



## Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(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, 2022</b>	December 31, 2021
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 3,600,865	\$ 4,052,887
Taxes receivable	103,425	25,923
Other receivables	-	41,685
Marketable securities (Note 3)	1,072,162	113,765
Prepaid expenses and deposits	179,705	211,199
<b>Total Current Assets</b>	<b>4,956,157</b>	<b>4,445,459</b>
<b>Property and equipment</b> (Note 4)	<b>61,314</b>	<b>71,040</b>
<b>Exploration and evaluation assets</b> (Note 5)	<b>8,359,373</b>	<b>8,520,277</b>
<b>Total Assets</b>	<b>\$ 13,376,844</b>	<b>\$ 13,036,776</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 698,233	\$ 50,920
Current portion of lease liability (Note 9)	41,146	39,936
Liability for flow-through shares (Note 6)	-	91,092
<b>Total Current Liabilities</b>	<b>739,379</b>	<b>181,948</b>
<b>Lease liability</b> (Note 9)	<b>34,249</b>	<b>45,001</b>
<b>Equity</b>		
<b>Share capital</b> (Note 7)	<b>22,038,146</b>	<b>22,038,146</b>
<b>Reserves</b> (Note 8)	<b>2,659,679</b>	<b>2,542,733</b>
<b>Deficit</b>	<b>(12,094,609)</b>	<b>(11,771,052)</b>
<b>Total Equity</b>	<b>12,603,216</b>	<b>12,809,827</b>
<b>Total Liabilities and Equity</b>	<b>\$ 13,376,844</b>	<b>\$ 13,036,776</b>
Going concern of operations (Note 2)		
Commitments (Note 9)		

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

**ALX Resources Corp.**

## Condensed Interim Statements of Comprehensive Loss

For the Three Months ended March 31,

(Expressed in Canadian Dollars)

	2022	2021
<b>Expenses</b>		
Accounting and audit fees	\$ 21,000	\$ 21,000
Advertising and promotion	74,469	19,702
Consulting fees and salaries (Note 10)	126,004	102,169
Depreciation	9,726	10,759
Insurance	6,417	5,389
Investor relations	2,550	4,050
Legal fees	6,799	6,105
Office and general	22,137	24,385
Property investigation	-	2,654
Share-based compensation (Note 8)	116,946	36,574
Transfer agent and filing fees	12,622	13,211
<b>Operating Expenses</b>	<b>398,670</b>	<b>245,998</b>
<b>Other Expenses (Income)</b>		
Foreign exchange loss	51,430	-
Interest and recovery of office and general	(13,607)	(12,991)
Operator fee income (Note 5(i))	(782)	-
Unrealized (gain) loss on marketable securities (Note 3)	(21,062)	(42,120)
Loss on sale of marketable securities (Note 3)	-	12,650
<b>Loss before Income Taxes</b>	<b>414,649</b>	<b>203,537</b>
Deferred income tax recovery (Note 6)	(91,092)	(18,270)
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ 323,557</b>	<b>\$ 185,267</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>
<b>Weighted Average Number of Common Shares</b>		
<b>Outstanding - Basic and Diluted</b>	<b>207,808,956</b>	<b>152,192,009</b>

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

**ALX Resources Corp.**  
Condensed Interim Statements of Changes in Equity  
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
<b>Balance, January 1, 2022</b>	<b>207,808,956</b>	<b>\$ 22,038,146</b>	<b>\$ 2,542,733</b>	<b>\$ (11,771,052)</b>	<b>12,809,827</b>
Share-based compensation (Note 8)	-	-	116,946	-	116,946
Net loss for the period	-	-	-	(323,557)	(323,557)
<b>Balance, March 31, 2022</b>	<b>207,808,956</b>	<b>\$ 22,038,146</b>	<b>\$ 2,659,679</b>	<b>(12,094,609)</b>	<b>\$ 12,603,216</b>

  

	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>

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)

	2022	2021
<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Net loss for the period	\$ (323,557)	\$ (185,267)
Items not involving cash:		
Deferred income tax recovery	(91,092)	(18,271)
Depreciation	9,726	10,759
Finance charges	2,453	3,527
Loss on sale of marketable securities	-	12,650
Share-based compensation	116,946	36,574
Unrealized (gain) on marketable securities	(21,062)	(42,120)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	16,258	22,709
Prepaid expenses	31,494	(7,546)
Taxes and other receivables	(35,817)	(29,837)
<b>Net cash flows used in operating activities</b>	<b>(294,651)</b>	<b>(196,822)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Exploration and evaluation asset expenditures	(1,038,076)	(293,925)
Proceeds from sale of marketable securities	-	24,320
Proceeds from sale of exploration and evaluation assets	892,700	-
<b>Net cash flows used in investing activities</b>	<b>(145,376)</b>	<b>(269,605)</b>
<b>CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:</b>		
Interest and finance charges paid	(2,453)	(3,527)
Repayment of lease liabilities	(9,542)	(8,467)
Warrants exercised for cash	-	90,749
<b>Net cash flows provided from financing activities</b>	<b>(11,995)</b>	<b>78,755</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(452,022)</b>	<b>(387,672)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,052,887</b>	<b>1,095,464</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 3,600,865</b>	<b>\$ 707,792</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, 2022

(Expressed in Canadian Dollars)

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## **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 development projects.

### **COVID-19 pandemic**

The COVID-19 pandemic creates uncertainty in respect to global economic and market conditions; however, its specific, identifiable impact on the Company has not, to date, been material. Future developments in the course of the pandemic could negatively impact the Company’s operations, however such future outcomes cannot currently be predicted beyond those expected to affect society as a whole.

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

The condensed interim financial statements of ALX Resources Corp. for the three months ended March 31, 2022 were approved and authorized for issue by the board of directors on May 25, 2022.

### **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:

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

## 2. BASIS OF PREPARATION - continued

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

- 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;
- 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, 2021. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021.

## 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 the Toronto Stock Exchange or the TSX Venture Stock Exchange or the Australian Stock Exchange and published price quotes are widely available. The aggregate amount of the investments can be summarized as follows:

	March 31, 2022		December 31, 2022	
	Cost	Fair Market Value	Cost	Fair Market Value
First Mining Gold Corp.	\$ 100,000	\$ 80,116	\$ 100,000	\$ 87,399
Manitou Gold Inc.	19,695	16,665	19,695	18,180
Okapi Resources Limited	937,335	967,201	-	-
Pegasus Resources Inc.	7,500	7,000	7,500	5,000
Uravan Minerals Inc.	16,520	1,180	16,520	3,186
Total	\$ 1,081,050	\$ 1,072,162	\$ 143,715	\$ 113,765

## 4. EQUIPMENT

	Right-of-use asset (Note 9)	Field equipment	Office equipment	Total
	\$	\$	\$	\$
<b>Cost:</b>				
Balance, December 31, 2021	175,184	16,640	23,356	215,180
Additions	-	-	-	-
Balance, March 31, 2022	175,184	16,640	23,356	215,180
<b>Accumulated depreciation:</b>				
Balance, December 31, 2021	105,111	16,640	22,389	144,140
Additions	8,759	-	967	9,726
Balance, March 31, 2022	113,870	16,640	23,356	153,866
<b>Carrying amounts:</b>				
Balance, December 31, 2021	70,073	-	967	71,040
Balance, March 31, 2022	61,314	-	-	61,314



# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(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, 2021</b>	\$ 2,080,111	\$ 7,406,750	\$ 9,486,861
Additions during the year-			
Property acquisition costs			
Cash	113,658	7,500	121,158
Staking	22,573	61,418	83,991
Common shares	135,750	142,500	278,250
Property exploration costs			
Assays	36,199	16,772	52,971
Camp	171,359	520	171,879
Drilling	806,314	50,863	857,177
Field supplies and rentals	130,368	6,985	137,353
Geological and field personnel	477,274	63,296	540,570
Other	(14,955)	(36,500)	(51,455)
Surveying costs	458,929	108,640	567,569
Travel and accommodation	42,869	16,139	59,008
Total additions during the year	2,380,338	438,133	2,818,471
Proceeds received from earn-in of exploration and evaluation assets	(1,734,206)	(44,470)	(1,778,676)
Impairment	-	(2,006,379)	(2,006,379)
<b>Balance, December 31, 2021</b>	<b>\$ 2,726,243</b>	<b>\$ 5,794,034</b>	<b>\$ 8,520,277</b>
Additions during the year-			
Property acquisition costs			
Cash	26,039	-	26,039
Property exploration costs			
Assays	1,346	-	1,346
Camp	142,917	158,861	301,778
Drilling	394,426	224,053	618,479
Field supplies and rentals	138,347	55,195	193,542
Geological and field personnel	200,020	124,315	324,335
Other	5,349	13,485	18,834
Surveying costs	93,373	111,053	204,426
Travel and accommodation	19,306	27,884	47,190
Total additions during the year	1,021,123	714,846	1,735,969
Proceeds received from earn-in of exploration and evaluation assets	(7,824)	(1,889,049)	(1,896,873)
<b>Balance March 31, 2022</b>	<b>\$ 3,739,542</b>	<b>\$ 4,619,831</b>	<b>\$ 8,359,373</b>

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(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	Other Staked Energy Metals Properties	Alligator Gold Project	Vixen Gold Project	Other Gold Properties	Total
Note	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	
<b>Balance, January 1, 2021</b>	<b>\$ 1,189,164</b>	<b>\$ 11,920</b>	<b>\$ 10,367</b>	<b>\$ 401,278</b>	<b>\$ -</b>	<b>\$ 344,062</b>	<b>\$ 123,320</b>	<b>\$ 2,080,111</b>
Additions during the year --								
Property acquisition costs								
Cash	-	22,000	-	9,158	40,000	42,500	-	113,658
Staking	-	3,841	1,091	16,641	1,000	-	-	22,573
Common shares	-	46,750	-	-	40,000	49,000	-	135,750
Property exploration costs								
Assays	49	6,310	-	478	22,225	299	6,838	36,199
Camp	141,070	-	-	-	29,660	629	-	171,359
Drilling	692,528	10,000	-	-	103,786	-	-	806,314
Field supplies and rentals	76,091	7,479	-	952	31,361	14,485	-	130,368
Geological and field personnel	251,937	92,859	4,944	16,951	84,654	20,752	5,177	477,274
Other	16,605	-	-	-	(35,421)	3,861	-	(14,955)
Surveying costs	158,050	97,539	77,470	85,000	40,245	625	-	458,929
Travel and accommodation	32,876	7,647	-	-	2,134	212	-	42,869
Total additions during the year	1,369,206	294,425	83,505	129,180	359,644	132,363	12,015	2,380,338
Proceeds received from earn-in of exploration and evaluation assets	(1,351,706)	-	-	-	-	(350,000)	(32,500)	(1,734,206)
<b>Balance, December 31, 2021</b>	<b>\$ 1,206,664</b>	<b>\$ 306,345</b>	<b>\$ 93,872</b>	<b>\$ 530,458</b>	<b>\$ 359,644</b>	<b>\$ 126,425</b>	<b>\$ 102,835</b>	<b>\$ 2,726,243</b>
Additions during the period --								
Property acquisition costs								
Cash	-	-	-	26,039	-	-	-	26,039
Property exploration costs								
Assays	-	-	-	-	1,346	-	-	1,346
Camp	-	29,964	-	-	112,953	-	-	142,917
Drilling	-	-	-	-	394,426	-	-	394,426
Field supplies and rentals	-	2,200	-	128	136,019	-	-	138,347
Geological and field personnel	16,991	17,838	-	-	154,847	10,344	-	200,020
Other	5,321	-	-	-	-	28	-	5,349
Surveying costs	-	-	-	-	93,373	-	-	93,373
Travel and accommodation	-	4,579	-	-	14,727	-	-	19,306
Total additions during the period	22,312	54,581	-	26,167	907,691	10,372	-	1,021,123
Proceeds received from earn-in of exploration and evaluation assets	(7,824)	-	-	-	-	-	-	(7,824)
<b>Balance, March 31, 2022</b>	<b>\$ 1,221,152</b>	<b>\$ 360,926</b>	<b>\$ 93,872</b>	<b>\$ 556,625</b>	<b>\$ 1,267,335</b>	<b>\$ 136,797</b>	<b>\$ 102,835</b>	<b>\$ 3,739,542</b>

#### 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 for 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, 2022  
(Expressed in Canadian Dollars)

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### 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.

ALX has acted as operator of exploration (the “Operator”) of the Project but Rio Tinto may in its sole discretion appoint itself 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 (paid) and 250,000 common shares (issued and valued at \$21,250), and \$100,000 in exploration expenditures (complete);
- 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  
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(Expressed in Canadian Dollars)

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## 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. In March 2021, the Company staked additional claims in the surrounding area.

#### 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. This project is prospective for copper. In June 2014, the Company staked additional claims in the surrounding area.

#### iv) 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. In June 2021, the Company staked additional claims in the surrounding area. This project is prospective for nickel, copper, and cobalt.

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.

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 for copper-zinc-gold-silver.

#### v) 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, located in Saskatchewan, 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 (paid) and issue an additional 250,000 common shares (issued and valued at \$20,000) 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.

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### 5. EXPLORATION AND EVALUATION ASSETS – continued

#### Energy Metals and Gold Properties - continued

##### v) 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 separate joint venture agreement.

Two of the claims comprising the property are subject to an underlying 2.5% net smelter returns royalty (“NSR”) on the sale of valuable minerals from the project. At any time, ALX shall have the right to purchase 1.25% of the NSR for US\$1,000,000.

##### vi) 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 the Company’s Vixen Gold Project in exchange for \$2,500 (paid) and issuing 200,000 common shares (issued and valued at \$19,000) of the Company. The vendor has retained a net smelter royalty (“NSR”) of 1.5%. The Company may at any time purchase the NSR by paying \$1,500,000. The agreement was approved by the TSX Venture Exchange on April 7, 2021.

On May 7, 2021, ALX entered into a purchase agreement to acquire a 100% interest in fourteen claims and one patented claim contiguous to the Company’s Vixen Gold Project in exchange for \$40,000 (paid) and issuing 500,000 common shares (issued and valued at \$30,000) of the Company. The vendor has retained a net smelter royalty (“NSR”) of 2.5%. The Company may at any time acquire half of the NSR by paying \$1,250,000. The agreement was approved by the TSX Venture Exchange on August 11, 2021.

On September 7, 2021, ALX entered into an earn-in option agreement with First Mining Gold Corp. (“First Mining”) for all claims within ALX’s 100% owned Vixen Gold Project (“Vixen”). First Mining will have the option to earn an initial 70% interest in Vixen by paying cash and common shares totalling \$950,000. Upon completing the first stage of the earn-in, First Mining will hold, a 70% interest in Vixen and may acquire the remaining 30% interest in Vixen by paying cash and common shares totaling \$1 million. In summary, First Mining may acquire a 100% interest in Vixen by paying cash and common shares totalling \$1,950,000. The value and number of common shares to be issued by First Mining will be calculated using the prior day’s 20-day VWAP. Details of the agreement are as follows:

## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

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### 5. EXPLORATION AND EVALUATION ASSETS – continued

#### Energy Metals and Gold Properties - continued

##### vi) Vixen Gold Project - continued

- For First Mining to acquire a 70% interest in Vixen (the “First Option”) it must:
  - On closing, pay \$250,000 in cash and issue \$100,000 of common shares to ALX; (received)
  - On or before September 15, 2022, pay \$100,000 cash and issue \$100,000 of common shares to ALX;
  - On or before September 15, 2023, pay \$100,000 cash and issue \$100,000 of common shares to ALX;
  - On or before September 15, 2024, pay \$100,000 cash and issue \$100,000 of common shares to ALX; and
  - On or before September 15, 2024, fund and incur \$500,000 of Vixen exploration expenditures.
- Upon First Mining acquiring a 70% interest in Vixen, it may elect to acquire up to an 100% interest in Vixen within two years (the “Second Option”). To earn an additional 30% interest, First Mining must pay \$500,000 in cash and issue \$500,000 of common shares to ALX. In the event that First Mining elects not to complete the Second Option of the earn-in, ALX and First Mining will enter into a 70%-30% joint venture agreement with respect to Vixen.
- Under the agreement First Mining assumes the underlying NSR agreements. Further, the Company has been granted a 2% NSR on certain claims of which First Mining can repurchase 1% for \$1,000,000.

##### vii) 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.

On October 5, 2021, the Company granted an option to Pegasus Resources Inc. (“Pegasus”) to acquire an interest in four claims that form part of the Hummingbird Gold Project. Pegasus can earn a 70% interest by paying \$50,000, issuing 700,000 common shares, and incurring \$300,000 of exploration expenditures over three years. If Pegasus does not earn a 70% interest, the option will be terminated and ALX will retain a 100% interest. Pegasus can earn the remaining 30% interest by paying \$200,000 and issuing 500,000 common shares by the 5<sup>th</sup> anniversary of the agreement date, otherwise a joint venture would be formed. To date, the Company has received \$25,000 and 100,000 common shares valued at \$7,500.

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# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(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	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)	
<b>Balance, January 1, 2021</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 year --											
Property acquisition costs											
Cash	-	-	-	-	-	-	-	-	-	7,500	7,500
Staking	1,000	-	8,190	-	-	1,953	-	-	-	50,275	61,418
Common shares	-	-	-	37,500	-	75,000	-	-	-	30,000	142,500
Property exploration costs											
Assays	-	-	16,772	-	-	-	-	-	-	-	16,772
Camp	-	-	375	-	-	-	-	-	-	145	520
Drilling	-	-	50,863	-	-	-	-	-	-	-	50,863
Field supplies	-	-	3,813	1,536	-	-	-	-	-	1,636	6,985
Geological and field personnel	-	3,960	39,595	100	-	1,000	-	-	600	18,041	63,296
Other expenses	-	-	-	-	-	-	-	(40,000)	-	3,500	(36,500)
Surveying costs	-	-	-	-	-	-	-	-	-	108,640	108,640
Travel and accommodation	-	-	12,766	-	-	-	-	-	-	3,373	16,139
Total additions during the year	1,000	3,960	132,374	39,136	-	77,953	-	(40,000)	600	223,110	438,133
Proceeds received from earn-in of exploration and evaluation assets				(44,470)	-	-	-	-	-	-	(44,470)
Impairment	-	-	-	(668,217)	(893,316)	(180,707)	-	(208,378)	(36)	(55,725)	(2,006,379)
<b>Balance, December 31, 2021</b>	\$ 15,411	\$ 1,627,467	\$ 1,741,174	\$ 601,540	\$ 811,858	\$ 233,043	\$ 299,943	\$ 189,377	\$ 565	\$ 273,656	\$ 5,794,034
Additions during the period --											
Property exploration costs											
Camp	-	-	158,861	-	-	-	-	-	-	-	158,861
Drilling	-	-	224,053	-	-	-	-	-	-	-	224,053
Field supplies	-	-	54,683	512	-	-	-	-	-	-	55,195
Geological and field personnel	-	80	122,498	1,212	-	-	-	-	300	225	124,315
Other expenses	-	-	13,485	-	-	-	-	-	-	-	13,485
Surveying costs	-	-	53,100	-	-	-	-	-	-	57,953	111,053
Travel and accommodation	-	-	27,884	-	-	-	-	-	-	-	27,884
Total additions during the period	-	80	654,564	1,724	-	-	-	-	300	58,178	714,846
Proceeds received from earn-in of exploration and evaluation assets				(603,264)	(811,858)	(233,043)	-	(189,377)	(865)	(50,642)	(1,889,049)
<b>Balance, March 31, 2022</b>	\$ 15,411	\$ 1,627,547	\$ 2,395,738	-	-	-	\$ 299,943	-	-	\$ 281,192	\$ 4,619,831

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

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

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

##### **viii) 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.

##### **ix) 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 the Company will retain a 40% interest in the project.

##### **x) 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.

##### **xi) 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

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## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Uranium Properties – continued

#### xi) 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. Again on October 18, 2021, the Company amended the agreement to complete the exploration expenditures by August 28, 2025. As consideration for the extension, the Company issued 300,000 common shares valued at \$37,500. 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.

During the year ended December 31, 2021, the Company recorded an impairment charge of \$668,217.

On January 28, 2022, ALX completed a sale agreement with Okapi Resources Limited (“Okapi”) where Okapi has acquired the Company’s interests in the following six uranium exploration properties: Newnham Lake, Kelic Lake, Argo, Lazy Edward Bay, Cluff Lake and Perch. Okapi paid total consideration of \$1,874,505 (\$2.1 million Australian dollars (“AUD”)) consisting of cash payments of \$937,170 (AUD\$1,050,000), including a \$44,470 (AUD\$50,000) deposit, and 3,227,790 common shares of Okapi valued at \$937,335 (AUD\$1,050,000). The common shares received from Okapi are subject to an escrow agreement with a release schedule as follows: 33% after six months, 33% after nine months, and 34% after twelve months from the closing date.

Under the agreement Okapi assumes the underlying NSR royalties. Further, the Company has been granted a 1.5% NSR on certain mineral claims that did not previously bear any existing royalties. Okapi may at any time acquire up to 50% of ALX’s NSR by paying ALX \$1,000,000.

#### xii) 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.

During the year ended December 31, 2021, the Company recorded an impairment charge of \$893,316.

This property was sold on January 28, 2022 (See Note 5 (xi)).

#### xiii) 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.

## ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
For the Three Months ended March 31, 2022  
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### 5. EXPLORATION AND EVALUATION ASSETS – continued

#### Uranium Properties – continued

##### xiii) Lazy Edward Bay Property - continued

On October 15, the Company entered into a purchase agreement to acquire a 100% interest in additional claims adjacent to it Lazy Edward Bay Property. To complete the purchase, the ALX issued 600,000 common shares valued at \$75,000. The vendor will retain 2% net smelter returns royalty (“NSR”). ALX has the option to purchase half of the NSR for \$1.0 million.

During the year ended December 31, 2021, the Company recorded an impairment charge of \$180,707.

This property was sold on January 28, 2022 (See Note 5 (xi)).

##### xiv) Carpenter Lake Property

On January 13, 2014, the Company entered into an option agreement with Pacton Gold Inc. (“Pacton”) 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 Pacton (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 Pacton 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.

##### xv) 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.

During the year ended December 31, 2021, the Company recorded an impairment charge of \$208,378.

This property was sold on January 28, 2022 (See Note 5 (xi)).

##### xvi) 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.

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

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

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

##### xvi) Cluff Lake Project - continued

*Middle Lake Property (formerly Cluff Lake (ACME) Property) - continued*

During the year ended December 31, 2021, the Company recorded an impairment charge of \$36.

The Middle Lake Property was sold on January 28, 2022 (See Note 5(xi)).

*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.

##### xvii) 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”.

During the year ended December 31, 2021, the Company recorded an impairment charge of \$55,725 on its Argo property.

The Argo property was sold on January 28, 2022 (See Note 5(xi)).

During the year ended December 31, 2021, the company acquired by staking a 100% interest in various claims in the Athabasca Basin area of Saskatchewan, Canada. These staked claims are known as Edge, Javelin, McKenzie Lake, Sabre, and Sphere.

On September 21, 2021, the Company entered into a purchase agreement to acquire a 100% interest in additional claims adjacent to its recently staked McKenzie Lake claims in the Eastern Athabasca Basin area of Saskatchewan, Canada. The vendor will retain a 2% Net Smelter Royalty (“NSR”) on the Properties, 1% of which can be purchased by the Company for \$1,000,000. To complete the purchase, the Company paid \$7,500 and issued 250,000 common shares (valued at \$30,000). The transaction was approved by the TSX-V on October 4, 2021.

### **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.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

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## 6. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES - continued

On October 8 and 13, 2021, the Company issued a total of 13,333,333 units on a flow-through basis at \$0.105 per unit for gross proceeds \$1,400,000 and recognized a liability for flow-through shares of \$133,333. As at March 31, 2022, the Company has spent \$1,400,000 (December 31, 2021 - \$443,536) of the flow-through funds and has reversed \$133,333 (December 31, 2021 - \$42,241) of the flow through liability.

On June 21 and 25, 2021, the Company issued a total of 2,940,000 units on a flow-through basis at \$0.10 per unit for gross proceeds of \$294,000 and recognized a liability for flow-through shares of \$58,800. As at March 31, 2022, the Company has spent \$294,000 (December 31, 2021 - \$294,000) of the flow-through funds and has reversed \$58,800 (December 31, 2021 - \$58,800) of the flow-through liability.

At March 31, 2022, the amount of flow-through proceeds remaining to be expended is \$nil (December 31, 2021 - \$956,464) and the balance of the liability for flow-through shares is \$nil (December 31, 2021 - \$91,092).

## 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, 2022 is 207,808,956 (December 31, 2021 – 207,808,956).

### During the year ended December 31, 2021:

- i) Issued 3,158,860 common shares for the exercise of warrants and 50,000 common shares for the exercise of options during the year.
- ii) On January 11, 2021, issued 300,000 common shares for the Electra Nickel Project exploration and evaluation assets.
- iii) On March 1, 2021, issued 250,000 common shares for the Alligator Gold Project exploration and evaluation assets.
- iv) On April 4, 2021, issued 200,000 common shares for the purchase of additional claims contiguous to the Company's Vixen Gold Project exploration and evaluation assets.
- v) On June 21 and 25, 2021, the Company closed a non-brokered private placement consisting of 2,940,000 FT Units at \$0.10 each and 15,591,250 NFT Units at \$0.08 each for gross proceeds of \$1,541,300 (with \$58,800 being recognized as a liability for flow-through shares). Each FT Unit consists of one flow-through share and one non-flow-through common share purchase warrant in the capital of the Company. Each NFT Unit consists of one common share and one common share purchase warrant in the capital of the Company. Each warrant from the FT Units is exercisable into one common share of the Company for a period of two years from closing at an exercise price of \$0.15 per common share. Each warrant from the NFT Units is exercisable into one common share of the Company for a period of two years from closing at an exercise price of \$0.12 per common share.

In conjunction with the private placement, the Company paid finders fees of \$51,457 and issued 619,150 finder fee warrants valued at \$34,656. 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 522,900 warrants exercisable at \$0.08 per common share and 96,250 warrants exercisable \$0.10 per common share.

- vi) On August 12, 2021, issued 500,000 common shares for the purchase of additional claims contiguous to the Company's Vixen Gold Project exploration and evaluation assets.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL – continued

**During the year ended December 31, 2021:** - continued

vii) On October 8 and 13, 2021, the Company closed a non-brokered private placement consisting of 13,333,333 FT Units at \$0.105 each and 17,894,735 NFT Units at \$0.095 each for gross proceeds of \$3,100,000 (with \$133,333 being recognized as a liability for flow-through shares). Each FT Unit consists of one flow-through share and one half of one non-flow-through common share purchase warrant in the capital of the Company. Each NFT Unit consists of one common share and one common share purchase warrant in the capital of the Company. One common share purchase warrant from the NFT Units or one whole common share purchase warrant from the FT units entitles the holder to purchase one non-flow through common share of the Company at a price of \$0.14 for up to two years from closing.

In conjunction with the private placement, the Company paid finders fees of \$171,630 and issued 1,717,584 finder fee warrants valued at \$129,636. Each warrant is exercisable into one common share of the Company at \$0.095 for a period of two years from closing.

viii) On October 12, 2021, issued 250,000 common shares for the purchase of additional claims contiguous to the Company's McKenzie Lake Uranium Project exploration and evaluation assets.

ix) On October 25, 2021, issued 600,000 common shares for the purchase of additional claims contiguous to the Company's Lazy Edward Bay Project exploration and evaluation assets.

x) On October 25, 2021, issued 300,000 common shares for an extension of time to complete the earn-in of the Newnham Lake Project.

xi) On December 16, 2021, issued 250,000 common shares for the Electra Nickel Project exploration and evaluation assets.

xii) On December 20, 2021, issued 250,000 common shares for the Alligator Gold Project exploration and evaluation assets.

### c) Warrants:

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

	March 31, 2022		December 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	87,146,593	0.12	76,048,269	0.11
Expired	-	-	(31,172,200)	0.11
Exercised	-	-	(3,158,860)	0.10
Issued	-	-	45,429,384	0.13
Balance, end of period	87,146,593	0.12	87,146,593	0.12

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2022

(Expressed in Canadian Dollars)

## 7. SHARE CAPITAL – continued

### c) Warrants: - continued

The following warrants were outstanding as at March 31, 2022:

Expiry Date	Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
July 21, 2022**	\$ 0.125	8,650,000	0.31
October 2, 2022	\$ 0.06	414,800	0.51
October 2, 2022	\$ 0.075	310,000	0.51
October 2, 2022	\$ 0.10	14,436,400	0.51
October 20, 2022	\$ 0.075	233,333	0.56
October 20, 2022	\$ 0.10	4,783,333	0.56
December 17, 2022	\$ 0.08	10,064,623	0.72
December 30, 2022	\$ 0.08	680,000	0.75
December 29, 2022*	\$ 0.15	2,180,000	0.75
June 21, 2023	\$ 0.08	487,620	1.22
June 21, 2023	\$ 0.10	78,750	1.22
June 21, 2023	\$ 0.12	14,801,250	1.22
June 21, 2023	\$ 0.15	2,690,000	1.22
June 25, 2023	\$ 0.10	17,500	1.24
June 25, 2023	\$ 0.12	790,000	1.24
June 25, 2023	\$ 0.15	250,000	1.24
October 8, 2023	\$ 0.095	1,717,584	1.52
October 8, 2023	\$ 0.14	24,561,400	1.52
Total		87,146,593	
Weight average remaining life of warrants outstanding			0.99

\* 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, 2022, the Company issued a total of nil (December 31, 2021 – 2,336,734) finder fee warrants. The finder fee warrants granted resulted in share issue costs of \$nil (December 31, 2021 - \$164,292). The following parameters were used to value finder fee warrants:

## ALX Resources Corp.

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### 7. SHARE CAPITAL – continued

#### c) Warrants: - continued

	March 31, 2022	December 31, 2021
Expected Life	n/a	2 years
Risk-free interest rate	n/a	0.44 - 0.68%
Annualized volatility	n/a	133.25 - 134.76%
Dividend rate	n/a	n/a
Fair value of shares at grant date	n/a	\$0.049 - \$0.076

### 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, 2022 and the year ended December 31, 2021:

- On January 4, 2022 the Company granted 3,350,000 stock options (2,500,000 were issued to Directors and Officers) with an exercise price of \$0.09 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 February 26, 2021 the Company granted 3,450,000 stock options (2,900,000 were issued to Directors 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.

The following is a summary of option transactions under the Company's stock option plan for the period ended March 31, 2022 and the year ended December 31, 2021:

	March 31, 2022		December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	13,650,000	\$ 0.08	10,900,000	\$ 0.09
Expired/Cancelled	(900,000)	0.135	(650,000)	0.10
Exercised	-	-	(50,000)	0.10
Granted	3,350,000	0.09	3,450,000	0.075
Balance, end of year	16,100,000	\$ 0.08	13,650,000	\$ 0.08

## ALX Resources Corp.

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### 8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at March 31, 2022:

Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Remaining Contractual Life (Years)
May 12, 2022	\$ 0.10	400,000	400,000	0.12
June 19, 2022	\$ 0.10	400,000	400,000	0.22
August 17, 2022	\$ 0.10	1,000,000	1,000,000	0.38
June 6, 2024	\$ 0.07	3,400,000	3,400,000	2.19
January 16, 2025	\$ 0.07	2,900,000	2,900,000	2.80
September 25, 2025	\$ 0.10	1,050,000	1,050,000	3.49
February 26, 2026	\$ 0.075	3,450,000	3,450,000	3.91
March 15, 2026	\$ 0.10	150,000	150,000	3.96
January 7, 2027	\$ 0.10	3,350,000	-	4.77
Total		16,100,000	12,750,000	
Weighted average remaining life of stock options outstanding and exercisable				2.65

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, 2022, the Company issued a total of 3,350,000 (March 31, 2021 – 3,450,000) incentive stock options to directors, officers, employees, and consultants of the Company. During the three months ended March 31, 2022, the options issued and vested resulted in share-based payments of \$116,946 (March 31, 2021 – \$36,574).

	March 31, 2022	December 31, 2021
Expected Life	5 years	5 years
Risk-free interest rate	1.33%	0.88%
Annualized volatility	115.04%	114.46%
Dividend rate	N/A	N/A
Fair value of shares at grant date	0.07	0.06

### 9. COMMITMENT/LEASE LIABILITY

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

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## 9. COMMITMENT/LEASE LIABILITY – 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 liability*

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

	March 31, 2022	December 31, 2021
Undiscounted minimum lease payments:		
Less than one year	\$ 47,979	\$ 47,979
Two to five years	35,984	47,979
	83,963	95,958
Effect of discounting	(8,568)	(11,021)
Present value of minimum lease payments	75,395	84,937
Less current portion	(41,146)	(39,936)
Long-term portion	\$ 34,249	\$ 45,001

#### *Lease liability continuity*

The net change in the lease liability is as follows:

	March 31, 2022	December 31, 2021
Lease liability - beginning of year	\$ 84,937	\$ 120,377
Cash flows:		
Principal payments	(9,542)	(35,440)
Lease liability - end of period	\$ 75,395	\$ 84,937

During the period ended March 31, 2022, interest of \$2,453 (March 31, 2021 – \$3,527) 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, 2022	March 31, 2021
Salaries and consulting fees	\$ 72,000	\$ 84,636
Share-based compensation	88,298	30,566
Key management personnel compensation	\$ 160,298	\$ 115,202

# ALX Resources Corp.

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## 10. RELATED PARTY TRANSACTIONS - continued

During the three months ended March 31, 2022, the Company incurred consulting fees of \$nil (March 31, 2021 - \$458) and exploration costs of \$309,467 (March 31, 2021 - \$53,124) 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, 2022, \$150,557 (December 31, 2021 - \$20,118) 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

	March 31, 2022	March 31, 2021
Exploration and evaluation costs in accounts payable	\$ 654,127	\$ 139,914
Marketable securities received for property option payment	\$ 937,335	\$ -
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

With the exception of certain investments, the Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars. The Company holds certain equity securities that are traded on the Australian Stock Exchange and quoted in Australian dollars. Fluctuations in the value of the Australian dollar can impact the fair value of Company's securities and or the value of the Australian dollars received should these securities be divested.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

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## 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, 2022 and December 31, 2021:

	As at March 31, 2022			
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 3,600,865	\$ -	\$ -	
Marketable securities	\$ 1,072,162	\$ -	\$ -	
	\$ 4,673,027	\$ -	\$ -	
	As at December 31, 2021			
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 4,052,887	\$ -	\$ -	
Marketable securities	\$ 113,765	\$ -	\$ -	
	\$ 4,166,652	\$ -	\$ -	