



# Management's Discussion and Analysis

## For the Year Ended December 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

April 12, 2023

*For further information on the Company's corporate and operating activities, and press releases, reference should be made to its public filings on SEDAR at [www.sedar.com](http://www.sedar.com), and the Company's website at [www.alxresources.com](http://www.alxresources.com). This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements for the year ended December 31, 2022 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. This MD&A contains Forward-Looking Statements. Readers are cautioned as to the risks related to forward-looking statements and to the risks and uncertainties associated with investing in the Company's securities.*

## OVERVIEW

ALX Resources Corp. ("ALX", and formerly ALX Uranium Corp.) is a junior resource issuer engaged in the acquisition, exploration, and development of mineral projects with a focus on "energy metals" and gold. Most of ALX's primary exploration projects are located in Saskatchewan, Ontario, Quebec and Nova Scotia, Canada. In particular, Saskatchewan is consistently rated by the Fraser Institute as one of the most attractive mining jurisdictions in the world. The Company's primary goal is to identify, evaluate and acquire uranium, lithium, nickel-copper-cobalt and gold properties and to advance them by way of equity financing, joint ventures, option agreements, or other means.

ALX was incorporated on October 11, 2007 under the Business Corporations Act of British Columbia under the name "Cats Eye Capital Corp." Originally listed as a Capital Pool Company ("CPC"), the Company completed its initial public offering and was listed on the TSX Venture Exchange (the "TSXV") on May 6, 2008. The Company completed its Qualifying Transaction in August 2010 and changed its name to Lakeland Resources Inc. The Company resumed trading on the TSXV as a Tier 2 Mining Issuer on August 19, 2010, under the symbol "LK". In addition, the Company completed a Plan of Arrangement with Alpha Exploration Inc. ("Alpha") and acquired all of the common shares of Alpha. On January 1, 2018, ALX amalgamated with Alpha. The Company is currently listed on the TSX Venture Exchange ("TSXV") under the symbol "AL", and is also listed in Germany on the Frankfurt Stock Exchange ("FSE") under the symbol "6LLN" and quoted on the OTC Market in the United States of America under the symbol "ALXEF".

The Company's head office is located at 408 – 1199 West Pender Street, Vancouver, BC, Canada V6E 2R1.

## CORPORATE STRATEGY

- To build one of the strongest portfolios of uranium, lithium, nickel-copper-cobalt and gold exploration properties in Saskatchewan, Quebec, Ontario, and other prospective Canadian jurisdictions;
- To spend exploration dollars efficiently by utilizing modern exploration techniques with the goal of making new discoveries in the energy metals sector;
- To focus the talents of a motivated and hardworking team with diverse skills and backgrounds; and
- To work with committed and long-term partners and investors to build shareholder value.

## HIGHLIGHTS

### Q4 ending December 31, 2022 and Subsequent

#### Operational

ALX continued to strengthen and diversify its pipeline of energy metals projects by staking additional lithium properties in Quebec, Nova Scotia and Saskatchewan.

- Acquired additional claims in four new claim blocks named Cobra, Viper, Python East and Python West at the Company's Hydra Lithium Project ("Hydra"). Hydra is located in Quebec's James Bay region, which

has emerged as a significant lithium exploration district following the lithium discovery made by Patriot Battery Metals. ALX's mineral claims in the area now total 29,263 ha. Subsequent to the quarter ending December 31<sup>st</sup>, results from forty rock samples collected from outcrops yielded some anomalous values of pathfinder elements for lithium-bearing pegmatites.

- Acquired a 100% interest in the Crystal Lithium property in northern Saskatchewan, which comprises 54 mineral claims in five claim blocks totaling 44,587 ha. The project is located near historical lithium showings at Bailey Lake.
- Acquired a 100% interest, subject to a 2.0% NSR, in the Reindeer Lithium property in northern Saskatchewan, which comprises 5 mineral claims totaling 13,239 ha. The property is prospective for lithium-bearing pegmatite mineralization in an underexplored area that has seen limited lithium exploration.

## **Financial**

The Company applied for and received an extension of 10,744,623 common share purchase warrants issued as part of a non-brokered financing in two tranches from December 2019. The warrants were extended for a further two years.

## **2022**

### **Operational**

ALX completed exploration drilling programs on three key projects, namely:

- The Alligator Lake Gold project in Northern Saskatchewan, which successfully expanded shallow gold mineralization along the Broken Hammer and Radiant Shear Zones;
- The Electra Nickel project located near Thunder Bay, Ontario. Five of six drill holes encountered nickel mineralization greater than 1,000 ppm, suggesting the presence of a much larger mineralized system;
- The Gibbons Creek Uranium project situated on the northern edge of Saskatchewan's Athabasca Basin, all three drill holes intersected anomalous uranium and associated pathfinder minerals, suggesting the presence of a nearby mineralized system.

The Company has successfully established a new portfolio of lithium exploration projects in Quebec, Nova Scotia, and Saskatchewan, supported by a team of geological contractors with extensive lithium exploration expertise.

### **Corporate**

- The Company closed a transaction with Okapi Resources Limited ("Okapi") of Perth Australia, whereby Okapi acquired ALX's property interests in the Newnham Lake, Kelic Lake, Argo, Lazy Edward Bay, Perch and Cluff Lake projects, all uranium exploration properties in Saskatchewan's Athabasca Basin. In exchange for these properties ALX received a total of AUD \$2,100,000: AUD \$1,050,000 in cash, and 3,227,790 Okapi common shares valued at AUD \$1,050,000. In addition, ALX retains a 1.5% NSR on certain mineral claims that did not have any underlying royalties. Okapi retains the option to purchase 50% of the NSR at any time by paying ALX \$1,000,000 in cash.
- Robert ("Sierd") Eriks, President, Chief Geologist, and Director, announced his retirement, but agreed to continue as an advisor on a part-time basis.
- Mr. Robert Campbell, P. Geo, was engaged by the Company as a consulting geologist to oversee the Alligator Lake and Gibbons Creek exploration projects.

## **2023 Exploration Plans**

Prospecting, sampling, and geophysical surveys are planned to locate lithium bearing pegmatites at four of the Company's prospective lithium exploration projects: Hydra in Quebec, Anchor in Nova Scotia, and Crystal and Reindeer in northern Saskatchewan. The Company's goal is to identify targets for late fall/winter surface trenching and/or drill programs.

## Market Outlook

In March 2020 the World Health Organization declared a global pandemic stemming from the outbreak of a specific strain of coronavirus, known as “Covid -19”. Covid-19 has had significant impact on the global economy. Since the outbreak, the Company has continued its efforts to ensure the health and safety of everyone associated with the Company’s activities. In addition, the ongoing war in the Ukraine and increases in interest rates have increased uncertainty and volatility in the prices of the minerals the Company is exploring for.

## Uranium Outlook Summary

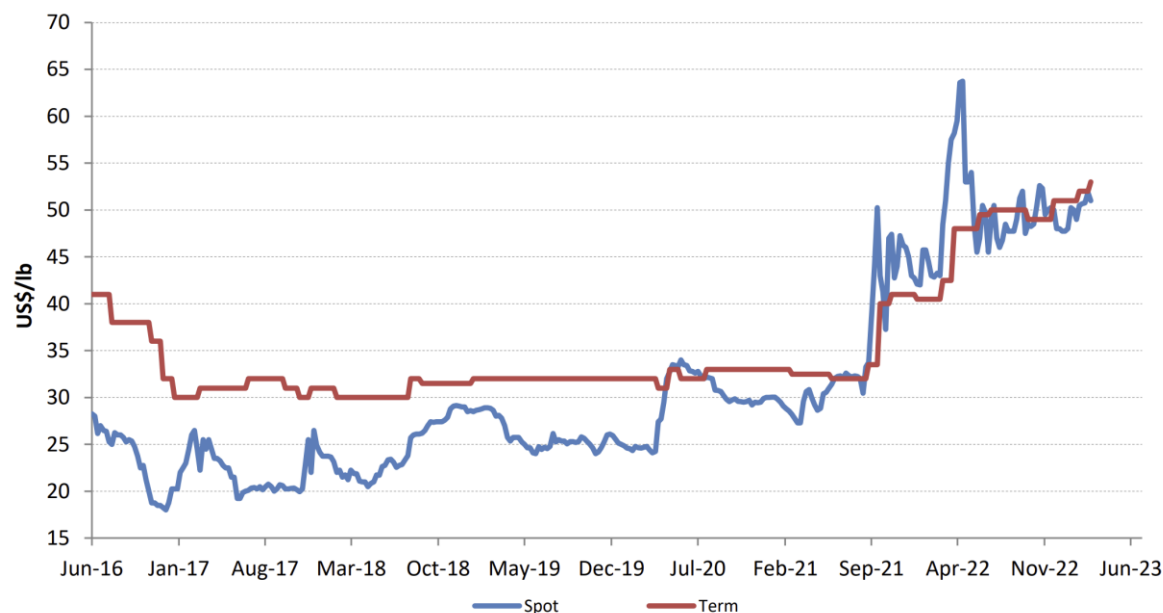
Uranium is the fuel used by nuclear power plants to generate carbon-free electricity. Demand is largely driven by energy demands. There are approximately 441 nuclear reactors in operation worldwide, which provide about 10% of the world’s electricity. Global electricity demand is expected to grow significantly through 2030 and the number of nuclear reactors is rising to meet it. Approximately 58 new reactors are now under construction in addition to 104 planned and over 341 proposed (Source: World Nuclear Association, [www.world-nuclear.org](http://www.world-nuclear.org)). The estimated uranium supply shortfall by 2035 may be as high as 1.5 billion lbs. (Source TD Securities: Cameco Update, November 7, 2022).

Analysts project that a long-term uranium price of US\$70-80/lb. is required to stimulate new exploration and mine development worldwide and support a healthy uranium mining sector. The richest and lowest cost uranium mines in the world are found in Saskatchewan’s Athabasca Basin, where ALX is exploring for new uranium deposits.

In the early 2000s, uranium market demand exceeded supply, resulting in higher prices, and an eventual supply deficit. Higher uranium prices stimulated new exploration and development worldwide. This trend resulted in a strong supply response, particularly from Kazakhstan, which emerged to become the largest uranium producer in the world with a 41% market share. Rising prices also attracted investment banks and hedge funds, which began purchasing and storing physical uranium for trading purposes.

The impact of the 2008 financial crisis, subsequently followed by the Fukushima nuclear event in 2011 resulted in a prolonged downturn in uranium prices. In 2007, the uranium spot price reached an all-time high of US\$138/lb., declining to a multi-year low, below US\$20 lb. in January 2017. Low prices prompted producers to curtail production worldwide. In 2020, the emergence of the COVID-19 health pandemic resulted in further mine closures, and analysts began forecasting supply deficits for 2021 and beyond.

2021 marked a significant change in the composition of uranium market participants, which began to put upward pressure on the uranium spot price. Yellowcake PLC in the UK and the Sprott Uranium Trust, successor to the Uranium Participation Fund began to aggressively purchase larger volumes of uranium to hold for investment purposes. From August 2021 to March 2023, Sprott increased its uranium holdings from 18 million lbs. to approximately 61.6 million lbs. Many former producing uranium companies, in addition to exploration and development companies also began purchasing physical uranium to hold in inventory for investment purposes, resulting in the spot price increasing above US\$52.00 lb. in October. Markets have experienced increased volatility in the first half of 2022, but spot prices have remained firmly above US\$40 lb. since the beginning of 2022. TD Securities is forecasting an average uranium spot price of US\$54 in 2023 and US\$58 in 2024. Strong contracting volumes is expected to increase the long-term price to US\$65 in 2024. It can generally be concluded that the uranium sector has achieved its best momentum than at any time over the past 15 years.

**Exhibit 1. Weekly Spot and Term Uranium Prices (US\$/lb)**

Source: TD Securities, March, 2023

#### Russian Invasion of Ukraine

On February 24, 2022 Russia began a military invasion of Ukraine. By March 10, 2022, the uranium spot price spiked by almost 40% to US\$60.40/lb., the highest level since the Fukushima event in 2011. At the time of writing, the current spot price is approximately US\$51.00/lb., slightly below the February 2023 month end long-term contract price of ~US\$52.00/lb.

Russia's invasion of the Ukraine and continuing geopolitical events are expected to impact the uranium market for the following reasons:

- Western governments are considering sanctions against the Russian nuclear company Rosatom, a major participant in the nuclear fuels market. Russia has also contemplated cutting off uranium supply to Western customers.
- Inability to replace Russian enrichment services, which provides fresh fuel to nuclear reactors worldwide.
- Uncertainty in the timing and geographical delivery of uranium imports from Kazakhstan, which originate mostly from Russian and Chinese ports.
- Inability of producing mines on care and maintenance to ramp up quickly during a period of structural uranium supply deficits may result in utilities re-evaluating their longer term supply risk.

Current geopolitical and economic events have exacerbated an already tight uranium market. In addition, since Fukushima, Europe (other than France), had been moving away from nuclear power, but recently added nuclear power as a "green technology" to strengthen energy security. In August 2022, Japan, which imports over 90% of its energy needs, announced it would be accelerating the restart of its idled nuclear power plants. Over the next year it plans to have 17 of its 33 operable power plants back on line to help meet energy needs and reduce dependency on expensive LNG. In Germany, the three remaining nuclear power plants scheduled to be permanently closed, have been extended to at least April 2023 to offset reduced natural gas supplies from Russia. In February 2023, Cameco announced a uranium and conversion service contract to supply all of the Ukraine's nuclear fuel needs to 2035. However, with the war in Ukraine still unresolved, the logistics around fulfilling the needs of Ukraine's nine nuclear reactors remains highly uncertain.

Uranium supply is expected to remain tight for the foreseeable future, despite Cameco's announcement to restart mining operations at McArthur River and Cigar Lake. Cameco recently announced plans to increase production at both mines to their licensed capacity by 2024. In addition, Kazatomprom also announced plans to increase production in 2024. Concern over potential supply disruptions may be the driver for increased price volatility in the months ahead. While utilities generally maintain a two-year fuel supply, the volume of recent long-term contracting transactions are at the

highest level in more than a decade. Both Cameco and Kazatomprom have been active in long-term contracting, which is also contributing to a higher trending average uranium price, and a base escalating contract price starting at US\$50.00 lb. While this base price is the highest in over a decade, a higher price will likely be needed to incentivise new greenfield uranium projects.

## Nickel Outlook Summary

In 2019, ALX Resources Corp. accelerated its focus on nickel-copper-cobalt exploration with its acquisition of the Firebird Nickel Project in northern Saskatchewan, Canada. The Company later added the Flying Vee Nickel Project, also in northern Saskatchewan, and the Electra Nickel Project in Ontario.

Internal analysis of world nickel markets suggested robust demand for the metal and the potential for a supply shortfall or disruptions in the coming decade. These findings aided the Company's decision to secure prospective nickel exploration projects and pursue the discovery of an economic nickel deposit. Copper, cobalt, and platinum group metals are often associated with nickel deposits, providing added value to a deposit.

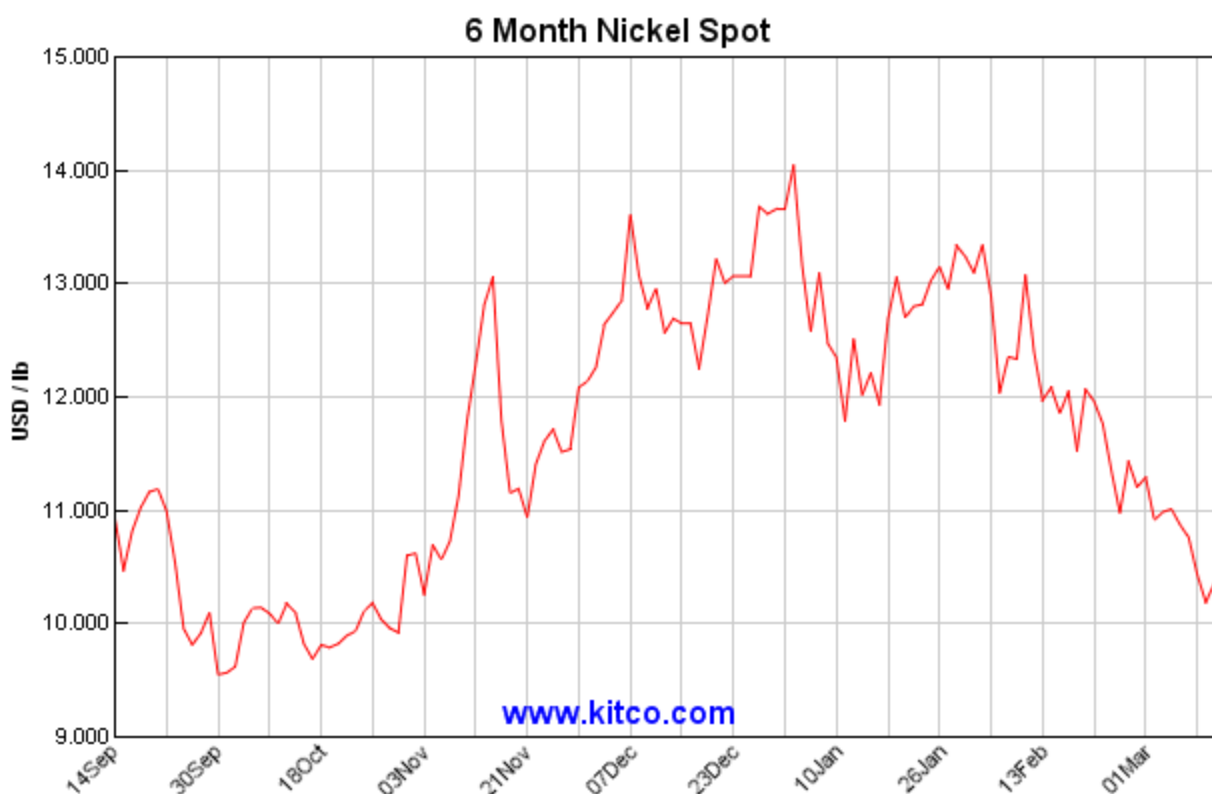
There are two types of nickel traded. Class 1, which must be at least 99.8% pure, is traded on the London Metals Exchange (LME) and Class 2 nickel, which is mostly ferronickel or nickel pig iron. It is mined mostly from laterite nickel deposits in Asia. It is less refined, accounts for about 50% of the nickel market, and is cheaply converted to stainless steel at Chinese smelters.

Nickel is primarily used in alloys, such as stainless steel and superalloys. Nickel increases resistance to corrosion and its ability to withstand extreme temperatures. Equipment and parts made of nickel-bearing alloys are often used in harsh environments, such as those in chemical plants, petroleum refineries, jet engines, power generation facilities, and offshore installations. Medical equipment, cookware, and cutlery are often made of stainless steel because it is easy to clean and sterilize. Less than 10% of nickel winds up in the battery supply chain. Going forward, the primary demand driver for Class 1 nickel is expected to be the electric vehicles market, which is forecast to double demand by 2040.

In 2021, the nickel price increased by over 16%, breaking the LME US\$20,000 (approximately US\$9.09/lb.) level/tonne for the first time since it peaked at \$22,910 per tonne in 2011. Energy shortages in China, COVID-related health restrictions in New Caledonia, labour strikes in Canada, and flooding in Russia, all contributed to this overall price increase. For most of 2022, nickel traded in the US\$10.00-\$11.00 (approximately US\$20,000 per metric tonne) range.

Increased production, most notably from Indonesia, the largest producer of nickel in the world, but not a producer of Class 1 Nickel, is expected to generally reduce overall nickel prices in 2022. However, after western trade sanctions were announced against Russia, a large producer of Class 1 Nickel, a massive short squeeze at the LME resulting in nickel spiking as high as US\$101,365 per tonne (approximately US\$45+/lb.) on March 8, 2022. The LME suspended trading and cancelled approximately 9,000 trades worth US\$4 billion. It was later learned that one of the world's largest nickel producers, part of the Tsingshan Group Holding Co. of China, was short as much as 150,000 tonnes of nickel. The LME remained closed and didn't reopen until March 16, 2022 and trading was also suspended in Shanghai on March 10, 2022. Tsingshan announced that with the support of its bankers it intended to keep its short position, which further added confusion to the market. When the nickel market reopened, the LME's electronic trading system experienced technical glitches, which hampered orderly execution of trades. After reopening on March 16<sup>th</sup>, the price of nickel fell sharply and closed at US\$16.83/lb. Significant volatility has continued and at the time of writing, the price has continued its decline to as low as US\$8.50/lb before rebounding to its current price of approximately US\$10.35/lb., in what is being described as a great "disruption event". It is not clear how this "disruption event" and current sanctions against Russia will impact the nickel market over the longer term. The LME is still dealing with the fallout from the 2022 short squeeze. Trading volume fell by more than 20% in Q2 relative to Q1, and with lawsuits against the LME now emerging over cancelled trades during the spike in nickel prices in March, and withdrawals of metals taking place from LME warehouses, going forward, the LME's role in trading has become more unpredictable. An independent review into the events leading to the suspension of trading in March 2022 is underway.

Nickel markets continued to be volatile during Q4 2022, with an upward trend. By December 2022, the price rebounded to US\$14.00 lb (approximately US\$31,400/tonne). Volatility has continued in 2023, and at the time of writing the price again has retreated to US \$22,000/tonne over concerns about China's economic recovery, despite demand from China accounts for 80-85% of battery nickel demand, which helped to offset a contraction in stainless steel production. Nickel inventory in LME warehouses remained at low levels, and the continued price volatility saw the LME raise margin requirements by 28% in November 2022.



## Lithium Outlook Summary

Lithium is used in several applications including batteries, glass and ceramics, and medical products to name a few. However, as global automakers commit more resources to expanding electronic vehicle production, growth in battery development has accounted for the current and projected demand in the use of lithium in the form of lithium hydroxide. By 2030, batteries are expected to account for 95% of lithium demand (McKinsey and Company, April 2022). During Q4 2022 battery grade lithium prices were double the price levels at the beginning of the year and over ~400% greater than the prices in 2021, from growth in worldwide electric vehicle (EVs) sales, rechargeable batteries for electronics, and renewable energy battery storage markets. Global sales of EV's were up 108% in 2021 and have remained robust during most of 2022. Longer-term fixed-price battery grade lithium contracts are being replaced with shorter durations, and more price conditions. Unlike other energy related commodities, price movement is not correlated with the Russian-Ukrainian conflict, and instead has been impacted by COVID disrupting supply chains, and resulting in rising battery costs. Tight supplies remain which has resulted in an exploration boom to search for new deposits in reliable mining jurisdictions. Opportunities to meet supply demand have also led to Australian and Chilean producers ramping up mine expansion plans.

During Q3, lithium prices began to stabilize, but remain approximately 120% higher in 2022. However, economic uncertainty from central bank monetary policy tightening is showing evidence of slowing EV sales during the second half of 2022. Subsequent to the quarter ending December 31<sup>st</sup>, lithium prices retreated sharply and have fallen by over 34% since the beginning of 2023. Chinese subsidies, which reduced battery prices to EV manufacturers, recently ended, contributing to the price volatility. Although investment banks and research analysts are divided on 2023 supply forecasts for the balance of the year, EV production in North America, Europe and China continues to ramp higher and is expected to significantly surpass 2022 output. Nevertheless, with energy transition and climate change remaining prioritized policy issues, the need for significant and secure new supplies of lithium over the long-term is evident. Throughout Q4, ALX continued to strengthen its position in the lithium space by staking additional ground near its highly-prospective Hydra Lithium project in Quebec, and by acquiring two additional lithium exploration projects in northern Saskatchewan.



## ALX's Mineral Exploration Projects

Figure 1: ALX Projects in Saskatchewan

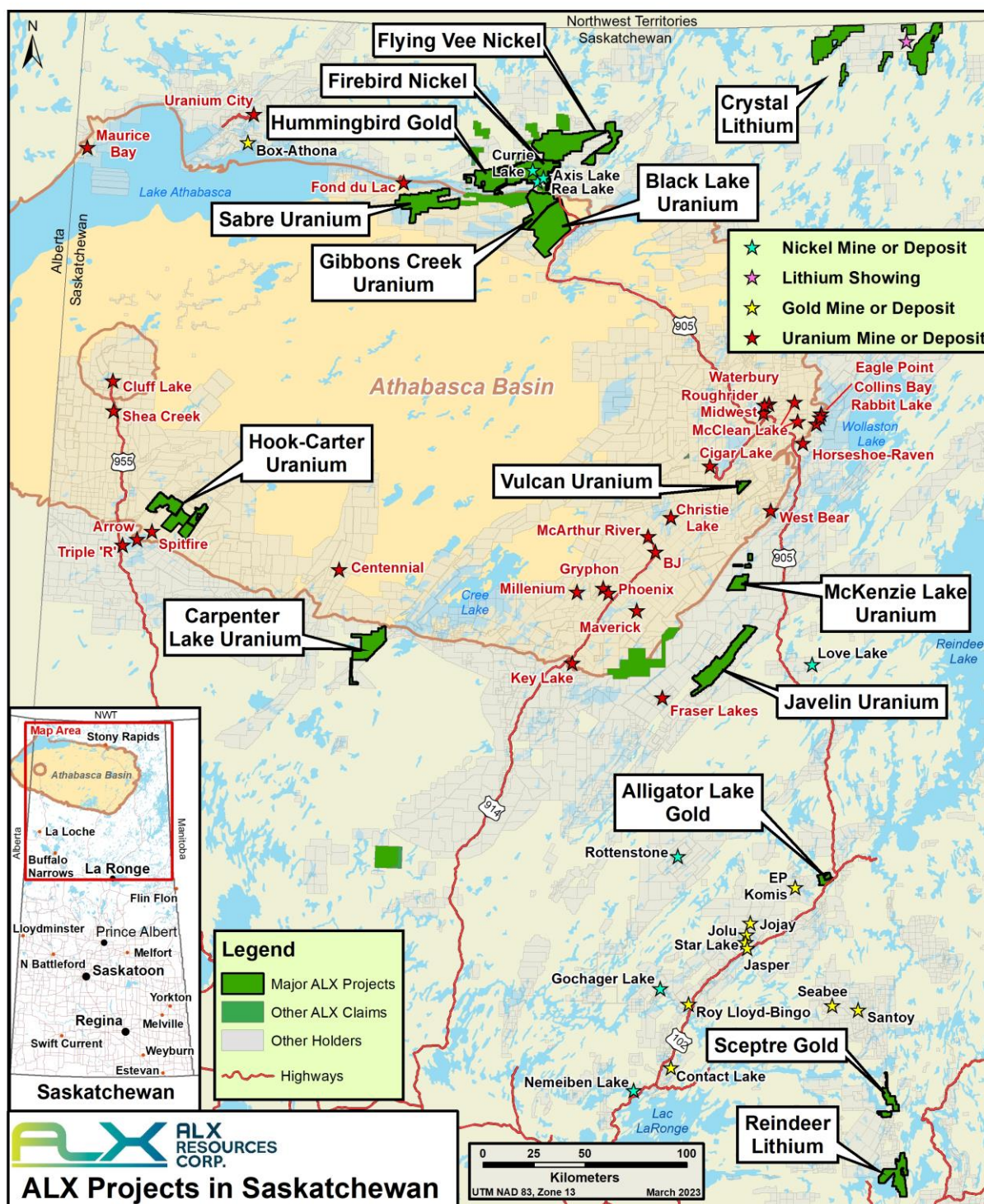
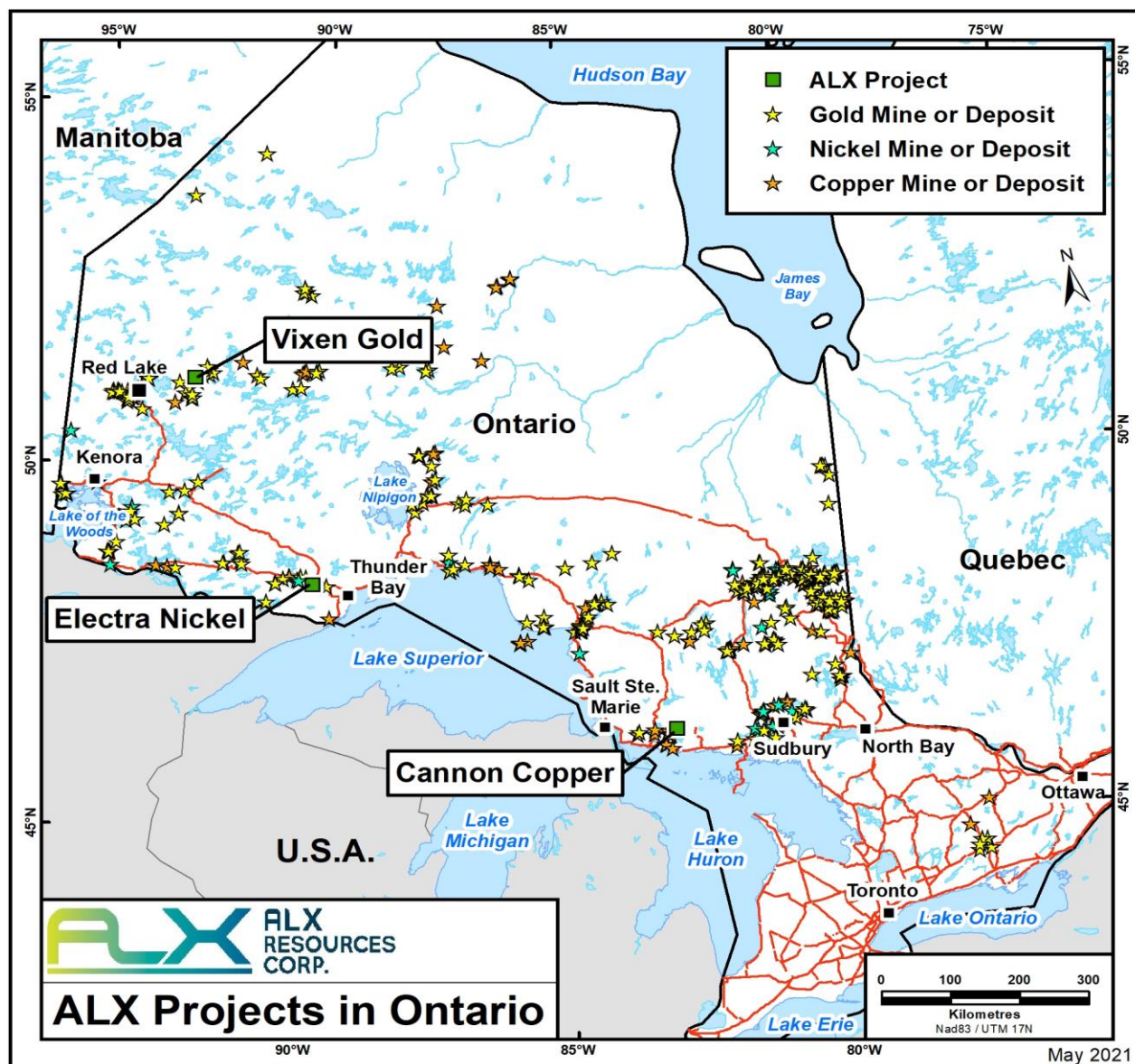


Figure 2: ALX Projects in Ontario



### *Firebird Nickel Project (formerly Falcon Nickel Project)*

#### **Background Information**

The 100% owned Firebird Nickel Project comprises of 73 mineral claims totaling 23,624 hectares. Ground was initially acquired by staking in 2019, followed by three separate purchase agreements which consolidated the property to its present size. The Firebird claims are located outside the Athabasca Basin approximately 14 kilometres northwest of Stony Rapids, Saskatchewan and 20 kilometres southwest of ALX's Flying Vee Project.

Firebird lies within the Tantato Domain, otherwise known as the East Athabasca mylonite triangle, which forms a segment of the Snowbird Tectonic Zone. Magmatic Ni-Cu-Co mineralization is known to occur within the mafic granulite unit in both the upper and lower decks of the Tantato Domain. A long history of exploration beginning in 1929 discovered numerous mineral showings and deposits within Firebird's boundaries, including the Axis Lake deposit ("Axis Lake"), the Rea Lake deposit ("Rea Lake"), and the Currie Lake deposit ("Currie Lake").



### **Rio Tinto Exploration Canada Earn-In Option Agreement**

On August 24, 2020, ALX announced that it had entered into an option agreement with Rio Tinto on the Company's Falcon Nickel Project. Due to a naming conflict with another Rio Tinto mineral exploration project located in the province of Saskatchewan, ALX and Rio Tinto mutually agreed to change the name to the 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 solely funding \$3.0 million in exploration expenditures within three (3) years of the date of the Agreement (the "Effective Date"), which includes certain other obligations, namely:
  - Completing an initial exploration program of not less than \$150,000, within six months of the Effective Date; (completed)
  - 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"). Any excess expenditures incurred by Rio Tinto during the First Option period may be credited to the expenditures required under the Second Option;
- If Rio Tinto does not elect to form a joint venture after satisfying the obligations of the First Option, it may choose to maintain its 51% interest or it may elect to acquire an additional 29% interest in Firebird to earn an 80% interest in the Project by solely funding an additional \$9.0 million in exploration over a second 3-year period for total expenditures by Rio Tinto of \$12.0 million over six years, and by making a second cash payment to ALX of \$75,000 for a total of \$125,000 in cash payments to ALX during the option periods;
- Rio Tinto will act as operator of exploration at 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, with such administration fee to be included as expenditures accrued to the First Option and Second Option periods;
- Under the agreed joint venture terms, a party whose participating interest is diluted below 10% is converted to a 1.0% net smelter royalty ("NSR"), capped at \$20.0 million in royalties payable.
- Certain claims and partial claims owned by ALX have been added to the Firebird property for the purposes of the Agreement. ALX has acquired and added area to the northwest and southwest of the original Project boundaries, and has removed claims to the southeast, thereby establishing the size of Firebird as of the Effective Date at 20,491 hectares.

### **Exploration at Firebird 2019-2022**

Currie Lake Deposit:

In October 2019, the Company completed a prospecting and sampling program at Currie Lake. The purpose of this program was to sample historical trenches at Currie Lake, known for higher grades of nickel mineralization, and to confirm certain geophysical anomalies identified in a 2005 airborne survey, but were never followed up.

Three grab samples taken from historical trenches and analyzed by the SRC Geoanalytical Lab in Saskatoon assayed as high as 3.13% Ni and 0.367% Cu. Additional samples containing 50-60% sulphides that were collected from historical trenches and near-surface outcrops of untested geophysical conductors returned values as high as 3.17% Ni and 0.402% Cu, in addition to anomalous values of gold, cobalt, platinum, and palladium.

Geophysical interpretation of the new exploration data combined with the known geology mapped at Firebird has led to identification of significant new drill target areas identified along the prioritized Currie Lake East ("CLE") conductor.

Soil samples along the CLE conductor that were analysed by conventional ionic leach and SGH analysis. This initial soil survey program was ALX's first test of the SGH process, which is reported to detect buried mineralization at depths up to 500 metres. A nickel-copper anomaly was detected within the grid over the western end of the CLE conductor.

ALX also produced a preliminary 3D geologic model for Firebird to better understand the controls on the known zones of Ni-Cu-Co mineralization hosted on the property.

In 2020, ALX completed an EM survey which further defined targets for an initial drill program at the historical Currie Lake deposit. Three targets: V-1, V-2, and V-3 were tested by one shallow drill hole each for a combined total of 600m. A helicopter supported SGH soil survey from the ice at Konkol Lake at the eastern end of the CLE conductor was also completed.

Drill Hole FN20-002 completed in the V-1 target area approximately 100 metres east of the historical Currie Lake deposit intersected shallow magmatic nickel sulphide mineralization from 47.03m to 70.81m, averaging 0.36% nickel and 0.09% copper over the 23.78m interval from 47.03m to 70.81m, including **10.61 metres of 0.55% nickel and 0.14 % copper** from 54.01m to 64.62m, and **2.05 metres of 0.90% nickel and 0.19% copper** from 58.95m to 61.00m. True width of the mineralized intervals are not yet known. Hole FN20-003 drilled along a 1,400m EM conductor on the V-3 target to a depth of 327m, intersected sulphide nickel and copper mineralization in two zones.

Analytical results are shown in the table below

Drill Hole	From (metres)	To (metres)	Width (metres)	Nickel (%)	Copper (%)	Cobalt (%)
FN20-002	47.03	70.81	23.78	0.36	0.09	0.01
<i>including</i>	54.01	64.62	<b>10.61</b>	<b>0.55</b>	0.14	0.02
<i>and</i>	58.95	61.00	<b>2.05</b>	<b>0.90</b>	0.19	0.02
FN20-003	235.27	235.92	0.65	0.13	0.11	0.03
	246.22	247.38	1.16	0.07	0.08	0.02

Due to the arrival of the COVID pandemic, drilling and further exploration work did not resume until the fall of 2020.

Follow-up prospecting and sampling programs were completed, including initial sampling on the JJ Gold Showing on the southern part of the property and at the Wiley Lake Nickel Showing. Sampling at Wiley Lake returned nickel values as high as 2.43% and copper as high as 0.43%. Anomalous gold values were found at the JJ showing.

Exploration in 2021 was funded by Rio Tinto. Drilling was carried out on three targets defined by earlier geophysical surveys, The fourth target at Currie Lake West was not drilled. A total of 739.5 metres was completed in four diamond drill holes. Although magmatic, no significant nickel or copper mineralization was intersected.

Future exploration is pending on planning from optionee Rio Tinto.

### ***Flying Vee Nickel Project***

The 100% owned Flying Vee Nickel Project comprises fourteen mineral claims totaling 27,622 hectares located north of the Athabasca Basin approximately 25 kilometres from Stony Rapids, Saskatchewan. The Company acquired the claims by staking over a period of three years between 2018-2020. The project is a prospective for nickel, copper and cobalt and gold mineralization.

### **Background Information**

Flying Vee lies within the Tantato Domain, otherwise known as the East Athabasca mylonite triangle, which forms a segment of the Snowbird Tectonic Zone. Numerous mineral showings are found within and near the property, including the on-property Reeve Lake nickel showing, and the off-property Axis Lake deposit located approximately 20 kilometres to the southwest.

Two main periods of historical exploration by several exploration companies occurred at Flying Vee from 1956 to 1988 and from 2007 to 2009, consisting of prospecting and mapping, trenching, airborne and ground geophysical surveys, and diamond drilling. Several trenches were completed between 1957 and 1962 in the eastern part of the Reeve Lake showing area south of Nickel Lake that outlined norite-hosted nickel-copper mineralization at surface. Thirteen shallow

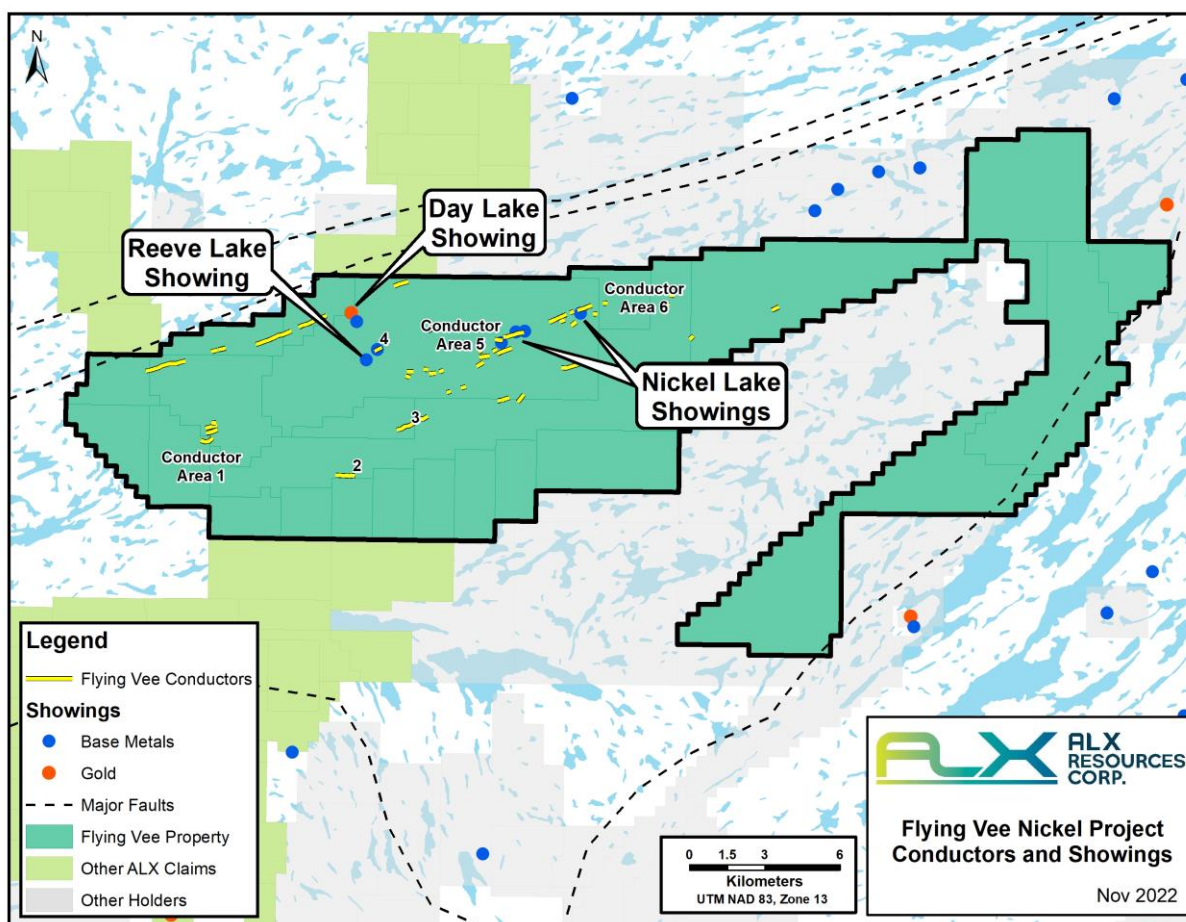
diamond drill holes were completed in 1964 with the best result in drill hole #3, which returned up to 0.89% nickel and 0.32% copper over 3.66 metres from 10.67 to 14.33 metres.

#### 2020-2022 Exploration

In 2020, the Company completed a prospecting and sampling program at Flying Vee. At the Day Lake Gold Showing an approximated 8km-long conductive zone, interpreted as iron formation, was prospected over a strike length of approximately 1,600m. Gold values as high as 8.34 g/t were observed.

In May 2022, the Company completed a VTEM™ electromagnetic airborne survey consisting of 1,203 line km at 150-metre spacing.

In November 2022, the Company announced that follow-up surface sampling carried out after completion of the electromagnetic airborne survey, returned values as high as 1.11% Ni and 0.42% Cu from a historical trench over the newly identified EM Conductor 6-D, which the Company has interpreted was not intersected by the 13 historic drill holes completed in 1964. Follow-up exploration including computer modelling, additional sampling, geophysical surveys are planned to identify new targets for diamond drilling.







**Close-up of sample from historical trench at Conductor 6-D (1.11% Ni, 0.42% Cu)**

### ***Electra Nickel Project***

The Electra Nickel Project (formerly known as Bateman Lake) is located in Shebandowan Greenstone Belt within the Thunder Bay South Mining District of Ontario. In 2020 ALX executed a five-year option agreement to earn a 100% interest from a private vendor group. In 2021, additional staking expanded the property to 211 claims totaling 4,517 hectares.

### **Background Information**

Electra is prospective for nickel, copper and cobalt, platinum group elements and gold mineralization. Inco's past producing Shebandowan Mine produced 9.29 million tons grading 1.75% nickel, 0.88% copper, 0.063% cobalt and 1.83 grams/tonne PGEs.<sup>1</sup> between 1972-1998 is nearby, in addition to the Tower Stock Gold Project, owned by White Metal Resources Corp. 5km to the northeast of historical gold showings on the property. Excellent road, rail and air infrastructure are present, and the City of Thunder Bay is within 35 kms of the property.

1. *Mineral Deposit Inventory, Ministry of Energy, Northern Development and Mines, #MDI52B09SE00003*

The presence of komatiitic ultramafic rocks grading up to approximately 1.0% Ni in surface sampling is reminiscent of the mineralization styles found in the Kambalda district of Australia and the Raglan district of Quebec.

### **2021 Exploration**

In 2021, ALX completed a helicopter-borne electromagnetic VTEM™ Plus survey over the Electra property. Processing and modeling of the high resolution 2021 VTEM™ data showed strong conductive features in the northern and central parts of Electra where historical grab samples have returned up to 0.95% Ni in a showing hosted within komatiitic rocks. A follow-up prospecting survey confirmed the presence of host rocks that could be associated with magmatic nickel sulphide deposits.



## 2022 Exploration

In March, ALX completed its inaugural drilling program at Electra. Six of eight planned holes were drilled for a total of 1,155m. The most notable nickel values occur within holes Elec22-01, Elec22-02 and Elec22-06. These results suggest the presence of a much larger mineralized system. In hole Elec22-02, magmatic sulphides show significantly depleted nickel suggesting that nickel mineralization may occur elsewhere along strike or down dip from hole Elec22-02. Wide intervals of anomalous zinc were found in most drill holes, and hole Elec22-06 exhibited anomalous concentrations of gold, silver, platinum, palladium, and copper. Two targets were not tested due to warming weather conditions. A ground electromagnetic geophysical survey was completed to better define future drill locations in the untested targets.



Electra Nickel Project - Nickel Values Greater than 1,000 parts per million ("ppm")					
Hole No.	From (metres)	To (metres)	Interval (metres)	Nickel (ppm)	Host Rock/ Notes
Elec22-01	66.90	70.40	3.50	1,260.00	Ultra-mafic volcanic
Elec22-01	105.02	107.04	2.02	1,530.35	Komatiite
Elec22-01	129.85	130.85	1.00	2,040.00	Komatiite
Elec22-02	82.90	85.60	2.70	1,087.41	Meta-volcanic breccia
Elec22-02	99.72	103.90	4.18	1,152.34	Meta-volcanic breccia
Elec22-02	106.47	109.00	2.53	1,106.43	Gabbroic dike trending into meta-volcanic breccia - classic magmatic net-textured sulphide concentrations, clasts and blebs
Elec22-02	127.13	130.00	2.87	1,289.69	Meta-volcanic breccia
Elec22-02	225.50	228.27	2.77	1,338.38	Meta-volcanic breccia
Elec22-03	112.30	113.67	1.37	1,580.00	Siltstone
Elec22-05	92.49	94.40	1.91	1,018.87	Meta-volcanic breccia
Elec22-05	113.50	114.74	1.24	1,070.00	Meta-volcanic breccia
Elec22-06	13.00	23.50	10.50	1,053.87	Gabbro trending into meta-volcanic breccia
Elec22-06	38.50	45.40	6.90	1,085.14	Meta-volcanic breccia
Elec22-06	162.75	165.0	2.25	1,277.67	Gabbro with disseminated magmatic sulphides coincident with systematic increase in nickel and PGE concentrations from 160 m to 165 m - high nickel value of 2,080 ppm.

ALX continues to evaluate 2022 exploration results by integrating the geological, geochemical and geophysical data obtained in order to determine the best target areas for follow-up drilling. ALX's drilling permit at Electra is good standing until March 2025.

### ***Cannon Copper Project***

Since 2015, ALX has maintained 100% ownership of the Cannon Copper property, which includes thirteen claim units totaling 289 hectares. In 2020, the Company staked an additional 104 units expanding the size of the project to 117 cell units totalling 2,600 hectares.

### **Background Information**

The Cannon Copper Project is located approximately 33km northwest of Elliott Lake in Kamichisit Township within the Sault Ste. Marie Mining District of Ontario. It hosts the historic Cannon Copper Mine and Mill (also known as the Crownbridge Copper Mine), which saw limited copper processing in the late 1960s and early 1970s.

The Ministry of Energy, Mines and Northern Development of Ontario currently lists a historical mineral resource for the Cannon Copper Mine of 415,000 tonnes grading 1.8% copper over a width of 6.5 feet (1.98m) (*Note: This historical resource is not compliant with the standards of National Instrument 43-101 - see "National Instrument 43-101 Disclosure" below for additional cautionary language*).<sup>1</sup>

The area remains underexplored using modern exploration techniques despite excellent road access and a power line within 200m of the property,

<sup>1</sup>Ontario Geological Survey, Open File Report 6366, Report of Activities 2019

### **2021 Exploration**

In April 2021, ALX executed a contract for a helicopter-borne VTEM™ electromagnetic survey at Cannon Copper consisting of 194 line-kilometres covering the property. The airborne survey was completed in the third quarter of 2021, and the results have helped define the geological structures present at Cannon Copper.

## **GOLD PROJECTS**

### ***Vixen Gold Project***

The Vixen Gold Project ("Vixen"), located in the Red Lake Mining District in Northwestern Ontario, was assembled between 2019-2021 and consist of three sub-projects: Vixen North, South and West, for a combined total of 10,614 hectares.

### **Background Information**

Red Lake is one of Canada's most prolific gold producing regions, having produced over 28 million ounces of gold since 1925. Historic gold mines in the Red Lake camp include the Campbell mine, the Red Lake mine, and the Couchenour-Williams mine, all multi-million ounce gold producers.

Vixen lies within the Birch-Uchi greenstone belt, a geological trend located to the northeast of the town of Red Lake. The Vixen South and Vixen West each lie within 10 km of past-producing gold mines, and within ~ 25 km from the Springpole gold deposit owned by First Mining Gold Corp. ("First Mining"). Springpole hosts an indicated mineral resource estimated at 139.1 million tonnes containing 4.67 million ounces of gold and 24.19 million ounces silver at an average grade of 1.04 grams/tonne gold and 5.4 grams/tonne silver<sup>1</sup>. Vixen North is located approximately 6 km northwest of Springpole and hosts historical showings in surface trenching with gold values ranging up to 9.5 grams/tonne gold<sup>2</sup>.

1. Springpole Indicated Mineral Resource Estimate was calculated by SRK Consulting (Canada) Inc. in "Preliminary Economic Assessment Update for the Springpole Gold Project, Ontario, Canada" dated June 6, 2017 (Arseneau, et al);

2. "Bregold Prospect" - Trenching was carried out by Bregold Mines Limited in 1934 and is described in 46th Annual Report of the Ontario Department of Mines, Vol. XLVI, Part VII, pages 25-26.

### **First Mining Gold Corp Earn-In Option Agreement**

In late 2021, ALX executed an option agreement with First Mining whereby First Mining can earn a 70% interest in the Vixen by making cash payments totaling \$550,000, issuing \$400,000 in common shares of First Mining to ALX, and by incurring \$500,000 in exploration expenditures during the first three years. First Mining can acquire the

remaining 30% by making a cash payment of \$500,000, and by issuing a \$500,000 in common shares of First Mining to ALX. Should the second stage of the earn-in not be completed, First Mining and ALX will enter into a 70%-30% Joint Venture.

### **2019-2021 Exploration Summary**

In 2019, ALX completed rock and soil sampling programs at Vixen North, which returned gold values as high as 23.9 g/t. Follow-up sampling in all three block areas continued in 2020, confirming the presence of multiple iron formation gold occurrence at Vixen North. Two zones named Vulpin and Dickenson were identified. An SGH soil survey completed at Vixen South reported anomalous gold showings. Airborne geophysical surveys were subsequently completed.

Following a positive community engagement with local First Nations, ALX received an exploration permit in 2021 from the Ontario Ministry of Energy, Northern Development and Mines. The permit allows for diamond drilling at up to 10 locations at Vixen North totalling approximately 1,000 metres and is effective until June 28, 2024.

### ***Alligator Lake Gold Project***

In 2021 ALX executed a four-year option agreement to earn up to an 80% interest in the Alligator Lake Gold Property located 103 km northeast of the town of La Ronge in northern Saskatchewan. The project comprises five claims totaling approximately 2,973 hectares.

The Alligator Lake claims were privately held since 1985. Over the four-year option term ALX agreed to make staged cash payments totaling \$150,000, issue 1,500,000 common shares of ALX in stages to the private company holding the property; and incur eligible expenditures totaling \$1,250,000.

### **Background Information**

The Alligator Lake property overlays the Byers Fault. It can be traced along the southeast shore of Alligator Lake and through a series of muskeg and small lake-filled topographic lows. The Byers Fault is recognized as the main controlling structure for many quartz-sulphide-carbonate healed shear and tensional vein type gold deposits and occurrences in the greater Waddy Lake area (Schwann, 1991), which saw limited gold mining in the 1990s.

The property is easily accessed via Provincial Highway 102, and has an established winter trail suitable for mobilizing drilling equipment directly to ALX's primary exploration area of interest.

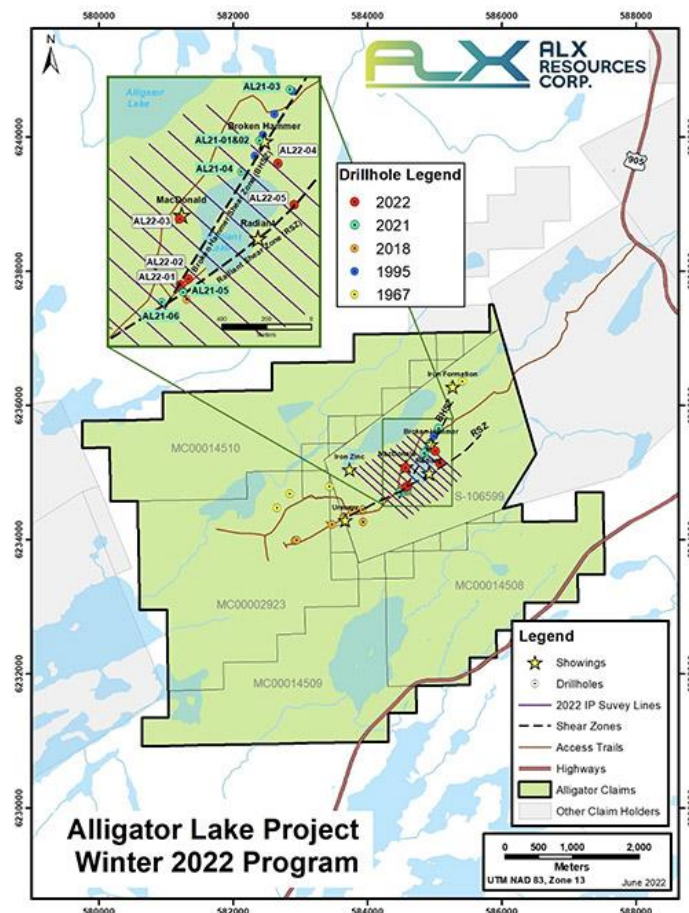
### **2022 Exploration**

During the quarter ending June 30, 2022, ALX received results from a 5-hole, 815.5m diamond drill program completed during Q1. This program followed-up ALX's successful drilling in 2021, including Hole AL21-004 which returned 10.67g/t over 0.98m.

Highlights of the program include:<sup>1</sup>

- Drill hole AL22-01 successfully expanded the multiple zones of gold mineralization encountered 36 metres to the southeast in 2021 hole AL21-05 (see map below). Two distinct zones of gold mineralization were intersected. In the upper part of the drill hole, a broad zone of gold mineralization occurs from 36.68 to 57.00 metres, associated with quartz veins in metasediments, returned 1.01 grams/tonne ("g/t") gold over 20.32 metres, including 4.79 g/t gold over 1.50 metres.
- A second zone of mineralization in hole AL22-01 returned 2.57 g/t gold over 6.55 metres from 96.00 to 102.55 metres, and is associated with quartz veining in a faulted granodiorite intrusion. Visible gold was noted in a quartz vein within the granodiorite, which included a sample from 99.25 to 99.75 metres that returned 28.4 g/t gold over 0.50 metres.
- Drill hole AL22-05, collared approximately 600 metres east-northeast of AL22-01, targeted a magnetic high trend that appears to be associated with gold mineralization in holes AL22-01 and AL21-05 (16.80 g/t over 0.69 metres), and a historical resistivity survey chargeability high. AL22-05 returned 0.26 g/t gold over 22.76 metres, including 1.73 g/t gold over 2.0 metres.
- Drill Holes AL22-03 and AL22-04 did not intersect significant gold mineralization

<sup>1</sup> All mineralized intersections described are shown as measured drill core lengths – true widths of mineralized zones are not yet determined.



Concurrent with the 2022 drilling program, ALX carried out an induced polarization/resistivity survey covering the southern extent of the Broken Hammer Shear Zone and its possible intersection with the interpreted Radiant Lake Shear Zone. ALX's review and digitization of a similar historical survey led to the implementation of the 2022 geophysical program, which is anticipated to provide valuable data for a better understanding of the gold mineralized system at Alligator, and for planning the next phase of drilling. ALX has re-applied for an exploration permit to drill from the ice of Radiant Lake, an area of the property which has not been drill tested to date.

### 2020-2021 Exploration

ALX collected fifteen rock samples from areas of historical bedrock showings in 2020. An outcrop grab sample taken by ALX at the Broken Hammer Showing returned 504.0 grams/tonne ("g/t") gold (16.13 oz/ton), and 46.2 g/t silver by fire assay. An inaugural drill program followed in 2021 consisted of six shallow drill holes totaling 617.6m. Narrow high-grade gold mineralization was encountered in multiple holes in the targeted Broken Hammer shear zone.

### Hummingbird Gold Project

In 2020 ALX acquired the 100% owned Hummingbird Gold Project ("Hummingbird") in northern Saskatchewan by staking twelve claims totaling approximately 14,098 hectares. Hummingbird is contiguous to the Company's Firebird Nickel property currently under option to Rio Tinto.



## Background Information

Historical exploration outlined significant NE-SW shear zones extending southward to the Pine Channel Assemblage where high-grade surface outcrops and rock samples ranged as high as 874 g/t.<sup>1</sup>

<sup>1</sup> "Gold in the Pine Channel Area", Summary of Investigations 1997, B. LaFrance;

ALX contracted KorraAI of Halifax, NS, to use artificial intelligence ("AI") data processing methods to detect surficial alteration along fault zones partially concealed by vegetation and wetlands. During a fall 2020 prospecting program in the northern Athabasca region, ALX visited specific target areas at Hummingbird identified by AI in conjunction with the results of historical work. A total of 105 rock samples were collected in several target areas throughout the Project with 26% of the samples returning values greater than 50 ppb gold, highlighted by the following outcrop samples assaying greater than 3.0 g/t gold:

Target Zone	Sample Number	Sample Type	Gold (g/t)	Sample Description
2	76064	Outcrop	10.50*	Garnet gneiss, sulphidic, taken from historical trench
2	76053	Outcrop	9.84	Ridgeline outcrop, quartz vein cross-cutting garnet gneiss
2	76105	Outcrop	5.91	Quartz vein, mix of vein and wallrock
2	76061	Outcrop	5.89*	Garnet gneiss, sulphides
2	76058	Outcrop	5.44	Ridgeline outcrop, quartz vein cross-cutting garnet gneiss
2	76110	Outcrop	3.72	Garnet/biotite gneiss, taken from historical trench
2	76052	Outcrop	3.25	Ridgeline outcrop, quartz vein cross-cutting garnet gneiss

\* Analysis by metallic gold assay

No exploration work was carried out at Hummingbird in 2022.

## Sceptre Gold Project

In 2020, ALX acquired the Sceptre Gold Project, located in east-central Saskatchewan by staking twelve claims totaling 6,226 hectares.

## Background Information

The Sceptre property is found within the central part of the Glennie Domain, which includes a series of broadly contemporaneous greenstone belts. Of the over eighty gold occurrences identified within the Glennie Domain, the vast majority appear structurally controlled, associated with multi-stage quartz-calcite veins and are related to a series of greenstone belts (Delaney, 1992). The property is located approximately 32 km south of SSR Mining's Seabee Gold operation, which hosts the Santoy Gold Mine and the past producing Seabee Mine, which produced over 1.57 million ounces of gold between 1991 and 2018. The Santoy Mine commenced commercial production in 2014.

The Saskatchewan Mineral Deposit Index describes three gold showings at Sceptre:

- (1) Yak, which is exposed across nine trenches;
- (2) Fish Dot, where grab samples from quartz veins have assayed from .94g/t to 16.06g/t gold;
- (3) Wood Lake, which has returned gold values as high as 3.53g/t gold.

In the fall of 2021, ALX completed a high-resolution magnetic and radiometric airborne survey and an A.I. analysis of the geological structures and surface alteration present at Sceptre. Future work will consist of prospecting and sampling to confirm historical results described by the Saskatchewan Mineral Deposits Index and follow-up on new targets generated by the airborne survey and the AI analysis.

## Athabasca Basin Projects

### *Hook-Carter Uranium Project*

The Hook-Carter Uranium Project comprises six claims totalling 24,262 hectares. It is owned 80% by Denison Mines Corp. and 20% by the Company subject to the terms of the definitive agreement with Denison completed on November 4, 2016, and to certain royalties held by underlying vendors.

To date, Denison's expenditures to date exceed \$6.7 million. No exploration was carried out by Denison in 2020-2022. Denison has informed ALX that it is planning a deep-penetrating, airborne electromagnetic survey for Hook-Carter in 2023.

### **Background Information**

Hook-Carter covers the northeastern end of the Derkson, Carter and Patterson Lake structural and conductor trends, host to numerous uranium showings, deposits and recent discoveries, including the Triple R (Patterson Lake South) deposit (Fission Uranium Corp.) and the Arrow deposit (NexGen Energy Ltd.) as well as the Bow and Harpoon discoveries (NexGen Energy Ltd.) and the Spitfire Zone (Purepoint Uranium Group Inc., Cameco, and Orano). These uranium discoveries occur along an approximate 14 kilometre-long portion of the Patterson Lake Corridor and lie 8.5 to 22 kilometres southwest of Hook-Carter. To date, exploration within the Patterson Lake Corridor has identified predominately basement-hosted uranium mineralization associated with gravity low or resistivity geophysical anomalies, EM conductors, and in some cases highly anomalous radon geochemistry. These features provide a unique context that can help guide future exploration within the region.

### *Gibbons Creek Project*

The 100% owned Gibbons Creek Uranium Project ("Gibbons Creek") comprises seven claims totaling 13,864 hectares that straddle the northern margin of the Athabasca Basin. The property is adjacent the Company's Black Lake Uranium Project near the community of Stony Rapids, SK. ALX has been exploring Gibbons Creek since 2015 when uranium boulders assaying up to 4.28% U<sub>3</sub>O<sub>8</sub> were first discovered.

Gibbons Creek exhibits potential for unconformity-style or deeper, basement hosted uranium mineralization. The depth to the unconformity is known to be shallow (approximately 50 to 250 metres). The property also benefits from a significant database of historical exploration information from work completed by UEX as well as Eldorado Nuclear (a predecessor company of Cameco). In addition to its uranium potential, Gibbons Creek also hosts the Star Gold and PGE Showing located on the southern shore of the Fond du Lac River.

Gibbons Creek is located adjacent to the community of Stony Rapids, which provides infrastructure including power lines, all-weather Highway 905, a commercial airport, equipment rentals and supplies, as well as readily available accommodation, therefore providing high efficiencies for exploration.

### **2022 Exploration**

ALX holds an exploration permit for Gibbons Creek, good to October 2022. The permit allows for a 5,000m drill program in up to 20 holes, in addition to ground-based geophysics, prospecting and geochemical sampling.

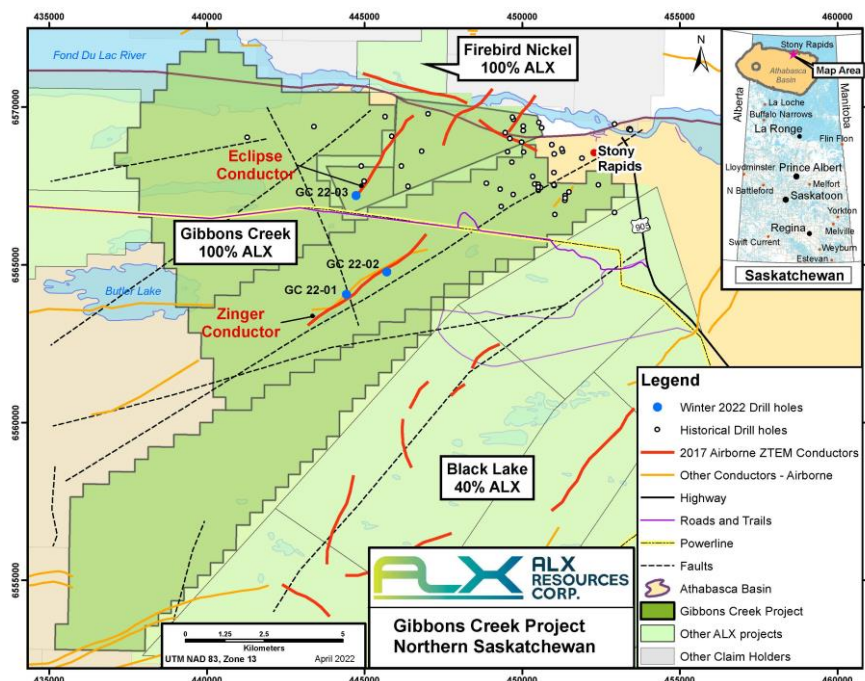
During the quarter ending June 30, 2022, ALX completed a three hole, 1,240m drill program on two previously untested conductive trends known as the Zinger and Eclipse conductors. Both were detected by a historical MEGATEM airborne geophysical survey. Results received subsequent to the quarter ending June 30, showed the discovery of anomalous uranium and associated pathfinder minerals in all three drill holes, suggesting the presence of a nearby uranium mineralized system.

### **Highlights of the 2022 Drilling Program**

- Anomalous uranium values were detected in the lower portion of the Athabasca sandstone in all three holes (GC22-01-03), with 10-metre composite samples analyzing up to 8.29 ppm (parts per million) uranium. The analytical results suggest the presence of localized uranium-bearing fluids;
- Analysis of pathfinder elements including boron, cobalt, copper, nickel, and lead, which are associated with unconformity uranium deposits, further suggest the presence of a nearby mineralized system;

- Drill hole GC22-01 (-90 dip) along the southwest part of the Zinger Conductor, intersected mineral alteration (pyrite, siderite, bleaching) high in the sandstone column, which suggests a powerful hydrothermal event occurred peripheral to the drill hole;
- Sudoite, a chloritic alteration mineral known to be associated with uranium mineralization, was also observed at the unconformity in hole GC22-01, in addition to intersecting a zone of moderately graphitic pelitic gneiss associated with a basement fault approximately 41 metres below the unconformity between 396 and 400 metres;
- Discrete elevated gamma probe peaks, ranging from 670 to 1,206 counts per second (“cps”) between 293.7 and 300.9 metres in hole GC22-02 are clear indicators of uranium remobilization by fluid flow in the sandstone;
- Although anomalous uranium was encountered in Hole GC22-03, drilling was terminated short of the primary conductive horizon due to warming weather conditions. The Eclipse conductor continues to be a highly prospective untested target.

ALX’s exploration team is evaluating targets for future drilling at Gibbons Creek.



**Gibbons Creek: 2022 Drill Targets along the Zinger and Eclipse conductors**



**Fault within Graphitic Zone in Zinger Conductor – hole GS22-01 at 397.75 metres**

## Sabre Uranium Project

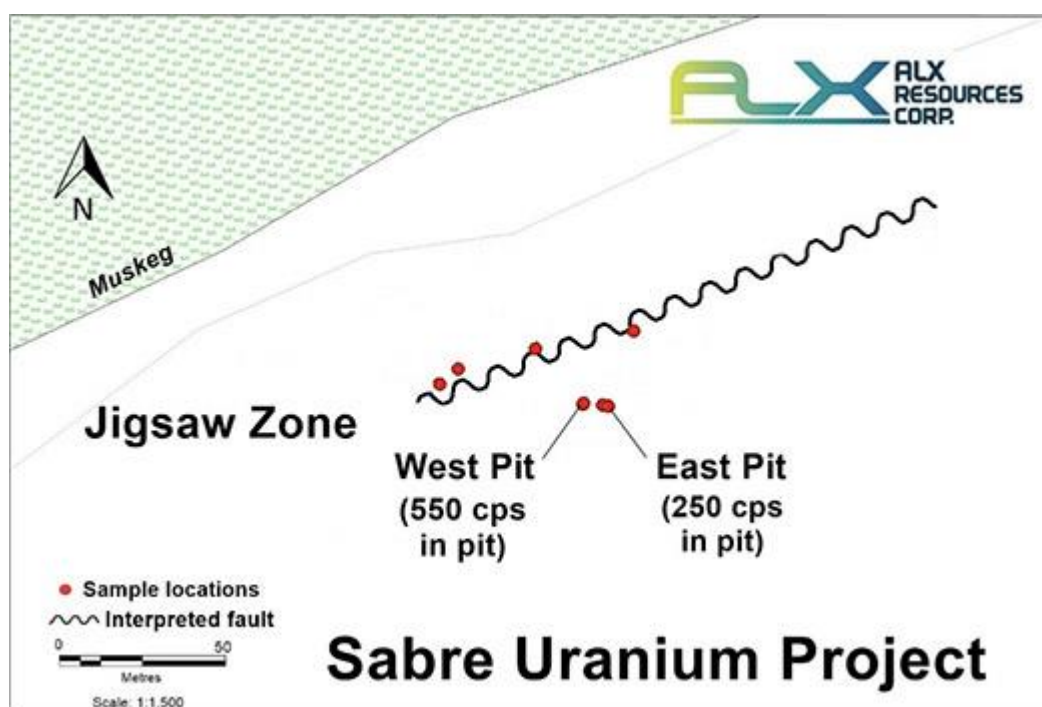
In 2021, ALX acquired the 100% owned Sabre Uranium Project located along the northern margin of the Athabasca Basin by staking 16 mineral claims encompassing 16,041 hectares (38,659 acres), located along the northern margin of the Athabasca Basin near Richards Lake, SK.

### Background Information

Sabre is located within the Snowbird Tectonic Zone a major regional geological structure, and includes several parallel northeast-trending fault zones, as well as cross-cutting structures. Numerous historical uranium showings are found within the STZ, such as the Nisto Mine, Black Lake, and the Fond du Lac Uranium Deposit. The Fond du Lac Uranium Deposit, located approximately 15 kilometres west of the centre of Sabre. The Sabre project area is underexplored with only three known drill holes, and no exploration has been conducted since 2008. In the fall of 2021, ALX carried out an initial site visit to verify uranium-bearing boulders and outcrop to better understand the relationship between the surface uranium-bearing boulder outcrop and the significant fault structures present at the property.

### 2022 Exploration

Prospecting by ALX in October 2022 discovered a significant trend of structural disruption in the Athabasca sandstone, which was named the Jigsaw Zone. The structure is exposed at surface as quartz veining and local quartz-breccia, and outcrop of sandstone and can be traced over a trend approximately 150m long by 15m wide. The Jigsaw Zone is open along strike to northeast and southwest and disappears under cover in both directions. A trend of elevated radioactivity in boulders was located 15m to the south of Jigsaw Zone. Two small historical pits (“West” and “East”) were located and hand dug to better expose the radioactive sources. Scintillometer readings of up to 550 counts per second (“cps”) and 250 cps were obtained from inside the bottom of the West and East pits, respectively (10 to 20 times background radiation levels).



Sabre Uranium Project – Jigsaw Zone Sample Locations, October 2022

Four samples of the quartz vein and quartz-breccia sandstone from the Jigsaw Zone and four radioactive samples from the West and East pits were submitted to the Saskatchewan Research Geoanalytical Labs in Saskatoon, Saskatchewan for a full suite of geochemical analyses. In addition, sub-samples were submitted for short-wave infrared spectroscopy (SWIR) analyses to determine the clay signature of the samples.

The ALX technical team continues to evaluate prioritized areas for identifying potential drill targets.



### ***Javelin Uranium Project***

In 2021, ALX acquired the 100% owned Javelin Uranium Project in northern Saskatchewan, Canada by staking nine mineral claims encompassing 23,652 hectares. Located near the eastern margin of the Athabasca Basin, the property is situated about 65 kilometres (40 miles) southeast of the McArthur River Uranium Mine.

Javelin is located outside of the eastern margin of the Athabasca Basin within the central parts of the Wollaston Domain basement rocks, which host prolific uranium mines such as Key Lake, McArthur River, Cigar Lake and Rabbit Lake, amongst others.

Recently, high-grade uranium mineralization has been sampled near Javelin just outside the Athabasca Basin sandstone, on surface by Valor Resources Limited and in exploratory drillholes by 92 Energy Ltd. and Baseload Energy Corp.

### **2021 Exploration**

In the fall of 2021, ALX completed a first-pass, high-resolution airborne magnetic and radiometric survey at Javelin. Follow-up prospecting was carried out to investigate anomalies detected by the airborne survey.

### ***McKenzie Lake Uranium Project***

On September 30, 2021, ALX announced that it had acquired the McKenzie Lake Uranium Project in northern Saskatchewan, Canada. McKenzie Lake consists of four mineral claims purchased from an arm's length vendor group, and a fifth mineral claim staked by the Company, giving the project a total area of 6,916 hectares. McKenzie Lake is located near the eastern margin of the Athabasca Basin approximately 20 kilometres (12.5 miles) north of the Company's newly-acquired Javelin Uranium Project, and about 55 kilometres (34 miles) southeast of the McArthur River Uranium Mine.

McKenzie Lake is located outside of the eastern margin of the Athabasca Basin within the central parts of the Wollaston Domain basement rocks, which host prolific uranium mines such as Key Lake, McArthur River, Cigar Lake and Rabbit Lake, amongst others. Two recent discoveries of note have been made in the McKenzie Lake-Javelin area, immediately to the southwest of the McKenzie Lake claims. The first is a discovery by 92 Energy Ltd. at their Gemini Project, where strongly anomalous basement-hosted uranium mineralization was intersected in drill hole GEM-004. More recently, and in close proximity to the discovery of 92 Energy Ltd., Baseload Energy Corp. reported the intersection of a broad zone of anomalous radioactivity in drill holes.

In the fall of 2021, ALX completed a first-pass, high-resolution airborne magnetic and radiometric survey at McKenzie Lake. Follow-up prospecting was carried out to investigate anomalies detected by the airborne survey.

### ***Black Lake Uranium Project***

ALX owns 40% of the Black Lake Uranium Project ("Black Lake"), which consists of twelve mineral claims totaling 30,381 hectares. Black Lake is a joint venture between UEX Corporation, ALX and Orano Canada. It is located immediately adjacent to the Company's 100%-owned Gibbons project. ALX earned its 40% interest by completing \$1.0 million in exploration expenditures and the issuance of 5,000,000 common shares to UEX valued at \$400,000.

### **Background Information**

Black Lake hosts a 24-kilometre-long conductive system and is staked over the Platt Creek Fault, a major NNE-trending fault parallel to the Black Lake Fault. Shear zones and faults of this style are frequently host to unconformity-type uranium deposits in the Athabasca Basin. The property has been explored intermittently since 1998, but despite the discovery of a series of significant uranium occurrences, no new uranium deposit has been discovered. Exploration in the area of Black Lake was largely carried out prior to the understanding of the importance of basement-hosted unconformity-style uranium deposits.

No exploration work was carried out by the Black Lake joint venture in 2022.

### ***Carpenter Lake Uranium Project***

The Carpenter Lake property (“Carpenter Lake”) is a 60/40 joint venture between ALX (60%) and Pacton Gold Inc. (40%, formerly Noka Resources) over 8 claims totaling 16,872 hectares. The property lies along the southern portion of the Cable Bay Shear Zone (“CBSZ”) where it crosses the southern margin of the Athabasca Basin. The CBSZ is a crustal-scale, regional lithotectonic domain boundary, nearby and parallel to the Virgin River Shear Zone which hosts the Centennial uranium deposit to the west. Major structures such as the CBSZ are a critical element to the formation of unconformity-type uranium deposits.

In 2014, a predecessor company of ALX completed the following exploration work at Carpenter Lake:

- 71 rock samples collected during a summer boulder prospecting program;
- 566 radon samples collected during a two-stage winter and summer program;
- 60 lake sediment samples collected during a three-week winter program;
- Airborne gamma spectrometer survey - 3,931 line-kilometres covering 10x20 kilometre block at 50-metre line spacing;
- Airborne VTEM survey - 1,892 line-kilometers over a 10x20 kilometre block at 100 metre line spacing.

No exploration work was carried out at Carpenter Lake in 2022.

## **LITHIUM EXPLORATION PROJECTS**

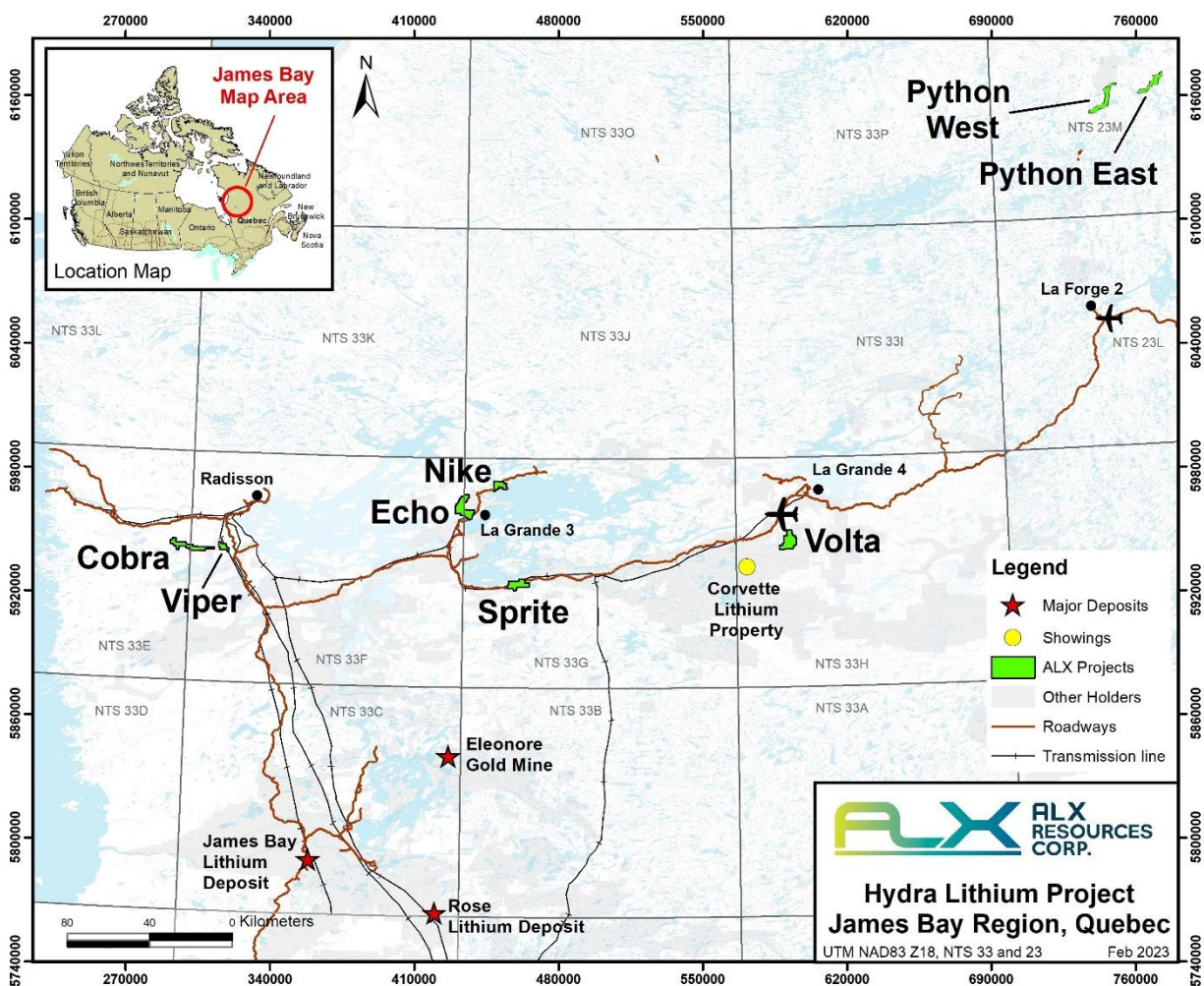
### ***Hydra Lithium Project***

In September 2022, ALX acquired the Hydra Lithium Property located in Quebec’s James Bay region, which is emerging as a significant lithium exploration district following the nearby Corvette discovery made by Patriot Battery Metals. ALX staked 306 mineral claims in four sub-properties totaling 15,837 ha. and owns a 100% interest in the project. Subsequent to the quarter ending December 31<sup>st</sup>, ALX staked additional claims in the area. Hydra now comprises eight sub-properties totaling 29,263 ha. One of the new sub-properties, named Python West, covers a historically sampled lithium-bearing pegmatite showing.

During Q4, an initial prospecting and sampling program was completed on the original four sub-properties. The program was successful in identifying pegmatite bodies in several locations, which will be followed up with a summer 2023 exploration program.

### **Background Information**

Infrastructure created since the completion of the James Bay Hydroelectric project in the 1970s has made the area readily accessible, resulting in significantly increased mineral exploration. Historical exploration within the James Bay region has primarily focused on gold. However, the recent Corvette discovery by Patriot Battery Metals Inc. has demonstrated that the region is underexplored for lithium. ALX has access to a proprietary high-resolution airborne geophysical database acquired from historical diamond exploration in the James Bay region that could provide important information for the identification of regional trends with potential for hosting pegmatitic lithium-bearing rocks. Recent developments necessitated the ALX team move quickly to acquire the Hydra claims and establish a presence in this emerging lithium exploration region in Quebec.



ALX's Hydra Lithium Project Claims in the James Bay Region, Quebec

## 2023 Exploration Plans

ALX continues to compile geophysical and geochemical data from historical exploration integrated with remote imagery to identify prospective areas. Additional work may include high-resolution airborne magnetic and radiometric surveys together with follow-up prospecting and geochemical surveys in 2023 across the highest-priority areas in order to locate lithium-bearing pegmatite dykes and sills and optimize potential drill targets.

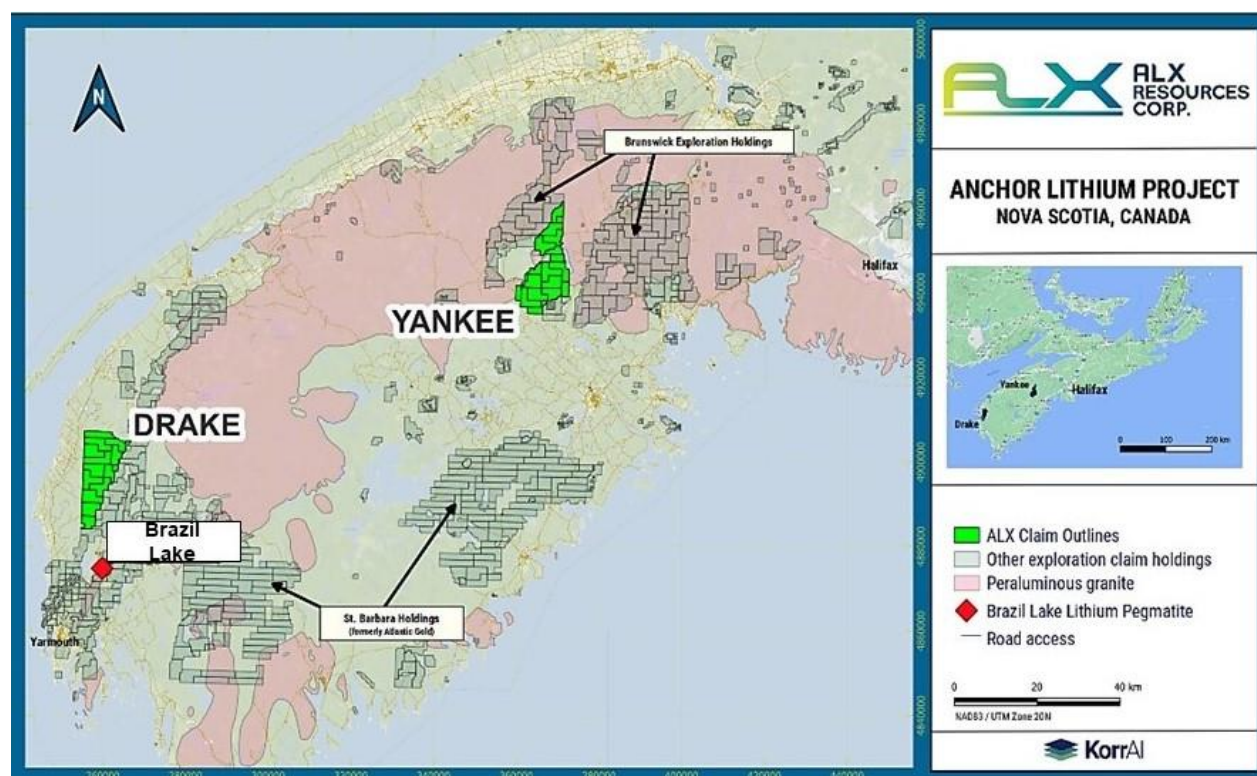
## Anchor Lithium Project

In September 2022, ALX acquired the Anchor Lithium Property located in Nova Scotia, Canada, by staking 34 mineral licenses totaling 31,808 ha in two sub-projects named "Drake" and "Yankee".

## Background Information

Situated within the Meguma Terrane of central and western Nova Scotia, the Anchor properties are underexplored for lithium-bearing pegmatites. Historical exploration has identified lithium-bearing pegmatites in the Anchor area, most notably by Champlain Mineral Ventures Ltd. ("Champlain"), which recently filed a National Instrument 43-101 compliant technical report and Mineral Resource Estimate for its Brazil Lake Pegmatite Deposit. The technical report filing by Champlain initiated a staking rush in the summer and fall of 2022, during which ALX acquired the Anchor claims. Several junior exploration companies are now active in the region and nearby ALX's Anchor claims. Infrastructure for mineral exploration is excellent, with all-weather roads, power, personnel and supplies readily available.





ALX's Anchor Lithium Project Claims in Nova Scotia, Canada

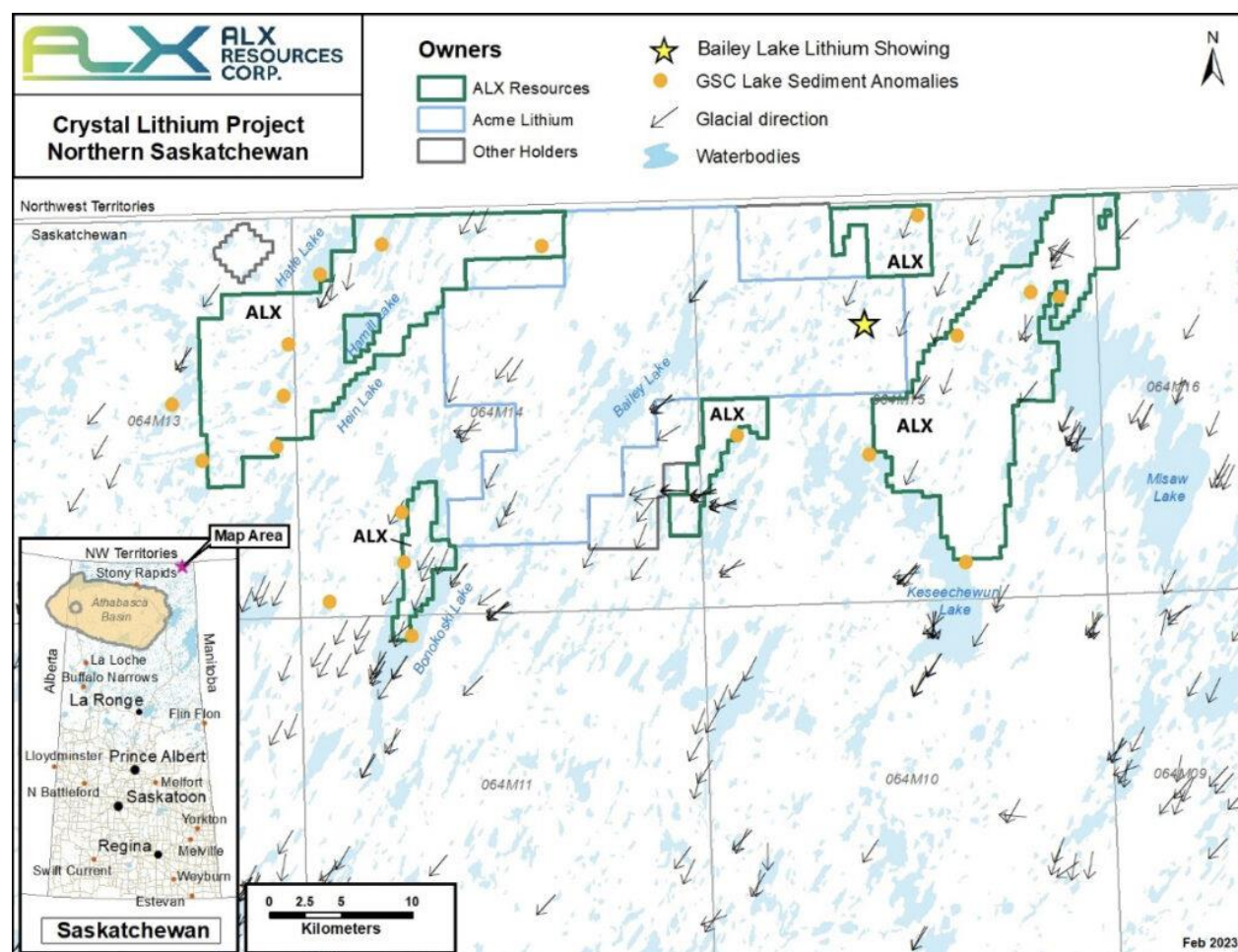
## 2022-2023 Exploration Plans

ALX has received a permit for exploration from the Government of Nova Scotia Department of Energy and Mines for the Anchor claims that lie on Crown land. Engagement with local stakeholders will be required for exploration on claims that lie on private land. In late 2022 and early 2023, ALX carried out a biogeochemical survey at Drake to determine if lithium anomalies are present on the property, with results pending. Subsequent work may include high-resolution airborne magnetic and radiometric surveys together with follow-up geochemical surveys to identify and prioritize potential drill targets.

## Crystal Lithium Project

Subsequent to the quarter ending December 31<sup>st</sup>, ALX staked 54 mineral claims in five claim blocks totaling 44,587 ha in northern Saskatchewan near the Northwest Territories border. The Crystal claims regionally surround a historical lithium showing near Bailey Lake. ALX recognized that the area is underexplored for lithium, and that anomalous pathfinder elements found in a 1993 Geological Survey of Canada geochemical survey may indicate a glacial “down-ice” geochemical expression of lithium-bearing pegmatites.



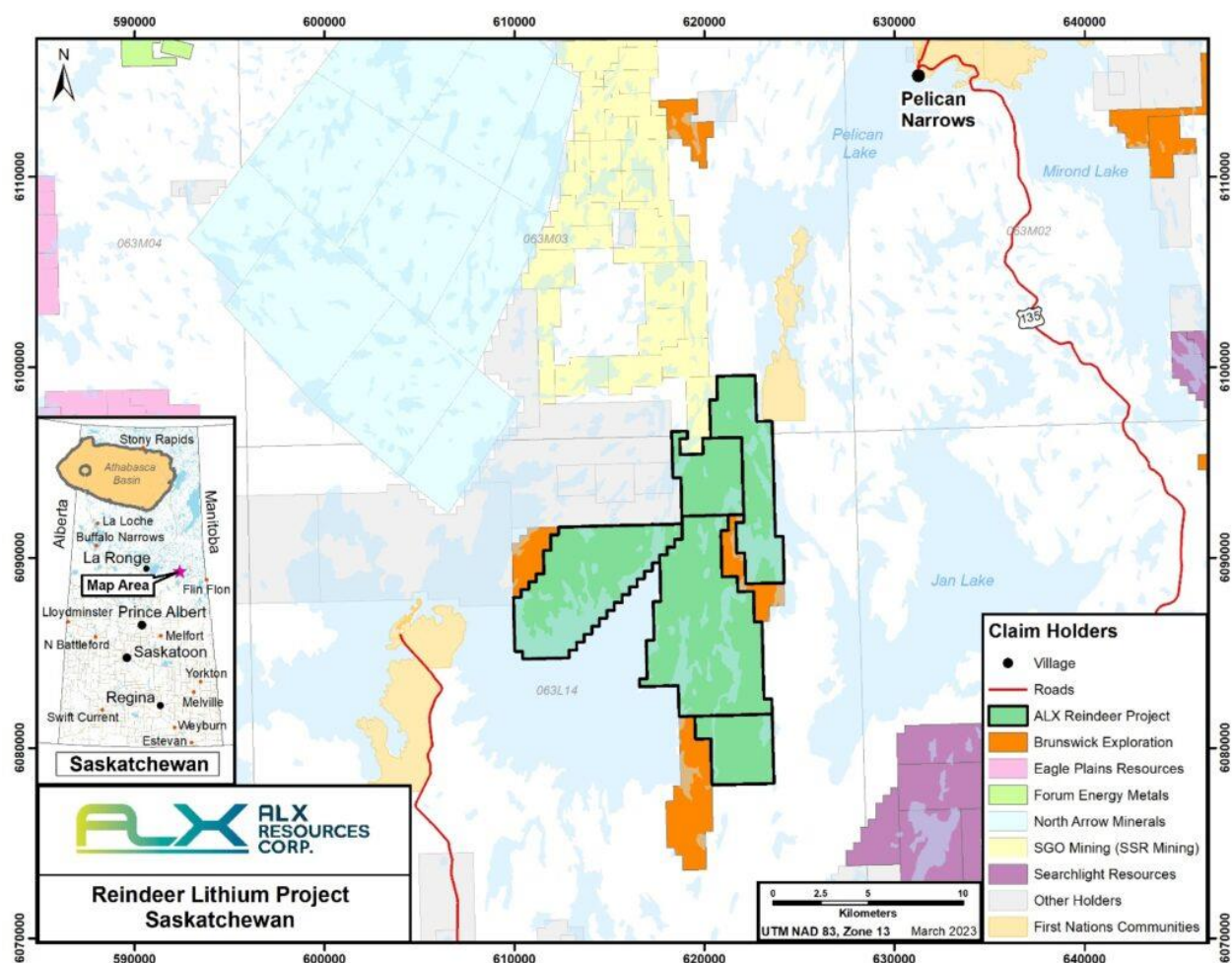


### Crystal Lithium Project- Northern Saskatchewan

#### Reindeer Lithium Project

Subsequent to the quarter ending December 31st, ALX acquired a 100% interest in the Reindeer lithium project in northern Saskatchewan for a total purchase price of \$12,500. A 2.0% NSR was granted to the vendor, with ALX retaining an option to purchase one-half (1.0%) of the NSR any time during the next five years for \$2.0 million.

Reindeer is an early-stage project consisting of 5 claims totaling 13,329 hectares. ALX plans a late summer/fall 2023 mapping and prospecting program to evaluate its lithium potential.



### Reindeer Lithium Project, near Pelican Narrows, SK

## OTHER EXPLORATION PROJECTS

### *Tango Project*

In 2018, ALX acquired a 100% interest in the Tango Project from DG Resource Management Ltd., a private company controlled by a director of ALX. Tango consists of eight claims totaling 13,709 hectares prospective for nickel, copper and cobalt mineralization and is located approximately 175 km northwest of La Ronge, Saskatchewan.

No exploration work is planned for 2023.

### *Draco VMS Project*

In 2019, ALX acquired a 100% interest in Draco VMS copper-zinc-gold-silver project located in the Grong Mining District of central Norway. ALX staked ten claims totaling approximately 5,959 hectares, following its study of surface mineral showings integrated with historical airborne magnetic and electromagnetic survey data, which identified trends that could represent potential zones of volcanogenic massive sulfide style mineralization.

In early 2023, ALX made the decision to retain only certain claims at Draco in the Valkyrie sub-project totaling 4,350 hectares (10,749 acres), with target areas located approximately 9.0 kilometres WSW of the past-producing Joma mine (reported historical resources of 22.5 million tons of 1.6% copper and 1.5% zinc<sup>1</sup>). Mining from 1972 to 1998 at the Joma mine produced 171,000 tonnes copper, 166,000 tonnes zinc and an unknown amount of gold and silver from 11.45 million tonnes of ore (*Geological Survey of Finland, Special Paper 53, 2012*)

<sup>1</sup> The historical mineral resource estimates listed above either use categories that are not compliant with National Instrument 43-101 (“NI 43-101”) and cannot be compared to NI 43-101 categories, or are not current estimates as prescribed by NI 43-101, and therefore should not be relied upon. A qualified person has not done sufficient work to classify the estimates as current resources and ALX is not treating the estimates as a current resource estimates. However, the estimates are relevant to guiding the Company’s exploration plans and provide geological information regarding the type of mineralization that could be present in the Draco VMS Project area. Mineralization hosted on adjacent properties is not necessarily indicative of mineralization that may be hosted on the Company’s Draco VMS Project.

ALX is seeking exploration partners for Draco and has engaged in discussions with several interested parties with the goal of executing an option earn-in agreement with a qualified mineral exploration company.

### ***Qualified Persons***

The disclosure of technical information regarding ALX’s properties contained in this MD&A has been reviewed and approved by either Sierd Eriks, P.Geo., ALX’s former President and Chief Geologist, by Jody Dahrouge, P.Geo., a Director of ALX, by David Murray, P. Geo., or by Robert Campbell, P.Geo., all of whom are Qualified Persons as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.

### **Community Engagement & Environmental/Social Sustainability**

ALX Resources is a responsible explorer with a commitment to environmental and social sustainability, while ensuring the Company’s long-term success in achieving its goals.

ALX’s professional team is committed to best practices in community engagement that is:

- meaningful and effective;
- encourages open dialogue;
- helps to gain a better understanding of community needs;
- results in decisions and actions that achieve mutually beneficial outcomes; and
- ensures minimal environmental impacts from exploration.

## **FINANCIAL SUMMARY**

### **Selected Annual Financial Information**

The following table provides a summary of the Company’s financial operations for the last three fiscal years ended December 31. For more detailed information, refer to the Company’s annual audited financial statements.

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
General and administrative expenses	1,344,671	1,039,001	982,217
Net loss for the year	(1,878,926)	(2,715,552)	(785,167)
Loss per share	(0.01)	(0.02)	(0.01)
Total assets	12,440,433	13,036,776	10,866,747
Total liabilities	261,143	226,949	264,362
Working capital	2,533,583	4,263,511	1,088,306
Weighted average number of shares outstanding	211,630,462	172,128,428	137,084,884

## **Results of Operations**

### **Year Ended December 31, 2022**

The Company had a net loss of \$1,878,926 during the year ended December 31, 2022, compared to a net loss of \$2,715,552 during the year ended December 31, 2021, with net losses decreasing by \$836,626 year over year. Details of significant changes from the prior comparative year are as follows:

- Overall operating expenses increased by \$305,670 to \$1,344,671 year over year.
- An increase in advertising and promotion to \$238,173 (2021 - \$139,431) as the Company launched several new marketing initiatives to help promote the Company's exploration activities;
- An increase in consulting fees and salaries to \$519,968 (2021 - \$446,323) mostly as a result of the Government's withdrawal of Covid-19 subsidies and to a lesser extent, compensation increases;
- An increase in share-based compensation to \$253,668 (2021 - \$198,932) due to a strengthening share price relative to the previous grant thereby increasing the notional value of new stock options issued in January, 2022;
- A decrease in impairment of exploration and evaluation assets to \$348,632 (2021 - \$2,006,379) with only two non-core properties showing indicators of impairment compared to the prior year's charge for six uranium properties sold at an amount less than their carrying value;
- A decrease in Operator fees to \$5,318 (2021 - \$135,171) as a result of less exploration activity at the Company's Firebird Nickel Project which is the subject of an earn-in agreement with Rio Tinto;
- An increase in foreign exchange loss to \$51,429 (2021 - \$4) from Australian dollar weakness relative to the Canadian dollar affecting the value received from six properties sold to Okapi on January 28, 2022;
- An increase in the loss on sale of marketable securities to \$115,516 (2021 - \$4,483) from price declines in the underlying securities that were sold; and
- An increase in unrealized losses on marketable securities to \$300,133 (2021 - \$21,651(gain)) primarily from price volatility in the Company's holdings of Okapi Resources Limited common shares.

### **Fourth Quarter Ended December 31, 2022**

The Company had a net loss of \$733,653 during the quarter ended December 31, 2022, compared to a net loss of \$348,816 during the quarter ended December, 31 2021, with net losses increasing by \$384,837 year over year. Details of significant changes from the prior comparative period are as follows:

- Overall operating expenses increased by \$7,314 to \$289,707 year over year.
- An increase in impairment of exploration and evaluation assets to \$348,632 (Q4, 2021 - \$119,682); and
- An increase in unrealized losses on marketable securities to \$131,936 (Q4, 2021 - \$2,972) primarily from price volatility in the Company's holdings of Okapi Resources Limited common shares.

## **Liquidity and Capital Resources**

Working capital as at December 31, 2022 was \$2,533,583 compared to working capital of \$4,263,511 as at December 31, 2021 and includes the following:

- Current assets as at December 31, 2022 and December 31, 2021 were \$2,794,726 and \$4,445,459, respectively, including:
  - Cash and cash equivalents of \$2,033,247 at December 31, 2022 and \$4,052,887 at December 31, 2021. The Company's cash balances are held in an interest-bearing savings account at a major Canadian bank.
  - Marketable securities of \$360,870 at December 31, 2022 and \$113,765 at December 31, 2021. The Company's investment portfolio of publicly traded securities is held for trading, subject to certain hold periods, and may be liquidated to fund operations.
  - Other receivables, including taxes receivable, of \$164,435 at December 31, 2022 and \$67,608 at December 31, 2021.
- Current liabilities as at December 31, 2022 and December 31, 2021 were \$261,143 and \$181,948, respectively:
  - Accounts payable and accrued liabilities of \$58,750 at December 31, 2022 and \$50,920 at December 31, 2021 and mostly comprised of trade payables.
  - Liability for flow-through shares of \$157,392 at December 31, 2022 and \$91,092 at December 31, 2021.



- Current portion of lease liabilities of \$45,001 at December 31, 2022 and \$39,936 at December 31, 2021 (with minimum base lease payments over the next twelve months totaling \$47,979).

The Company has sufficient financial resources to carry out its planned exploration and administration expenditures over the next twelve months. The Company will require additional financing and although it has been successful in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. Should a lack of financing alternatives occur, this may lead to curtailment or termination of certain projects.

### **Selected Quarterly Information**

The following is a summary of the results from the eight previously completed financial quarters:

	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>
Corporate overhead*	269,229	222,244	317,806	281,724	257,471	201,283	171,891	209,424
Share-based payments*	20,478	42,544	73,700	116,946	24,921	43,827	93,610	36,574
Deferred income tax recovery	42,608	-	-	91,092	42,241	27,163	40,635	18,270
Net income(loss) for the period	(733,653)	10,985	(832,701)	(323,557)	(348,816)	(2,059,319)	(122,150)	(185,267)
(Loss) per share	0.01	0.01	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	12,440,433	12,182,410	12,252,502	13,376,844	13,036,776	10,520,733	12,928,510	10,889,128
Total liabilities	261,143	284,665	408,287	773,628	226,949	241,023	831,558	299,187

\*The table above separates operating expenses into corporate overhead and share-based payments.

Over the last eight quarters, the Company has seen its corporate overhead expenses remain fairly consistent. The significant increases/decreases in net loss have been primarily driven by impairment charges from exploration and evaluation assets and price volatility in the Company's portfolio of marketable securities.

## **SHAREHOLDERS' EQUITY**

The Company is authorized to issue an unlimited number of common shares.

	<b>Number Outstanding April 12, 2023</b>	<b>Number Outstanding December 31, 2022</b>	<b>Number Outstanding December 31, 2021</b>
Common shares issued and outstanding	234,383,956	234,383,956	207,808,956
Options to purchase common shares	14,300,000	14,300,000	13,650,000
Warrants to purchase common shares	89,557,960	89,557,960	87,146,593
Total (fully diluted)	338,241,916	338,241,916	308,605,549

### **During the year ended December 31, 2022:**

- During November 2022, the Company closed a non-brokered private placement consisting of 20,000,000 flow-through units ("FT Units") at \$0.05 each and 6,125,000 non-flow-through units ("NFT Units") at \$0.04 each for gross proceeds of \$1,245,000 (with \$200,000 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-half of one non-flow-through common share purchase warrant in the capital of the Company. Each whole warrant exercisable into one common share of the Company for a period of three years from closing at an exercise price of \$0.075 per common share.

In conjunction with the private placement, the Company paid finders fees of \$56,850 and issued 1,137,000 finder fee warrants valued at \$33,045. Each warrant is exercisable into one common share of the Company at \$0.05 for a period of three years from closing.

- ii) On December 20, 2022, issued 200,000 common shares for the Electra Nickel Project exploration and evaluation assets.
- iii) On December 20, 2022, issued 250,000 common shares for the Alligator Gold Project exploration and evaluation assets.

**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.
- 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 250,00 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.

## REGULATORY DISCLOSURES

### *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.

(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 year ended December 31, 2022 or the year ended December 31, 2021. The Company is not subject to any externally imposed capital requirements.

## (f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The following is an analysis of the Company's financial assets measured at fair value as at December 31, 2022 and December 31, 2021:

	As at December 31, 2022		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,033,247	\$ -	\$ -
Marketable securities	\$ 360,870	\$ -	\$ -
	\$ 2,394,117	\$ -	\$ -
	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	\$ -	\$ -

**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:

	2022	2021
Salaries and consulting fees	\$ 313,100	\$ 371,537
Share-based compensation	190,333	167,044
Key management personnel compensation	\$ 503,433	\$ 538,581

During the year ended December 31, 2022, the Company incurred consulting fees of \$1,248 (December 31, 2021 - \$2,659) and exploration costs of \$532,670 (December 31, 2021 - \$612,369) with Dahrouge Geological Consulting Ltd, a company controlled by Jody Dahrouge who is also a director of ALX.



Related party amounts are unsecured, non-interest bearing and due on demand. As at December 31, 2022, \$21,423 (December 31, 2021 - \$20,118) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

### ***Commitments***

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.

### **Forward-Looking Statements**

This MD&A includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "forward-looking statements", unless otherwise stated). These statements appear in a number of places in this MD&A and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company's future outlook and anticipated events or results and may include statements regarding the Company's uranium mineral interest in the Athabasca Basin and various other commodity mineral interests and the Company's future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement.

## **DIRECTORS AND OFFICERS**

The Company has the following directors and officers:

Warren Stanyer – Director, CEO and Chairman\*  
Jody Dahrouge – Director\*  
David Miller – Director  
Jean-Jacques Gautrot – Director  
Howard Haugom – Director\*  
Patrick Groening – CFO  
Christina Boddy – Corporate Secretary

\* Member of the Company's Audit Committee

## **APPROVAL**

The Board of Directors of ALX Resources Corp. has approved the disclosure contained in this MD&A.

## **Additional Information**

Additional information about the Company can be found at the Company's website at [www.alxresources.com](http://www.alxresources.com), or on [www.sedar.com](http://www.sedar.com).