



## Condensed Interim Financial Statements

Three Months Ended March 31, 2021

(Unaudited - Expressed in Canadian Dollars)

**Notice of No Auditor Review of  
Condensed Interim Financial Statements**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**ALX Resources Corp.**  
Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

	<b>March 31, 2021</b>	December 31, 2020
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 707,792	\$ 1,095,464
Taxes receivable	32,918	7,861
Other receivables	45,872	41,092
Marketable securities (Note 3)	43,400	38,250
Prepaid expenses and deposits	92,611	85,065
<b>Total Current Assets</b>	<b>922,593</b>	1,267,732
<b>Property and equipment</b> (Note 4)	<b>101,395</b>	112,154
<b>Exploration and evaluation assets</b> (Note 5)	<b>9,865,140</b>	9,486,861
<b>Total Assets</b>	<b>\$ 10,889,128</b>	\$ 10,866,747
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 178,280	\$ 116,717
Current portion of lease liabilities (Note 9)	36,515	35,441
Liability for flow-through shares (Note 6)	8,997	27,268
<b>Total Current Liabilities</b>	<b>223,792</b>	179,426
<b>Lease liabilities</b> (Note 9)	<b>75,395</b>	84,936
<b>Equity</b>		
<b>Share capital</b> (Note 7)	<b>17,608,310</b>	17,431,051
<b>Reserves</b> (Note 8)	<b>2,222,398</b>	2,226,834
<b>Deficit</b>	<b>(9,240,767)</b>	(9,055,500)
<b>Total Equity</b>	<b>10,589,941</b>	10,602,385
<b>Total Liabilities and Equity</b>	<b>\$ 10,889,128</b>	\$ 10,866,747
Going concern of operations (Note 2)		
Commitments (Note 9)		
Events after the reporting period (Note 13)		

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

**ALX Resources Corp.**

Condensed Interim Statements of Net (Loss) Income and Comprehensive (Loss) Income  
For the Three Months ended March 31,  
(Expressed in Canadian Dollars)

	<b>2021</b>	2020
<b>Expenses</b>		
Accounting and audit fees	\$ 21,000	\$ 21,000
Advertising and promotion	19,702	44,528
Consulting fees and salaries (Note 10)	102,169	129,461
Depreciation	10,759	11,381
Insurance	5,389	5,081
Investor relations	4,050	15,773
Legal fees	6,105	2,713
Office and general	24,385	32,153
Property investigation	2,654	124
Share-based payments (Note 8)	36,574	65,981
Transfer agent and filing fees	13,211	9,381
Travel Expenses	-	19,706
<b>Operating Expenses</b>	<b>245,998</b>	357,282
<b>Other Income (Expense)</b>		
Foreign exchange loss	-	(3)
Interest and recovery of office and general	12,991	16,769
Unrealized gain(loss) on marketable securities (Note 3)	42,120	(24,712)
Loss on sale of marketable securities (Note 3)	(12,650)	(54,090)
<b>Loss before Income Taxes</b>	<b>(203,537)</b>	(419,318)
Deferred income tax recovery (Note 6)	18,270	102,796
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ (185,267)</b>	\$ (316,522)
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (0.01)</b>	\$ (0.01)
<b>Weighted Average Number of Common Shares</b>		
<b>Outstanding - Basic and Diluted</b>	<b>152,192,009</b>	132,526,045

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

**ALX Resources Corp.**

## Condensed Interim Statements of Changes in Equity

For the Three Months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
<b>Balance, January 1, 2021</b>	<b>151,940,778</b>	<b>\$ 17,431,051</b>	<b>\$ 2,226,834</b>	<b>\$ (9,055,500)</b>	<b>10,602,385</b>
Issuance of shares for cash (Note 7)	1,512,480	131,759	(41,010)	-	90,749
Issuance of shares for exploration and evaluation assets (Note 5 and 7)	550,000	45,500	-	-	45,500
Share-based compensation (Note 8)	-	-	36,574	-	36,574
Net loss for the period	-	-	-	(185,267)	(185,267)
<b>Balance, March 31, 2021</b>	<b>154,003,258</b>	<b>\$ 17,608,310</b>	<b>\$ 2,222,398</b>	<b>(9,240,767) \$</b>	<b>10,589,941</b>

  

	Number of Shares	Share Capital	Reserves	Deficit	Total
<b>Balance, January 1, 2020</b>	<b>132,536,045</b>	<b>\$ 16,287,375</b>	<b>\$ 2,032,902</b>	<b>\$ (8,270,333)</b>	<b>10,049,944</b>
Share-based compensation (Note 8)	-	-	65,981	-	65,981
Net loss for the period	-	-	-	(316,522)	(316,522)
<b>Balance, March 31, 2020</b>	<b>132,536,045</b>	<b>\$ 16,287,375</b>	<b>\$ 2,098,883</b>	<b>(8,586,855) \$</b>	<b>9,799,403</b>

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

**ALX Resources Corp.**  
Condensed Interim Statements of Cash Flows  
For the Three Months ended March 31,  
(Expressed in Canadian Dollars)

	2021	2020
<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Net loss for the period	\$ (185,267)	\$ (316,522)
Items not involving cash:		
Deferred income tax recovery	(18,271)	(102,796)
Share-based compensation	36,574	65,981
Finance charges	3,527	4,388
Depreciation	10,759	11,381
Unrealized (gain)loss on marketable securities	(42,120)	24,712
Loss on sale of marketable securities	12,650	54,090
Changes in non-cash operating working capital:		
Amounts receivable	(29,837)	(40,769)
Prepaid expenses	(7,546)	24,011
Accounts payable and accrued liabilities	22,709	(1,718)
<b>Net cash flows (used in) operating activities</b>	<b>(196,822)</b>	<b>(277,242)</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Proceeds from sale of marketable securities	24,320	205,111
Exploration and evaluation asset expenditures	(293,925)	(437,592)
<b>Net cash flows (used in) provided from investing activities</b>	<b>(269,605)</b>	<b>(232,481)</b>
<b>CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:</b>		
Interest and finance charges paid	(3,527)	(4,388)
Repayment of lease liabilities	(8,467)	(6,719)
Warrants exercised	90,749	-
<b>Net cash flows (used in) provided from financing activities</b>	<b>78,755</b>	<b>(11,107)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(387,672)</b>	<b>(520,830)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,095,464</b>	<b>1,689,778</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 707,792</b>	<b>\$ 1,168,948</b>

Supplemental disclosure with respect to cash flows (Note 11)

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

# **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

## **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 TSX Venture Exchange (“TSX-V”) under the symbol ‘AL’, on the Frankfurt Stock Exchange (“FSE”) under the symbol “6LNN” and in the United States OTC market under the symbol ‘ALXEF’. 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”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

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 exploration projects.

### **Approval of the financial statements**

The condensed interim financial statements of ALX Resources Corp. for the three months ended March 31, 2021 were approved and authorized for issue by the board of directors on May 25, 2021.

### **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.

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;
- assessment as to whether any impairment exists in the valuation of its assets;
- impairment of marketable securities;
- recovery of taxes and other receivables;

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
For the Three Months ended March 31, 2021  
(Expressed in Canadian Dollars)

## 2. BASIS OF PREPARATION - continued

### Significant accounting judgments, estimates and assumptions – continued

- the useful life and recoverability of property and equipment;
- rehabilitation provisions;
- fair value of share-based payments; and
- deferred income tax asset valuation allowances.

### Significant accounting policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 3 of the financial statements for the year ended December 31, 2020. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

## 3. 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:

	March 31, 2021		December 31, 2020	
	Cost	Fair Market Value	Cost	Fair Market Value
Manitou Gold Inc.	\$ 32,500	\$ 37,500	\$ 41,470	\$ 28,710
Uravan Minerals Inc.	16,520	5,900	44,520	9,540
Total	\$ 49,020	\$ 43,400	\$ 85,990	\$ 38,250

## 4. EQUIPMENT

	Right-of-use asset (Note 9)	Computer equipment	Field equipment	Office equipment	Total
	\$	\$	\$	\$	\$
<b>Cost:</b>					
Balance, December 31, 2020	175,184	8,299	16,640	23,356	223,479
Additions	-	-	-	-	-
Balance, March 31, 2021	175,184	8,299	16,640	23,356	223,479
<b>Accumulated depreciation:</b>					
Balance, December 31, 2020	70,074	8,299	15,235	17,717	111,325
Additions	8,759	-	832	1,168	10,759
Balance, March 31, 2021	78,833	8,299	16,067	18,885	122,084
<b>Carrying amounts:</b>					
Balance, December 31, 2020	105,110	-	1,405	5,639	112,154
Balance, March 31, 2021	96,351	-	573	4,471	101,395



## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

### 5. 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.

	Energy Metals and Gold Properties	Uranium Properties	Total
<b>Balance, January 1, 2020</b>	\$ 815,232	\$ 7,267,491	\$ 8,082,723
Additions during the year--			
Property acquisition costs			
Cash	3,000	10,000	13,000
Staking	25,252	22,711	47,963
Property exploration costs			
Assays	20,721	2,206	22,927
Camp	84,537	2,632	87,169
Drilling	479,045	13,372	492,417
Field supplies and rentals	81,463	4,967	86,430
Geological and field personnel	428,425	82,087	510,512
Surveying costs	397,443	-	397,443
Travel and accommodation	43,482	1,284	44,766
Total additions during the year	1,563,368	139,259	1,702,627
Proceeds received from earn-in of exploration and evaluation assets	(298,489)	-	(298,489)
<b>Balance, December 31, 2020</b>	<b>\$ 2,080,111</b>	<b>\$ 7,406,750</b>	<b>\$ 9,486,861</b>
Additions during the period--			
Property acquisition costs			
Cash	33,658	-	33,658
Staking	4,676	-	4,676
Common shares	45,500	-	45,500
Property exploration costs			
Assays	8,533	-	8,533
Camp	9,600	-	9,600
Drilling	96,624	-	96,624
Field supplies and rentals	6,142	512	6,654
Geological and field personnel	97,221	4,014	101,235
Surveying costs	70,789	-	70,789
Travel and accommodation	1,010	-	1,010
Total additions during the period	373,753	4,526	378,279
<b>Balance, March 31, 2021</b>	<b>\$ 2,453,864</b>	<b>\$ 7,411,276</b>	<b>\$ 9,865,140</b>

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Energy Metals and Gold Properties

	-----Energy Metals Properties-----					-----Gold Properties-----			
	Firebird Nickel Project	Electra Nickel Project	Cannon Copper	Tango	Other Staked Energy Metals Properties	Alligator Gold Project	Vixen Gold Project	Other Gold Properties	Total
Note	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	
<b>Balance, January 1, 2020</b>	\$ 335,928	\$ -	\$ 5,801	\$ 196,572	\$ 145,005	\$ -	\$ 131,926	\$ -	\$ 815,232
Additions during the year --									
Property acquisition costs									
Cash	-	3,000	-	-	-	-	-	-	3,000
Staking	2,248	3,350	2,090	-	383	-	-	17,181	25,252
Property exploration costs									
Assays	9,194	-	-	-	1,852	-	9,675	-	20,721
Camp	75,767	-	-	-	3,118	-	479	5,173	84,537
Drilling	399,744	-	-	-	13,299	-	32,813	33,189	479,045
Field supplies and rentals	70,970	-	-	384	1,783	-	5,921	2,405	81,463
Geological and field personnel	247,062	5,570	2,476	16,630	21,289	-	72,264	63,134	428,425
Surveying costs	327,850	-	-	-	-	-	69,593	-	397,443
Travel and accommodation	18,890	-	-	-	963	-	21,391	2,238	43,482
Total additions during the year	1,151,725	11,920	4,566	17,014	42,687	-	212,136	123,320	1,563,368
Proceeds received from earn-in of exploration and evaluation assets	(298,489)	-	-	-	-	-	-	-	(298,489)
<b>Balance, December 31, 2020</b>	\$ 1,189,164	\$ 11,920	\$ 10,367	\$ 213,586	\$ 187,692	\$ -	\$ 344,062	\$ 123,320	\$ 2,080,111
Additions during the period --									
Property acquisition costs									
Cash	-	7,000	-	-	9,158	15,000	2,500	-	33,658
Staking	-	2,585	1,091	-	-	1,000	-	-	4,676
Common shares	-	25,500	-	-	-	20,000	-	-	45,500
Property exploration costs									
Assays	-	-	-	-	478	1,218	-	6,837	8,533
Camp	-	-	-	-	-	8,971	629	-	9,600
Drilling	-	-	-	-	-	96,624	-	-	96,624
Field supplies and rentals	920	-	-	128	568	4,526	-	-	6,142
Geological and field personnel	13,949	1,857	3,472	-	12,973	62,452	819	1,699	97,221
Surveying costs	-	70,789	-	-	-	-	-	-	70,789
Travel and accommodation	-	-	-	-	-	1,010	-	-	1,010
Total additions during the period	14,869	107,731	4,563	128	23,177	210,801	3,948	8,536	373,753
<b>Balance, March 31, 2021</b>	\$ 1,204,033	\$ 119,651	\$ 14,930	\$ 213,714	\$ 210,869	\$ 210,801	\$ 348,010	\$ 131,856	\$ 2,453,864

#### i) Firebird Nickel

The Firebird Nickel Project (“Firebird”) is located approximately 14 kilometres northwest of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking most of the claims in May of 2019. The project is prospective nickel, copper, and cobalt. Included within the Firebird Nickel Project are the Axis Lake, Currie Lake, and Rea Lake claims. ALX acquired a 100% interest in these claims from three separate vendors by paying a total of \$52,000 and issuing 3,950,000 common shares valued at \$133,500. The vendors retained a 2.0% net smelter returns royalty (“NSR”) and the Company has the right to purchase up to half of the NSR for a total of \$5.0 million.

## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
For the Three Months ended March 31, 2021  
(Expressed in Canadian Dollars)

---

### 5. EXPLORATION AND EVALUATION ASSETS – continued

#### Energy Metals and Gold Properties - continued

##### i) Firebird Nickel - continued

On August 21, 2020, ALX entered into an option agreement with Rio Tinto Exploration Canada Inc. (“Rio Tinto”) on the Company’s Firebird Nickel Project. Rio Tinto may acquire up to an 80% interest in Firebird by incurring a total of \$12.0 million in exploration expenditures over six years and by making cash payments to ALX totaling \$125,000, as outlined in the following summary:

- Rio Tinto may acquire a 51% interest in Firebird (the “First Option”) by funding \$3.0 million in exploration expenditures within three years of the agreement date;
- Carrying out an initial exploration program of not less than \$150,000, to be completed within six months of the Effective Date (completed); and
- Making a \$50,000 cash payment to ALX within 45 days of the Effective Date (received).

Upon Rio Tinto acquiring a 51% interest in Firebird, it may elect to form a joint venture on terms established by the parties in a separate joint venture agreement, or give notice to ALX that it wishes to pursue its right to acquire up to an 80% interest in the Project (the “Second Option”). To earn an additional 29% interest in Firebird Rio Tinto must:

- Fund an additional \$9.0 million in exploration over a second three year period for total expenditures by Rio Tinto of \$12.0 million over six years; and
- Make a second cash payment to ALX of \$75,000 for total cash consideration of \$125,000.

Rio Tinto will act as operator of exploration (the “Operator”) of the Project, but may in its sole discretion appoint ALX to act as Operator at any time during the First or Second Option periods. Either party while acting as Operator may charge a 10% administrative fee on exploration expenditures.

##### ii) Electra Nickel Project

On December 17, 2020, the Company executed an option agreement to acquire up to a 100% interest in the Electra Nickel Project located near Thunder Bay, Ontario. The TSX Venture Exchange approved the agreement on January 6, 2021 and this date is also deemed to be the “Anniversary Date” of the agreement. To earn its interest, the Company will pay a total of \$135,000 in cash, issue 1.1 million common shares, and incur \$500,000 in exploration expenditures according to the following schedule:

- A non-refundable \$3,000 cash payment paid by ALX as a pre-option payment for an exclusive 45-day period during which ALX conducted due diligence on the Project (completed);
- On the approval of TSX Venture Exchange: \$7,000 in cash (paid) and 300,000 common shares (issued and valued at \$25,500);
- On or before 1st Anniversary Date: \$15,000 in cash and 250,000 common shares, and \$100,000 in exploration expenditures;
- On or before 2nd Anniversary Date: \$20,000 in cash and 200,000 common shares, and an additional \$100,000 in exploration expenditures;
- On or before 3rd Anniversary Date: \$25,000 in cash and 150,000 common shares, and an additional \$100,000 in exploration expenditures;
- On or before 4th Anniversary Date: \$30,000 in cash and 100,000 common shares, and an additional \$100,000 in exploration expenditures;

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements  
For the Three Months ended March 31, 2021  
(Expressed in Canadian Dollars)

---

### **5. EXPLORATION AND EVALUATION ASSETS – continued**

#### **Energy Metals and Gold Properties** - continued

##### ii) Electra Nickel Project - continued

- On or before 5th Anniversary Date: \$35,000 in cash and 100,000 common shares and an additional \$100,000 in exploration expenditures.

The property is subject to a 2.5% net smelter returns royalty (“NSR”). At any time, ALX shall have the right to purchase up to 1.5% of the NSR in three increments for \$500,000 per increment. The agreement was approved by the TSX Venture Exchange on January 6, 2021.

##### iii) Cannon Copper (formerly the “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.

##### iv) Tango Property

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%. 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.

##### v) Other Staked Energy Metals Properties

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 prospective nickel, copper, and cobalt.

The Draco VMS Project is located in Grong district of Norway and ALX acquired a 100% interest by staking in May 2019. This project is prospective copper-zinc-gold-silver.

##### vi) Alligator Gold Project

On February 18, 2021, ALX entered into an option agreement with Alligator Resources Ltd. (“Optionor”), whereby the Company may acquire up to an 80% interest in the Optionor’s Alligator Gold Project by incurring a total of \$1.25 million in exploration expenditures over four years, issuing 1,500,000 common shares of the Company and by making cash payments to the Optionor totaling \$150,000, as outlined in the following summary:

- The Company may acquire a 51% interest in the Alligator property (the “First Option”) by funding \$500,000 in exploration expenditures by December 31, 2022:
  - Within 5 days of the Optionor’s acceptance of the letter agreement, the Company shall make a non-refundable \$3,000 cash payment (paid);
  - Within 5 days of the acceptance from the TSX Venture the Company shall make a \$12,000 cash payment (paid) and issue 250,000 common shares (issued and valued at \$20,000) to the Optionor;
  - On or before December 31, 2021, the Company shall make a cash payment of \$25,000 and issue an additional 250,000 common shares of the Company; and
  - On or before December 31, 2022, the Company shall make a cash payment of \$30,000 and issue an additional 250,000 common shares of the Company.

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

### **5. EXPLORATION AND EVALUATION ASSETS – continued**

#### **Energy Metals and Gold Properties** - continued

##### vi) Alligator Gold Project - continued

- Upon the Company acquiring a 51% interest in the Alligator property, it may elect to pursue its right to acquire up to an 80% interest in the project (the “Second Option”). To earn an additional 29% interest in the Alligator property the Company must:
  - On or before December 31, 2023, the Company shall make a cash payment of \$35,000 and issue an additional 250,000 common shares of the Company;
  - On or before December 31, 2024, the Company shall make a cash payment of \$45,000 and issue an additional 500,000 common shares of the Company; and
  - The Company shall incur additional expenditures of at least \$750,000 at the property.

Upon the Company earning an 80% interest in the property the Company and the Optionor shall form a joint venture with the terms to be negotiated under a joint venture agreement.

The property is subject to an underlying 2.5% net smelter returns royalty (“NSR”) on the sale of valuable minerals from the project.

##### vii) 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.

On March 24, 2021, ALX entered into a purchase agreement to acquire a 100% interest in eight claims contiguous to Company’s Vixen Gold Project in exchange for \$2,500 and issuing 200,000 common shares of the Company. Subsequent to the quarter ended March 31, 2021, the agreement was approved by the TSX Venture Exchange on April 7, 2021 and the Company issued 200,000 common shares valued at \$19,000.

##### viii) Other Gold Properties

In July and November 2020, the Company acquired by staking a 100% interest in several claim blocks prospective for gold located in Saskatchewan by staking the Sceptre Gold Project and the Hummingbird Gold Project.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties

	Hook- Carter	Black Lake	Gibbons Creek	Newnham Lake	Kelic Lake	Lazy Edward	Carpenter Lake	South Pine/Perch	Cluff Lake	Other Uranium Properties	Total
Note	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)	(xviii)	
<b>Balance, January 1, 2020</b>	\$ 1	\$ 1,593,326	\$ 1,571,287	\$ 1,264,001	\$ 1,703,822	\$ 326,848	\$ 299,943	\$ 419,332	\$ 1	\$ 88,930	\$ 7,267,491
Additions during the year --											
Property acquisition costs											
Cash	-	-	-	-	-	-	-	10,000	-	-	10,000
Staking	14,410	-	-	-	1,352	6,949	-	-	-	-	22,711
Property exploration costs											
Assays	-	-	2,206	-	-	-	-	-	-	-	2,206
Camp	-	-	2,557	75	-	-	-	-	-	-	2,632
Drilling	-	-	13,372	-	-	-	-	-	-	-	13,372
Field supplies	-	-	2,106	1,536	-	-	-	-	-	1,325	4,967
Geological and field personnel	-	30,181	15,988	9,479	-	2,000	-	8,423	-	16,016	82,087
Travel and accommodation	-	-	1,284	-	-	-	-	-	-	-	1,284
Total additions during the year	14,410	30,181	37,513	11,090	1,352	8,949	-	18,423	-	17,341	139,259
<b>Balance, December 31, 2020</b>	\$ 14,411	\$ 1,623,507	\$ 1,608,800	\$ 1,275,091	\$ 1,705,174	\$ 335,797	\$ 299,943	\$ 437,755	\$ 1	\$ 106,271	\$ 7,406,750
Additions during the period --											
Property exploration costs											
Field supplies	-	-	-	512	-	-	-	-	-	-	512
Geological and field personnel	-	260	3,754	-	-	-	-	-	-	-	4,014
Total additions during the period	-	260	3,754	512	-	-	-	-	-	-	4,526
<b>Balance, March 31, 2021</b>	\$ 14,411	\$ 1,623,767	\$ 1,612,554	\$ 1,275,603	\$ 1,705,174	\$ 335,797	\$ 299,943	\$ 437,755	\$ 1	\$ 106,271	\$ 7,411,276

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

### **5. EXPLORATION AND EVALUATION ASSETS - continued**

#### **Uranium Properties - continued**

##### ix) Hook-Carter Property

Prior to the definitive agreement described below, the Hook-Carter Property was 100% owned by the Company, subject to various royalties. The property was acquired mostly by staking with certain claims being acquired in 2015 by paying \$40,000 and issuing 266,667 common shares valued at \$28,000. It is located in the Patterson Lake Corridor on the southwest side of the Athabasca Basin in Saskatchewan.

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 7.5 million common shares of Denison with a value of \$3.825 million in exchange for an immediate 80% interest in the property. ALX retained a 20% interest in the property and Denison has agreed to fund ALX's share of the first \$12.0 million in expenditures.

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 Orano Canada Inc. 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.

##### x) Black Lake Project

On September 5, 2017, the Company entered into option agreement with UEX Corporation ("UEX") to earn up to a 75% interest in the Black Lake Project. ALX has earned a 40% participating interest in the project by issuing 5,000,000 common shares valued at \$400,000, and incurring certain exploration expenditures. ALX's option to acquire up to 75% interest in the project has expired but will retain 40% interest in the project.

##### xi) Gibbons 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.

##### xii) 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. To earn its interest the Company paid \$100,000 and issued 833,333 common shares valued at \$275,000. The transaction was approved by the TSX-V on July 22, 2014.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Uranium Properties – continued

#### xii) Newnham Lake Property - continued

On August 21, 2014, the Company entered into an option agreement to acquire adjacent claims from Anstag Mining Inc., by paying \$50,000 and issuing 333,333 common shares valued at \$65,000. In addition, the Company committed to incurring \$1,500,000 in exploration expenditures before August 28, 2019. The transaction was approved by the TSX-V on August 28, 2014. On August 19, 2019, the Company amended the agreement to complete the exploration expenditures by August 28, 2022. As consideration for the extension, the Company issued 300,000 common shares valued at \$12,000. 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.

#### xiii) 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 valued at \$133,750, 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.

#### xiv) 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.

#### xv) 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 valued at \$93,000, 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.



## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

### **5. EXPLORATION AND EVALUATION ASSETS – continued**

#### **Uranium Properties** – continued

##### xvi) 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.

##### xvii) Cluff Lake Project

###### Middle Lake Property (formerly Cluff Lake (ACME) Property)

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 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.

###### 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 is located adjacent to the north of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan.

##### xviii) 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”.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

---

## 6. 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 October 2 and 20, 2020, the Company issued a total of 9,931,333 units on a flow-through basis at \$0.07 per unit for gross proceeds of \$744,850 and recognized a liability for flow-through shares of \$49,657. As at March 31, 2021, the Company has spent \$609,889 (December 31, 2020 - \$335,834) of the flow-through funds and has reversed \$40,660 (December 31, 2020 - \$22,389) of the flow-through liability.

At March 31, 2021, the amount of flow-through proceeds remaining to be expended is \$134,961 (December 31, 2020 - \$409,016) and the balance of the liability for flow-through shares is \$8,997 (December 31, 2020 - \$27,268).

## 7. 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 March 31, 2021 is 154,003,258 (December 31, 2020 – 151,940,778).

### During the period ended March 31, 2021:

- i) On January 11, 2021, issued 300,000 common shares for the Electra Nickel Project exploration and evaluation assets valued at \$25,500.
- ii) On February 19, 2021, issued 1,512,480 common shares for exercise of warrants.
- iii) On March 1, 2021, issued 250,000 common shares for the Alligator Gold Project exploration and evaluation assets valued at \$20,000.

### During the year ended December 31, 2020:

- iv) On October 2 and 20, 2020, the Company closed a non-brokered private placement consisting of 9,931,333 FT Units at \$0.075 each and 9,473,400 NFT Units at \$0.06 each for gross proceeds of \$1,313,254 (with \$49,657 being recognized 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 \$65,638 and issued 958,133 finder fee warrants valued at \$44,296. Each warrant is exercisable into one common share of the Company for a period of two years from closing. The warrants were issued in two batches with 414,800 warrants exercisable at \$0.06 per common share and 543,333 warrants exercisable \$0.075 per common share.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL – continued

### c) Warrants:

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

	March 31, 2021		December 31, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	76,048,269	0.11	55,685,403	0.11
Exercised	(1,512,480)	0.06	-	-
Issued	-	-	20,362,866	0.10
Balance, end of period	74,535,789	0.11	76,048,269	0.11

The following warrants were outstanding as at March 31, 2021:

Expiry Date	Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
May 16, 2021*	\$ 0.20	2,325,000	0.13
May 31, 2021	\$ 0.10	26,500,000	0.17
May 31, 2021	\$ 0.06	48,300	0.17
June 23, 2021*	\$ 0.20	765,000	0.23
December 29, 2021***	\$ 0.15	2,180,000	0.75
December 30, 2021**	\$ 0.15	2,410,000	0.75
July 21, 2022***	\$ 0.125	8,650,000	1.31
October 2, 2022	\$ 0.06	414,800	1.51
October 2, 2022	\$ 0.075	310,000	1.51
October 2, 2022	\$ 0.10	14,621,400	1.51
October 20, 2022	\$ 0.075	233,333	1.56
October 20, 2022	\$ 0.10	4,783,333	1.56
December 17, 2022	\$ 0.08	10,064,623	1.72
December 30, 2022	\$ 0.08	1,230,000	1.75
Total		74,535,789	

Weight average remaining life of warrants outstanding 0.94

\*The original expiry dates of these warrants were extended by 42 months

\*\* 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 period ended March 31, 2021, the Company issued a total of nil (December 31, 2020 – 958,133) finder fee warrants. The finder fee warrants granted resulted in share issue costs of \$nil (December 31, 2020 - \$44,296). The following parameters were used to value finder fee warrants:

## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

### 7. SHARE CAPITAL – continued

c) Warrants: - continued

	March 31, 2021	December 31, 2020
Expected Life	N/A	2 years
Risk-free interest rate	N/A	0.2350%
Annualized volatility	N/A	133.55%
Dividend rate	N/A	N/A
Fair value of shares at grant date	N/A	\$0.045 - \$0.048

### 8. 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 period ended March 31, 2021 and the year ended December 31, 2020:

- On February 26, 2021 the Company granted 3,450,000 stock options (2,900,000 were issued to Director and Officers) with an exercise price of \$0.075 per common share 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.
- On January 16, 2020 the Company granted 2,900,000 stock options (2,150,000 were issued to Director and Officers) with an exercise price of \$0.07 per common share 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 period ended March 31, 2021 and the year ended December 31, 2020:

	March 31, 2021		December 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	10,900,000	\$ 0.09	8,550,000	\$ 0.09
Cancelled	-	-	(550,000)	0.11
Granted	3,450,000	0.075	2,900,000	0.07
Balance, end of period	14,350,000	\$ 0.08	10,900,000	\$ 0.09

## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
For the Three Months ended March 31, 2021  
(Expressed in Canadian Dollars)

### 8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at March 31, 2021:

Expiry Date	Exercise Price	Number of Options	Remaining Contractual Life (Years)
July 22, 2021	\$ 0.10	525,000	0.31
November 8, 2021	\$ 0.10	150,000	0.61
January 16, 2022	\$ 0.135	900,000	0.80
May 12, 2022	\$ 0.10	400,000	1.12
June 19, 2022	\$ 0.10	400,000	1.22
August 17, 2022	\$ 0.10	1,000,000	1.38
June 6, 2024	\$ 0.07	3,400,000	3.19
January 16, 2025	\$ 0.07	2,900,000	3.80
September 25, 2025	\$ 0.10	1,075,000	4.49
March 15, 2026	\$ 0.10	150,000	4.96
Total		10,900,000	
Weighted average remaining life of stock options outstanding and exercisable			2.82

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the three months ended March 31, 2021, the Company issued a total of 3,450,000 (March 31, 2020 – 2,900,000) incentive stock options to directors, officers, employees, and consultants of the Company. During the three months ended March 31, 2021, the options issued and vested resulted in share-based payments of \$36,574 (March 31, 2020 – \$65,981).

	March 31, 2021	March 31, 2020
Expected Life	5 years	5 years
Risk-free interest rate	0.88%	1.57%
Annualized volatility	114.46%	111.52%
Dividend rate	N/A	N/A
Fair value of shares at grant date	0.06	0.04

### 9. 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.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 9. COMMITMENTS – continued

### i) Office Lease – continued

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 4)

#### *Lease liabilities*

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

	March 31, 2021	December 31, 2020
Undiscounted minimum lease payments:		
Less than one year	\$ 47,979	\$ 47,979
Two to five years	83,963	95,958
	131,942	143,937
Effect of discounting	(20,032)	(23,560)
Present value of minimum lease payments	111,910	120,377
Less current portion	(36,515)	(35,441)
Long-term portion	\$ 75,395	\$ 84,936

#### *Lease liability continuity*

The net change in the lease liability is as follows:

	March 31, 2021	December 31, 2020
Lease liability - Beginning of year	\$ 120,377	\$ 148,497
Cash flows:		
Principal payments	(8,467)	(28,120)
Lease liability - End of period	\$ 111,910	\$ 120,377

During the period ended March 31, 2021, interest of \$3,527 (March 31, 2020 – \$4,388) is included in interest expense.

## 10. 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:

	March 31, 2021	March 31, 2020
Salaries and consulting fees	\$ 84,636	\$ 82,929
Share-based compensation	30,566	51,578
Key management personnel compensation	\$ 115,202	\$ 134,507

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 10. RELATED PARTY TRANSACTIONS - continued

During the three months ended March 31, 2021, the Company incurred consulting fees of \$458 (March 31, 2020 - \$2,514) and exploration costs of \$53,124 (March 31, 2020 - \$162,738) 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 March 31, 2021, \$50,457 (December 31, 2020 - \$5,400) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

## 11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	<b>March 31,</b>		March 31,
	<b>2021</b>		2020
Exploration and evaluation costs in accounts payable	\$ 139,914	\$	453,845
Shares issued for property option payment	\$ 45,500	\$	-

## 12. 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.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2021

(Expressed in Canadian Dollars)

## 12. FINANCIAL RISK MANAGEMENT – continued

### (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.

### (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 period ended March 31, 2021 or the year ended December 31, 2020. 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 March 31, 2021 and December 31, 2020:

	As at March 31, 2021		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 707,792	\$ -	\$ -
Marketable securities	\$ 43,400	\$ -	\$ -
	\$ 751,192	\$ -	\$ -

  

	As at December 31, 2020		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,095,464	\$ -	\$ -
Marketable securities	\$ 38,250	\$ -	\$ -
	\$ 1,133,714	\$ -	\$ -

## 13. EVENTS AFTER THE REPORTING PERIOD

Subsequent to quarter-end, the Company:

- Received \$93,660 from the exercise of 971,000 share purchase warrants.
- Issued 200,000 common shares for the purchase of additional claims contiguous to the Company's Vixen Gold Project.