.5% royalty on production from the property, which can be reduced to a 1.5% royalty by paying of $1,500,000 at any time prior to commencement of commercial production.

iv) Lazy Edward Bay Property

In 2013, the Company acquired, by staking, claims known as the Lazy Edward Bay Property.

On April 24, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in additional claims, formerly known as the Arbour Property, located adjacent to its previously staked Lazy Edward Bay Uranium Property in the southern Athabasca Basin, Saskatchewan. Under the terms of the agreement, the Company has earned a 100% interest in the claims by paying $5,000 and issuing 83,333 common shares valued $42,500. The transaction was approved by the TSX-V on April 28, 2014.

6. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties - continued

iv) Lazy Edward Bay Property - continued

Subsequent to year end, the Company dropped certain claims at the Lazy Edward Bay Property. On December 31, 2019, the Company recorded a partial impairment charge of $293,593.

v) South Pine/Perch Properties

On June 4, 2013, the Company signed an agreement with Basin Minerals Ltd. ("Basin") whereby the Company has the right to earn a 100% interest in the South Pine and Perch Lake Properties and has earned its interest by paying $70,000 and issuing 500,000 common shares valued at $103,167. Basin will retain a 2% Net Smelter Royalty ("NSR") on the Properties, 1% of which can be purchased by the Company for $1,000,000. Basin is entitled to annual advanced royalty payments of $10,000. The transaction was accepted by the TSX-V on June 11, 2013.

vi) Newnham Lake Property

On July 21, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in the Newnham Lake Property. The Company has earned its interest by paying $100,000 and issuing 833,333 common shares valued at $275,000. The transaction was approved by the TSX-V on July 22, 2014.

On August 21, 2014, the Company entered into a purchase agreement with Kalt Industries Ltd. and DG Resource Management Ltd., for the acquisition of the 1333 Property, located near the Company's Newnham Lake Property, for total consideration of $50,000 cash (paid) and 250,000 common shares (issued) of the Company valued at $57,500. The Company commits to expend not less than $1,000,000 in exploration expenditures on or before August 28, 2019, of which $50,000 must be spent in year one. The property is subject to a 3% GORR, to which the Company may purchase up to a 1% for $1,000,000 up to August 28, 2019. The transaction was approved by the TSX-V on August 28, 2014. During the year ended December 31, 2019, the Company terminated the 1333 Property agreement and recorded an impairment charge of $984,872.

On August 21, 2014, the Company entered into an option agreement to acquire adjacent claims from Anstag Mining Inc., for total consideration of $50,000 cash (paid) and 333,333 common shares (issued) valued at $65,000. In addition, the Company commits to incur $1,500,000 in exploration expenditures before August 28, 2019. The property is subject to a 1% gross overriding royalty ("GORR"), to which the Company may purchase 0.5% of the GORR for $1,000,000 at any time. The transaction was approved by the TSX-V on August 28, 2014. On August 19, 2019, the Company completed a three-year extension agreement to complete the exploration expenditures by August 28, 2022. In consideration for the extension the Company issued 300,000 common shares valued at $12,000.

vii) Carpenter Lake Property

On January 13, 2014, the Company entered into an option agreement with Noka Resources Inc. ("Noka") to acquire a 60% interest in the Carpenter Lake property located in Northern Saskatchewan. The Company has earned its interest by paying $60,000, issuing 200,000 common shares, and incurring at least $1,250,000 exploration expenditure.

As of November 10, 2014, a joint venture was formed between the Company (60%) and Noka (40%) for the further development of the property, with the Company serving as the operator. The property is subject to a royalty equal to 5% of gross revenues, which is owned by the original vendors ("Underlying Royalty"). The Underlying Royalty rate can be reduced from 5% to 2% by Noka through the issuance of shares. On October 28, 2014, the Company was notified that Noka exercised its right to reduce the Underlying Royalty rate from 5% to 2% by issuing 3,000,000 shares to the original property vendors.

6. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties - continued

viii) Hook-Carter Property

The Hook Lake property is 100% owned by the Company, subject to a 2.5% gross overriding royalty. The Company has the right to purchase 1% of the royalty for $1,000,000 prior to the commencement of commercial production.

On May 27, 2015, the Company entered into an option agreement to acquire the Carter Lake mineral claims from Eagle Plains Resources Limited ("EPL"). The Company has earned a 100% interest by paying $40,000 and issuing 266,667 common shares valued at $28,000. The Company acquired, by staking, additional mineral claims near Carter Lake. The acquired and staked claims are subject to a 2% Net Smelter Royalty ("NSR") payable to EPL. The Company may, at any time, purchase 1% of the NSR for $1,000,000. The transaction was approved by the TSX-V on June 8, 2015.

On February 5, 2016, the Company entered into a purchase and sale agreement with Cameco Corporation ("Cameco"). The sale includes certain mineral claims peripheral to, and along the margins of, the Company's Hook-Carter Property in the southwestern Athabasca Basin. The Company received a cash payment of $170,000 for the claims. Some of the claims are subject to a 1% net refining returns royalty ("NRR"), subject to a reduction of 0.25% at any time upon payment of $750,000 and a 2% NRR subject to a reduction to 1% at any time upon payment of $500,000 to the Company.

On November 4, 2016, the Company completed the sale of an 80% interest in the Hook-Carter Property to Denison Mines Corp. ("Denison"). Under the terms of the agreement, the Company received 7,500,000 common shares with a value of $3,825,000 in exchange for an immediate 80% interest in the property. ALX will retain a 20% interest in the property and Denison has agreed to fund ALX's share of the first $12,000,000 in expenditures. The Denison common shares issued to the Company are subject to an escrow arrangement, whereby one-sixth of the shares were received on the closing date, November 4, 2016, and a further one-sixth of the shares will be released from escrow in six month increments following the closing date. As at December 31, 2019, nil (2018 – 1,250,00) Denison shares remain in escrow.

On November 4, 2019, under the terms of the definitive agreement, Denison and ALX agreed to the formation of a deemed joint venture, and that the parties will make best efforts to execute a joint venture agreement prior to Denison's funding of the first $12 million in expenditures.

In November 2016, Denison also purchased the Coppin Lake property from Areva Resources Canada and UEX Corporation for cash payments of $35,000 and a 1.5% net smelter royalty. Under the terms of the Hook-Carter Property agreement, Denison and ALX have elected to have these claims form part of the Hook-Carter Property and ALX's interest in these claims will be the same as its interest in the Hook-Carter Property.

ix) Cluff Lake Project

<u>Middle Lake Property (formerly Cluff Lake (ACME) Property)</u>

The Middle Lake project is owned 80% by the Company and 20% by Acme Resources ("Acme"). The Middle Lake project is located adjacent to the east of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The claim is about 630 kilometres north-northwest from Prince Albert, Saskatchewan. The Company shall produce a bankable feasibility study, with Acme having a carried interest until the feasibility study is delivered, at which time Acme will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in the claim to Acme upon a decision by the Company to terminate work thereon.

During the year ended December 31, 2018, the Company fully impaired these claims with a cost of $888,880.

6. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties – continued

ix) Cluff Lake Project - continued

Gorilla Lake Property (formerly Cluff Lake (Logan) Project)

The Gorilla Lake project is held 80% by the Company and 20% by Logan Resources Ltd. ("Logan"). The Company shall produce a bankable feasibility study with Logan having a carried interest until the feasibility study is delivered, at which time Logan will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in any of the claims to Logan upon a decision by the Company to terminate work thereon.

During the year ended December 31, 2017, the Company impaired these claims with a cost of $521,633.

On May 9, 2018 the Company agreed to return its 80% interest in the Gorilla Lake Property to Logan Resources Ltd. with less than two years of assessment credits remaining. To cure the deficiency, the Company issued 400,000 common shares, valued at $26,000, to Logan Resources Ltd. and the Company will have no remaining interest in the property. During the year ended December 31, 2018, the Company fully impaired these claims with a cost of $26,894.

Bridle Lake Property (formerly Cluff Lake (Rio Tinto) Project)

This property is owned 50% by the Company and 50% by Rio Tinto Ltd. The Bridle Lake Property (Rio Tinto) is located adjacent to the north of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The Bridle Lake Property (Rio Tinto) comprises two mineral dispositions.

During the year ended December 31, 2018, the Company impaired these claims.

x) Black Lake Properties

On July 31, 2017, the Company signed a binding interim letter agreement with UEX Corporation ("UEX") which was replaced with a definitive option agreement on September 5, 2017, the "Effective Date". The Company can earn up to a 75% participating interest in the property from UEX in the Black Lake Property by making payments to UEX of 12 million common shares and a total of $6.0 million of exploration expenditures over the next 4 years, as follows:

- ALX has earned a 40% participating interest in the property by issuing to UEX 5,000,000 common shares, valued at $400,000, and incurring $1,000,000 in exploration expenditures within 12 months of the Effective Date, including ALX's exploration expenditures starting from the letter agreement date;
- ALX can earn an additional 11% interest for a total of 51% participating interest in the property by issuing to UEX 4,000,000 common shares after incurring an additional $2,000,000 in exploration expenditures within 30 months of the Effective Date;
- ALX can earn an additional 24% interest for a total of 75% interest in the property by issuing to UEX 3,000,000 common shares after incurring an additional $3,000,000 in exploration expenditures within 48 months of the Effective Date.

The Company paid $25,000 to UEX as consideration for entering into the binding interim letter agreement.

ALX may accelerate any of the share payments or exploration expenditures listed above and upon making such payments or expenditures, will earn the interest as set out above.

6. EXPLORATION AND EVALUATION ASSETS – continued

Uranium Properties – continued

x) Black Lake Properties - continued

At any time, ALX may provide UEX with notice that it does not wish to incur additional exploration expenses or to earn a further ownership interest in the property. Upon such occurrence, ALX will lose any rights it had with respect to earning any additional ownership interest in the property and shall have no further obligations, other than as set out in the definitive agreement.

Black Lake is currently the subject of a joint venture, in which UEX Corporation holds a 90.92% interest in the property, with Orano Canada Inc. (formerly AREVA Resources Canada Inc.) holding the remaining 9.08% interest.

The Company has not met the second milestone of the agreement to incur an additional $2,000,000 of exploration expenditures by the deadline of March 5, 2020. ALX has met the initial requirements of the agreement earning a 40% interest in the Black Lake Properties.

xi) Other Uranium Properties

Staked Properties

On November 15, 2017 the Company announced that it had staked various new claims in the Athabasca Basin area of Saskatchewan, Canada. The Company paid $40,415 to acquire these new claims. During the year ended December 31, 2019, the Company impaired most of these claims with a cost of $97,985. The Company continues to hold and explore a staked property known as “Argo”.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

Other Properties

	Other Properties							
	Tango	**Falcon Nickel and Flying Vee Claims**	**Draco Claims**	**Kamichisitit Claims**	**Vixen Gold Project**	**Midas Gold**	**Mikwam Project**	**Total**
Note	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)	(xviii)	
Balance, January 1, 2018	$ -	$ -	$ -	$ 4,013	$ -	$ 53,950	$ -	$ 57,963
Additions during the year --								
Property acquisition costs								
Cash	40,000	-	-	-	-	-	-	40,000
Staking	2,464	-	-	-	-	-	-	2,464
Property exploration costs								
Assays	3,436	-	-	-	-	-	-	3,436
Camp	35,548	-	-	-	-	-	-	35,548
Drilling	30,852	-	-	-	-	-	-	30,852
Field supplies and rentals	14,105	-	-	-	-	2,500	-	16,605
Geological and field personnel	35,168	-	-	488	-	1,222	365	37,243
Surveying costs	22,185	-	-	-	-	-	-	22,185
Travel and accommodation	2,984	-	-	-	-	-	-	2,984
Total additions during the year	186,742	-	-	488	-	3,722	365	191,317
Impairment of exploration and evaluation assets	-	-	-	(4,500)	-	-	-	(4,500)
Proceeds received on sale of exploration and evaluation assets	-	-	-	-	-	(196,250)	(37,500)	(233,750)
Gain on sale of exploration and evaluation assets	-	-	-	-	-	138,578	37,135	175,713
Balance, December 31 2018	**$ 186,742**	**$ -**	**$ -**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ 186,743**
Additions during the year --								
Property acquisition costs								
Cash	-	32,000	-	-	30,605	-	-	62,605
Staking	-	45,177	10,597	-	-	-	-	55,774
Common shares	-	133,500	-	-	-	-	-	133,500
Property exploration costs								-
Assays	-	7,151	825	-	10,910	-	-	18,886
Camp	-	434	-	-	1,078	-	-	1,512
Drilling	-	-	-	-	-	-	-	-
Field supplies and rentals	384	8,780	-	-	3,481	-	-	12,645
Geological and field personnel	5,531	69,054	105,848	600	40,658	-	-	221,691
Other	-	11,296	-	5,200	-	-	-	16,496
Surveying costs	3,915	35,480	-	-	27,470	-	-	66,865
Travel and accommodation	-	9,410	11,381	-	17,724	-	-	38,515
Total additions during the year	9,830	352,282	128,651	5,800	131,926	-	-	628,489
Balance, December 31, 2019	**$ 196,572**	**$ 352,282**	**$ 128,651**	**$ 5,801**	**$ 131,926**	**$ -**	**$ -**	**$ 815,232**

xii) Tango Property, Northern Saskatchewan

On June 11, 2018, the Company entered into an agreement to acquire a 100% interest in the Tango Property, located in Northern Saskatchewan from DG Resource Management Ltd., a private company controlled by a director of ALX. In accordance with the purchase agreement, the Company paid $40,000 and granted a net smelter royalty ("NSR") of 2%.

6. EXPLORATION AND EVALUATION ASSETS – continued

Other Properties - continued

xii) Tango Property, Northern Saskatchewan - continued

Within five years of closing, the Company may purchase up to half of the NSR for $2,000,000. The agreement was approved by the TSX Venture Exchange on August 21, 2018 and closed seven days later.

xiii) Falcon Nickel and Flying Vee Claims

Falcon Nickel Project is located approximately 14 kilometres northwest of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking most of the claims in May 2019. The project is prospective nickel, copper, and cobalt. Included within the Falcon Nickel Project are the Axis Lake claims, Currie Lake claims, and Rea Lake claims.

To acquire a 100% interest in the Rea Lake Claims, the Company paid $12,000 and issued 200,000 common shares valued at $11,000. The vendor retains a 2.0% net smelter returns royalty ("NSR") and the Company has the right to purchase half of the NSR for $1.0 million.

On October 1, 2019, the Company added to Falcon Nickel Project by acquiring additional claims, known as the Axis Lake claims, from Eagle Plains Resources Ltd. To acquire a 100% interest in these claims, the Company paid $20,000 and issued 2,000,000 common shares valued at $70,000. The vendor retains a 2.0% net smelter returns royalty ("NSR") and the Company has the right to purchase half of the NSR for $2.0 million.

On October 18, 2019, the Falcon Nickel Project was further expanded by acquiring adjacent claims known as the Currie Lake claims. To acquire a 100% interest in these claims, the Company paid $20,000 and issued 1,750,000 common shares valued at $52,500. The vendor retains a 2.0% net smelter returns royalty ("NSR") and the Company has the right to purchase half of the NSR for $2.0 million.

Flying Vee is located approximately 25 kilometres north of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking in April 2019. This project is also prospective nickel, copper, and cobalt.

xiv) Draco Claims

In May 2019, the Company acquired a 100% interest by staking the Draco Claims located in Norway.

xv) Kamichisitit Claims

In June 2012, the Company acquired, by staking, claims located in Kamichisitit Township, situated approximately 40 kilometres north of Iron Bridge, Ontario. In June 2014, the Company staked additional claims in the surrounding area. During the year ended December 31, 2018, the Company temporarily ceased exploration on this property and recorded an impairment charge of $4,500.

xvi) Vixen Gold Project

On September 24, 2019, the Company entered into an agreement to acquire a 100% interest in the Vixen Gold Project, located in Red Lake Mining District of Ontario from DG Resource Management Ltd. ("DG"), a private company controlled by a director of ALX. In accordance with the purchase agreement, the Company paid $30,605 to reimburse staking costs and agreed to an exclusive three-year geological service agreement with DG. DG retained a net smelter royalty ("NSR") of 2%. The Company may at any time acquire 1% of the NSR by paying $1,500,000. The agreement was approved by the TSX Venture Exchange on October 22, 2019.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

Other Properties - continued

xvii) Midas Gold Property

On December 22, 2010, the Company entered into an option to purchase a 100% interest in and to the Midas Gold Property ("Midas"), located in Ontario, Canada. The Company paid the vendors total cash consideration of $95,000 and issued 150,000 common shares. The agreement was accepted by the TSX-V on April 8, 2011. The Company incurred a total of $125,000 in exploration expenditures on the Property in the first twelve months following TSX-V acceptance of the agreement. The Vendors will retain a 2% NSR on the Property; 1% of which can be purchased by the Company for $1,000,000. As of the current date the Company has satisfied the terms of the agreement and earned its interest in the property.

On October 19, 2018, the Company completed a sale agreement with Manitou Gold Inc. ("MG") for the Midas property. The Company has received 2,250,000 shares of MG valued at $146,250 plus cash of $50,000 in exchange for its 100% interest in the Midas property. The MG shares are subject to a staged hold period of up to 28 months from closing as follows:

Four months and one day (February 20, 2019)	250,000
Ten months and one day (August 20, 2019)	500,000
Sixteen months and one day (February 20, 2020)	500,000
Twenty-two months and one day (August 20, 2020)	500,000
Twenty-eight months and one day (February 20, 2021)	500,000
	2,250,000

In addition, MG has granted the Company an aggregate net smelter royalty ("NSR") of 0.5% from the Midas property. MG shall have the right, at any time, to acquire the NSR from the Company in exchange for a cash payment of $500,000.

xviii) Mikwam Property

The Mikwam gold property is 100% owned, subject to royalties, and is located in the Noseworthy Township, Ontario. The following encumbrances were included in the original agreement and remain in effect:

- 0.804% Net Smelter Royalty ("NSR") payable to Newmont Canada Limited ("Newmont") and Freewest Resources Canada Inc. ("Freewest");
- 15% net profits royalty that may become payable to Newmont (or a successor) in respect of its share of net profits from certain mining claims;
- 15% net profits interest that may become payable to Golden Shield Resources Limited in respect of certain mining claims; and security granted against the Claims in respect of an additional cash payment due to Newmont and Freewest in the event of a decision to develop a commercial mining operation on or with respect to the Claims, pursuant to conditional payment notes and collateral security agreements issued in favor of each of Newmont and Freewest. On November 29, 2016, the Company entered into an option agreement with Aurelius Minerals Inc. ("Aurelius")(formerly Galena International Resources Ltd.) in settlement of ALX's and Aurelius' dispute with respect to the acquisition of the Mikwam property.

6. EXPLORATION AND EVALUATION ASSETS - continued

Other Properties - continued

xviii) Mikwam Property - continued

Pursuant to the terms of the option agreement, Aurelius can acquire a 100% interest (subject to certain royalty interests and encumbrances) in the Mikwam property in consideration of making aggregate cash and share payments to ALX over a period of three years as follows:

- $25,000 and issue 2,000,000 common shares valued at $180,000 on closing of the transaction (received);
- $50,000 or, at Aurelius' election, issue 500,000 common shares on or before the first anniversary of the Option (500,000 shares valued at $35,000 were received on November 27, 2017);
- $75,000 or, at Aurelius ' election, issue 750,000 common shares on or before the second anniversary of the Option Agreement (750,000 shares valued at $18,750 were received on November 27, 2018);and
- $100,000 or, at Aurelius' election, issue 750,000 common shares on or before the third anniversary of the Option Agreement (750,000 shares valued at $18,750 were received on November 27, 2018).

In addition, Aurelius will grant ALX a net smelter returns royalty (the "NSR Royalty") equal to 0.5% of Net Smelter Returns from the Mikwam property. Aurelius shall have the right, at any time, to acquire the NSR Royalty from ALX in consideration of a cash payment of CAD $1,000,000.

On November 27, 2018, the Company received an advanced issuance of 750,000 common shares from Aurelius to complete the sale.

7. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On May 31, 2019, the Company issued 13,500,000 units on a flow-through basis at $0.06 per unit for gross proceeds of $810,000 and recognized a liability for flow-through shares of $67,500. As at December 31, 2019, the Company has spent the full balance of the flow-through funds and has reversed the $67,500 flow-through liability.

On December 17 and 30, 2019, the Company issued a total of 11,294,623 units on a flow-through basis at $0.05 per unit for gross proceeds of $564,731 and recognized a liability for flow-through shares of $106,796. As at December 31, 2019, the Company has spent $21,150 of the flow-through funds and has reversed $4,000 of the flow-through liability.

At December 31, 2019 and December 31, 2018, the amount of flow-through proceeds remaining to be expended is $543,581 (December 31, 2018 - $nil) and the balance of the liability for flow-through shares is $102,796 (December 31, 2018 - $nil).

8. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without nominal or par value.

b) Issued: The total issued and outstanding shares of the Company at December 31, 2019 is 132,536,045 (December 31, 2018 - 86,491,422).

8. SHARE CAPITAL - continued

During the year ended December 31, 2019:

i) On May 31, 2019, the Company closed a non-brokered private placement consisting of 13,500,000 FT Units at $0.06 each and 13,000,000 NFT Units at $0.055 each for gross proceeds of $1,525,000 (with $67,500 being recognize as a liability for flow-through shares). Each FT Unit consist of one flow-through share and one non flow-through common share purchase warrant in the capital of the Company. Each NFT Unit consist of one common share and one common share purchase warrant in the capital of the Company. Each warrant is exercisable into one common share of the Company for a period of two years from closing at an exercise price of $0.10 per common share.

In conjunction with the private placement, the Company paid finders fees of $89,801 and issued 1,560,780 finder fee warrants valued at $42,319. Each warrant is exercisable into one common share of the Company for a period of two years from closing at an exercise price of $0.06 per common share.

ii) On June 12, 2019, issued 4,000,000 common shares for Close Lake exploration and evaluation assets valued at $240,000.

iii) On June 14, 2019, issued 200,000 common shares for Falcon Nickel Project (Rea Lake claims) exploration and evaluation assets valued at $11,000.

iv) On September 3, 2019, issued 300,000 common shares to extend the option agreement for Newnham Lake exploration and evaluation assets. The shares are valued at $12,000.

v) On October 1, 2019, issued 2,000,000 for Falcon Nickel exploration and evaluation assets valued at $70,000.

vi) On October 18, 2019, issued 1,750,000 for Falcon Nickel exploration and evaluation assets valued at $52,500.

vii) On December 17 and 30, 2019, the Company closed a non-brokered private placement consisting of 11,294,623 flow-through units at $0.05 each for gross proceeds of $564,731 (with $106,796 being recognize as a liability for flow-through shares). Each flow-through unit consist of one flow-through share and one non flow-through common share purchase warrant in the capital of the Company. Each warrant is exercisable into one common share of the Company for a period of three years from closing at an exercise price of $0.08 per common share.

During the year ended December 31, 2018:

i) On May 25, 2018, issued 400,000 common shares for Gorilla Lake exploration and evaluation assets valued at $26,000.

ii) On June 14, 2018, issued 5,000,000 common shares for Black Lake exploration and evaluation assets valued at $400,000.

c) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

(Expressed in Canadian Dollars)

8. SHARE CAPITAL – continued

	December 31, 2019		**December 31, 2018**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	16,330,000	0.15	19,042,600	0.14
Expired	-	-	(2,712,600)	0.10
Exercised	-	-	-	-
Issued	39,355,403	0.09	-	-
Balance, end of year	55,685,403	0.11	16,330,000	0.15

The following warrants were outstanding as at December 31, 2019:

Expiry Date		Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
November 16, 2020*	$	0.20	2,325,000	0.88
December 23, 2020*	$	0.20	765,000	0.98
December 30, 2020**	$	0.15	2,410,000	1.00
December 29, 2021**	$	0.15	2,180,000	2.00
July 21, 2020	$	0.13	8,650,000	0.56
May 31, 2021	$	0.10	26,500,000	1.42
May 31, 2021	$	0.06	1,560,780	1.42
December 17, 2022	$	0.08	10,064,623	2.96
December 30, 2022	$	0.08	1,230,000	3.00
Total			55,685,403	

*The original expiry dates of these warrants were extended by 36 months
** The original expiry dates of these warrants were extended by 24 months

The Company applies the fair value method in accounting for its finder fee warrants using the Black-Scholes pricing model. During the year ended December 31, 2019, the Company issued a total of 1,560,780 (December 31, 2018 – nil) finder fee warrants. The finder fee warrants granted resulted in share issue costs of $42,319 (December 31, 2018 - $nil). The following parameters were used to value finder fee warrants:

	December 31, 2019	**December 31, 2018**
Expected Life	2 years	N/A
Risk-free interest rate	1.43%	N/A
Annualized volatility	97.05%	N/A
Dividend rate	N/A	N/A
Fair value of shares at grant date	$0.055	N/A

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of ten years.

The following stock option grants were issued during the years ended December 31, 2019 and 2018:

- On June 6, 2019 the Company granted 3,450,000 stock options (3,025,000 were issued to Directors and Officers) with an exercise price of $0.07 and expiring in 5 years. These options will vest as follows: one-third four months from the grant date, one-third eight months from the grant date, and one-third twelve months from the grant date.

- The following is a summary of option transactions under the Company's stock option plan for the years ended December 31, 2019 and 2018:

	December 31, 2019		December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	5,525,000	$ 0.11	6,450,000	$ 0.11
Cancelled	(425,000)	0.10	(925,000)	0.11
Exercised	-	-	-	-
Granted	3,450,000	0.07	-	-
Balance, end of year	8,550,000	$ 0.09	5,525,000	$ 0.11

The following stock options were outstanding and exercisable as at December 31, 2019:

Expiry Date	Exercise Price	Number of Options	Remaining Contractual Life (Years)
July 22, 2021	$ 0.10	625,000	1.56
November 8, 2021	$ 0.10	150,000	1.86
January 16, 2022	$ 0.14	1,050,000	2.63
May 12, 2022	$ 0.10	400,000	2.36
June 19, 2022	$ 0.10	400,000	2.47
August 17, 2022	$ 0.10	1,050,000	2.63
June 6, 2024	$ 0.07	1,133,333	4.44
September 25, 2025	$ 0.10	1,325,000	5.74
March 15, 2026	$ 0.10	150,000	6.21
Total		6,283,333	
Weighted average remaining life of stock options outstanding and exercisable			3.45

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS – continued

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the year ended December 31, 2019, the Company issued a total of 3,450,00 (2018 – nil) incentive stock options to directors, officers and consultants of the Company. During the year ended December 31, 2019, the options issued and vested resulted in share-based payments of $118,818 (2018 – $50,206).

	December 31, 2019	**December 31, 2018**
Expected Life	5 years	N/A
Risk-free interest rate	1.33%	N/A
Annualized volatility	113.49%	N/A
Dividend rate	N/A	N/A
Fair value of shares at grant date	0.04	N/A

10. COMMITMENTS

The Company has entered into the following agreements:

i) Office Lease

On January 1, 2019 the Company entered into a new five-year office lease. The Company is required to pay annual operating costs plus annual base rent of $44,425 per year in the first two years and $47,979 per year in the final three years of the lease. The Company rents out a portion of its office for one-half of the Company's monthly lease obligation. The sub-tenant is also responsible for one-half of the annual operating costs payable under the office lease. Sub-leases are included in other income on the statement of operations.

The underlying lease payments have been discounted using the Company's incremental borrowing rate on January 1, 2019 of 12%. On January 1, 2019, the present value of future lease payments and initial recognition of the right-of-use asset totaled $175,184. (see Note 5)

Lease liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	2019	2018
Undiscounted minimum lease payments:		
Less than one year	**$ 44,425**	$ -
Two to five years	**143,937**	-
	188,362	-
Effect of discounting	**(39,865)**	-
Present value of minimum lease payments	**148,497**	-
Less current portion	**(28,119)**	-
Long-term portion	**$ 120,378**	$ -

(Expressed in Canadian Dollars)

10. COMMITMENTS – continued

i) Office Lease – continued

Lease liability continuity

The net change in the lease liability is as follows:

		2019		2018
Lease inception	**$**	**175,184**	$	-
Cash flows:				
Principal payments		**(26,687)**		-
Lease liability	**$**	**148,497**	$	-

During the year ended December 31, 2019, interest of $17,737 (2018 – nil) is included in interest expense.

11. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers, vice-presidents and members of its Board of Directors.

The following compensation was awarded to key management personnel:

		2019		2018
Salaries and consulting fees	**$**	**336,569**	$	297,507
Share-based compensation		**104,180**		31,478
Key management personnel compensation	**$**	**440,749**	$	328,985

During the year ended December 31, 2019, the Company incurred consulting fees of $621 (2018 - $6,712) and exploration costs of $142,742 (2018 - $32,654) and property acquisition costs of $nil (2018 - $40,000) with Dahrouge Geological, a company controlled by Jody Dahrouge who is also a director of ALX.

Related party amounts are unsecured, non-interest bearing and due on demand. As at December 31, 2019, $6,944 (2018 - $2,954) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

12. INCOME TAXES

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

		2019		2018
		27.00%		27.00%
Income (loss) for the year before income taxes	**$**	**(3,171,482)**	$	(1,809,265)
Income tax expense (benefit) computed at statutory rates		**(856,300)**		(488,502)
Deductible and non-deductible amounts		**606,206**		375,659
Change in valuation allowance		**250,094**		112,843
Deferred income tax recovery		**(71,500)**		-
Deferred income tax recovery per financial statements	**$**	**(71,500)**	$	-

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/(liabilities) have been recognized are attributable to the following:

		2019		2018
Deferred income tax assets/(liabilities)				
Non-capital and net capital losses carried forward	**$**	**7,933,000**	$	6,830,000
Share issuance costs		**104,000**		33,000
Equipment		**45,000**		26,000
Mineral properties		**(2,463,000)**		(4,609,000)
	$	**5,619,000**	$	2,280,000

The potential future tax benefit has been offset entirely by a valuation allowance and has not been recognized in these financial statements. The non-capital loss carry-forwards expire according to the following schedule:

		2019
2027	**$**	**16,000**
2028		**74,000**
2029		**40,000**
2030		**229,000**
2031		**233,000**
2032		**219,000**
2033		**631,000**
2034		**1,594,000**
2035		**1,655,000**
2036		**790,000**
2037		**744,000**
2038		**700,000**
2039		**927,000**

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		December 31, 2019		December 31, 2018
Exploration and evaluation in accounts payable	**$**	**77,063**	$	22,954
Marketable securities received for property option payment	**$**	**-**	$	195,000
Shares issued for property option payment	**$**	**385,500**	$	426,000

14. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Foreign exchange risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company’s practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT – continued

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents.

There were no changes in the Company's approach to capital management during the year ended December 31, 2019 or the year ended December 31, 2018. The Company is not subject to any externally imposed capital requirements.

(f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at December 31, 2019 and December 31, 2018:

	As at December 31, 2019		
	Level 1	**Level 2**	**Level 3**
Cash	$ 1,689,778	$ -	$ -
Marketable securities	$ 363,405	$ -	$ -
	$ 2,053,183	$ -	$ -

	As at December 31, 2018		
	Level 1	**Level 2**	**Level 3**
Cash	$ 889,437	$ -	$ -
Marketable securities	$ 1,244,252	$ -	$ -
	$ 2,133,689	$ -	$ -

15. EVENT AFTER THE REPORTING PERIOD

Subsequent to year end, the Company granted 2,900,000 stock options exercisable at $0.07 per option for five years.