



Condensed Interim Financial Statements

Three Months Ended March 31, 2023

(Expressed in Canadian Dollars)

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

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

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

ALX Resources Corp.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	March 31, 2023	December 31, 2022
Assets		
Current		
Cash and cash equivalents	\$ 1,847,731	\$ 2,033,247
Taxes receivable	51,601	26,622
Other receivables	3,402	137,813
Marketable securities (Note 3)	301,624	360,870
Prepaid expenses and deposits	187,593	236,174
Total Current Assets	2,391,951	2,794,726
Property and equipment (Note 4)	26,277	35,036
Exploration and evaluation assets (Note 5)	9,840,484	9,610,671
Total Assets	\$ 12,258,712	\$ 12,440,433
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 157,338	\$ 58,750
Current portion of lease liability (Note 9)	34,249	45,001
Liability for flow-through shares (Note 6)	94,076	157,392
Total Current Liabilities	285,663	261,143
Equity		
Share capital (Note 7)	22,999,822	22,999,822
Reserves (Note 8)	2,830,337	2,829,446
Deficit	(13,857,110)	(13,649,978)
Total Equity	11,973,049	12,179,290
Total Liabilities and Equity	\$ 12,258,712	\$ 12,440,433
Going concern of operations (Note 2)		
Commitments (Note 9)		
Event after the reporting period (Note 13)		

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

ALX Resources Corp.

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

	2023	2022
Expenses		
Accounting and audit fees	\$ 22,000	\$ 21,000
Advertising and promotion	57,637	74,469
Depreciation	8,759	9,726
Consulting fees and salaries (Note 10)	138,680	126,004
Insurance	7,396	6,417
Investor relations	1,250	2,550
Legal fees	881	6,799
Office and general	26,336	22,137
Share-based compensation (Notes 8 and 10)	891	116,946
Transfer agent and filing fees	9,105	12,622
Travel expenses	13,016	-
Operating Expenses	285,951	398,670
Other Expenses (Income)		
Foreign exchange loss	-	51,430
Interest and recovery of office and general	(26,585)	(13,607)
Operator fee income (Note 5(i))	-	(782)
Unrealized (gain)loss on marketable securities (Note 3)	(24,850)	(21,062)
Loss on sale of marketable securities (Note 3)	35,932	-
Loss before Income Taxes	270,448	414,649
Deferred income tax recovery (Note 6)	(63,316)	(91,092)
Net and Comprehensive Loss for the Period	\$ 207,132	\$ 323,557
Basic and Diluted Loss Per Share	\$ 0.01	\$ 0.01
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	234,383,956	207,808,956

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

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

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, January 1, 2023	234,383,956	\$ 22,999,822	\$ 2,829,446	\$ (13,649,978)	12,179,290
Share-based compensation (Note 8)	-	-	891	-	891
Net loss for the period	-	-	-	(207,132)	(207,132)
Balance, March 31, 2023	234,383,956	\$ 22,999,822	\$ 2,830,337	(13,857,110)	\$ 11,973,049

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

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

ALX Resources Corp.**Condensed Interim Statements of Cash Flows**

For the Three Months ended March 31,

(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss for the period	\$ (207,132)	\$ (323,557)
Items not involving cash:		
Deferred income tax recovery	(63,316)	(91,092)
Depreciation	8,759	9,726
Finance charges	1,243	2,453
Loss on sale of marketable securities	35,932	-
Share-based compensation	891	116,946
Unrealized gain on marketable securities	(24,850)	(21,062)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	38,469	16,258
Prepaid expenses	48,581	31,494
Taxes and other receivables	109,432	(35,817)
Net cash flows used in operating activities	(51,991)	(294,651)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Exploration and evaluation asset expenditures	(169,694)	(1,038,076)
Proceeds from sale of marketable securities	48,164	-
Proceeds from sale of exploration and evaluations assets	-	892,700
Net cash flows used in investing activities	(121,530)	(145,376)
CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:		
Interest and finance charges paid	(1,243)	(2,453)
Repayment of lease liabilities	(10,752)	(9,542)
Net cash flows provided from financing activities	(11,995)	(11,995)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(185,516)	(452,022)
Cash and cash equivalents, beginning of period	2,033,247	4,052,887
Cash and cash equivalents, end of period	\$ 1,847,731	\$ 3,600,865
Supplemental disclosure with respect to cash flows (Note 11)		

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

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

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

Going concern of operations

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

Approval of the financial statements

The condensed interim financial statements of ALX Resources Corp. for the three months ended March 31, 2023 were approved and authorized for issue by the board of directors on May 25, 2023.

Significant accounting judgments, estimates and assumptions

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

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

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

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

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

	March 31, 2023		December 31, 2022	
	Cost	Fair Market Value	Cost	Fair Market Value
First Mining Gold Corp.	\$ 100,000	\$ 75,630	\$ 100,000	\$ 88,977
Manitou Gold Inc.	-	-	19,695	4,545
Okapi Resources Limited	478,338	216,392	542,739	257,805
Pegasus Resources Inc.	12,000	5,000	12,000	5,000
Uravan Minerals Inc.	16,520	4,602	16,520	4,543
Total	\$ 606,858	\$ 301,624	\$ 690,954	\$ 360,870

4. EQUIPMENT

	Right-of-use asset (Note 9)
	\$
Cost:	
Balance, December 31, 2022	175,184
Additions	-
Balance, March 31, 2023	175,184
Accumulated depreciation:	
Balance, December 31, 2022	140,148
Additions	8,759
Balance, March 31, 2023	148,907
Carrying amounts:	
Balance, December 31, 2022	35,036
Balance, March 31, 2023	26,277

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

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

	Energy Metals and Gold Properties	Uranium Properties	Total
Balance, January 1, 2022	\$ 2,726,243	\$ 5,794,034	\$ 8,520,277
Additions during the year-			
Property acquisition costs			
Cash	76,038	-	76,038
Staking	93,811	-	93,811
Common shares	15,750	-	15,750
Property exploration costs			
Assays	85,462	7,325	92,787
Camp	191,719	217,703	409,422
Drilling	647,791	330,577	978,368
Field supplies and rentals	182,993	97,147	280,140
Geological and field personnel	439,644	229,374	669,018
Other	(43,914)	19,277	(24,637)
Surveying costs	530,629	353,343	883,972
Travel and accommodation	59,421	38,859	98,280
Total additions during the year	2,279,344	1,293,605	3,572,949
Proceeds received from sale or earn-in of exploration and evaluation assets	(244,874)	(1,889,049)	(2,133,923)
Impairment	(348,632)	-	(348,632)
Balance, December 31, 2022	\$ 4,412,081	\$ 5,198,590	\$ 9,610,671
Additions during the period-			
Property acquisition costs			
Cash	6,547	-	6,547
Staking	63,038	-	63,038
Property exploration costs			
Assays	26,377	26,686	53,063
Field supplies and rentals	3,659	1,234	4,893
Geological and field personnel	43,947	34,865	78,812
Other	(200,000)	3,670	(196,330)
Surveying costs	92,113	112,660	204,773
Travel and accommodation	6,296	8,721	15,017
Total additions during the period	41,977	187,836	229,813
Balance March 31, 2023	\$ 4,454,058	\$ 5,386,426	\$ 9,840,484

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Energy Metals and Gold Properties

	-----Energy Metals Properties-----						-----Gold Properties-----				
	Firebird Nickel Project	Electra Nickel Project	Flying Vee Nickel Project	Hydra Lithium Project	Anchor Lithium Project	Cannon Copper	Other Staked Energy Metals Properties	Alligator Gold Project	Vixen Gold Project	Other Gold Properties	Total
Note	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
Balance, January 1, 2022	\$ 1,195,369	\$ 306,345	\$ 172,537	\$ -	\$ -	\$ 93,872	\$ 369,216	\$ 369,934	\$ 126,425	\$ 92,545	\$ 2,726,243
Additions during the year --											
Property acquisition costs											
Cash	-	20,000	-	-	-	-	26,038	30,000	-	-	76,038
Staking	394	100	1,988	68,221	19,870	2,250	-	-	-	988	93,811
Common shares	-	7,000	-	-	-	-	-	8,750	-	-	15,750
Property exploration costs											
Assays	-	70,773	-	2,056	-	-	-	12,633	-	-	85,462
Camp	-	60,361	9,715	635	-	-	-	121,008	-	-	191,719
Drilling	-	234,266	-	-	-	-	-	413,525	-	-	647,791
Field supplies and rentals	910	25,383	3,668	1,951	-	-	192	150,689	-	200	182,993
Geological and field personnel	55,600	78,551	53,143	34,514	7,870	6,598	1,951	174,581	10,744	16,092	439,644
Other	5,321	369	-	-	-	369	-	(50,000)	27	-	(43,914)
Surveying costs	-	60,105	299,936	-	-	-	-	93,373	-	77,215	530,629
Travel and accommodation	-	21,005	7,518	14,581	1,590	-	-	14,727	-	-	59,421
Total additions during the year	62,225	577,913	375,968	121,958	29,330	9,217	28,181	969,286	10,771	94,495	2,279,344
Impairment of exploration and evaluation assets	-	-	-	-	-	-	(348,632)	-	-	-	(348,632)
Proceeds from earn-in of exploration and evaluation assets	(78,179)	-	-	-	-	-	-	-	(137,195)	(29,500)	(244,874)
Balance, December 31, 2022	\$ 1,179,415	\$ 884,258	\$ 548,505	\$ 121,958	\$ 29,330	\$ 103,089	\$ 48,765	\$ 1,339,220	\$ 1	\$ 157,540	\$ 4,412,081
Additions during the period --											
Property acquisition costs											
Cash	-	-	-	-	-	-	6,547	-	-	-	6,547
Staking	-	-	-	23,408	-	-	39,630	-	-	-	63,038
Property exploration costs											
Assays	-	-	-	-	-	-	-	26,377	-	-	26,377
Field supplies and rentals	-	3,308	-	-	-	-	-	351	-	-	3,659
Geological and field personnel	300	18,391	465	2,108	18,563	252	3,419	-	-	449	43,947
Other	-	(200,000)	-	-	-	-	-	-	-	-	(200,000)
Surveying costs	-	-	-	76,299	11,502	-	4,312	-	-	-	92,113
Travel and accommodation	-	-	-	-	6,296	-	-	-	-	-	6,296
Total additions during the period	300	(178,301)	465	101,815	36,361	252	53,908	26,728	-	449	41,977
Balance, March 31, 2023	\$ 1,179,715	\$ 705,957	\$ 548,970	\$ 223,773	\$ 65,691	\$ 103,341	\$ 102,673	\$ 1,365,948	\$ 1	\$ 157,989	\$ 4,454,058

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Energy Metals and Gold Properties - continued

i) Firebird Nickel

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

On August 21, 2020 (the “Effective Date”) and as amended below, ALX entered into an option agreement with Rio Tinto Exploration Canada Inc. (“Rio Tinto”) on the Company’s Firebird Nickel Project. Rio Tinto may acquire up to an 80% interest in Firebird by incurring a total of \$12.0 million in exploration expenditures over seven years and by making cash payments to ALX totaling \$150,000, as outlined in the following summary:

- Rio Tinto may acquire a 51% interest in Firebird (the “First Option”) by funding \$3.0 million in exploration expenditures within four years of the agreement date;
- Carrying out an initial exploration program of not less than \$150,000, to be completed within six months of the Effective Date (completed);
- Making a \$50,000 cash payment to ALX within 45 days of the Effective Date (received); and
- On December 1, 2022, the First Option earn-in period was amended from three to four years for cash consideration of \$25,000 (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 (the “Second Option”). To earn an additional 29% interest in Firebird Rio Tinto must:

- Fund an additional \$9.0 million in exploration over an additional three-year period for total expenditures by Rio Tinto of \$12.0 million over seven years; and
- Make a cash payment to ALX of \$75,000 for total cash consideration of \$150,000.

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

ii) Electra Nickel Project

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

- A non-refundable \$3,000 cash payment paid by ALX as a pre-option payment for an exclusive 45-day period during which ALX conducted due diligence on the Project (completed);
- On the approval of TSX Venture Exchange: \$7,000 in cash (paid) and 300,000 common shares (issued and valued at \$25,500);
- On or before 1st Anniversary Date: \$15,000 in cash (paid) and 250,000 common shares (issued and valued at \$21,250), and \$100,000 in exploration expenditures (complete);
- On or before 2nd Anniversary Date: \$20,000 in cash (paid) and 200,000 common shares (issued and valued at \$7,000), and an additional \$100,000 in exploration expenditures (complete);

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months ended March 31, 2023
(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Energy Metals and Gold Properties – continued

ii) Electra Nickel Project - continued

- On or before 3rd Anniversary Date: \$25,000 in cash and 150,000 common shares, and an additional \$100,000 in exploration expenditures;
- On or before 4th Anniversary Date: \$30,000 in cash and 100,000 common shares, and an additional \$100,000 in exploration expenditures;
- On or before 5th Anniversary Date: \$35,000 in cash and 100,000 common shares and an additional \$100,000 in exploration expenditures.

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

iii) Flying Vee Nickel Project

Flying Vee is located approximately 25 kilometres north of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking in April 2019. In June 2021, the Company staked additional claims in the surrounding area. This project is prospective for nickel, copper, and cobalt.

iv) Hydra Lithium Project

The Hydra Lithium Project is located in the James Bay region of northern Quebec, Canada and ALX has acquired a 100% interest by staking in September 2022. This project is prospective for lithium in lithium-cesium-tantalum (“LCT”) type pegmatites.

v) Anchor Lithium Project

The Anchor Lithium Project is located in the central and western Nova Scotia, Canada and ALX has acquired a 100% interest by staking in September 2022. This project is prospective for lithium in lithium-bearing pegmatites.

vi) Cannon Copper (formerly the “Kamichisitit Claims”)

In June 2012, the Company acquired, by staking, claims located in Kamichisitit Township, situated approximately 40 kilometres north of Iron Bridge, Ontario. This project is prospective for copper. In June 2014, the Company staked additional claims in the surrounding area.

vii) Other Staked Energy Metals Properties

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

Within five years of closing, the Company may purchase up to half of the NSR for \$2,000,000. The agreement was approved by the TSX Venture Exchange on August 21, 2018. During the year ended December 31, 2022, the Company recorded an impairment charge of \$214,165.

The Draco VMS Project is located in Grong district of Norway and ALX acquired a 100% interest by staking in May 2019. This project is prospective for copper-zinc-gold-silver. During the year ended December 31, 2022, the Company paired down these claims to the most prospective areas and recorded an impairment charge of \$134,467.

The Crystal Lithium Project is located in northern Saskatchewan, Canada and ALX has acquired a 100% interest by staking in February 2023. This project is prospective for lithium in lithium-cesium-tantalum (“LCT”) type pegmatites.

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months ended March 31, 2023
(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Energy Metals and Gold Properties – continued

vii) Other Staked Energy Metals Properties - continued

On March 10, 2023, the Company acquired the Reindeer Lithium Project in northern Saskatchewan. In consideration for the acquisition, ALX has agreed to pay \$12,500 to the vendor for a 100% interest, subject to a 2.0% NSR. ALX is entitled to purchase one-half of the NSR (1.0%) from the vendor at any time within five years from closing of the transaction for \$2,000,000.

viii) Alligator Gold Project

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

- The Company has acquired a 51% interest in the Alligator property (the “First Option”) by funding \$500,000 (completed) in exploration expenditures by December 31, 2022:
 - Within 5 days of the Optionor’s acceptance of the letter agreement, the Company shall make a non-refundable \$3,000 cash payment (paid);
 - Within 5 days of the acceptance from the TSX Venture the Company shall make a \$12,000 cash payment (paid) and issue 250,000 common shares (issued and valued at \$20,000) to the Optionor;
 - On or before December 31, 2021, the Company shall make a cash payment of \$25,000 (paid) and issue an additional 250,000 common shares (issued and valued at \$20,000) of the Company; and
 - On or before December 31, 2022, the Company shall make a cash payment of \$30,000 (paid) and issue an additional 250,000 common shares (issued and valued at \$8,750) of the Company.
- Upon the Company acquiring a 51% interest in the Alligator property, it may elect to pursue its right to acquire up to an 80% interest in the project (the “Second Option”). To earn an additional 29% interest in the Alligator property the Company must:
 - On or before December 31, 2023, the Company shall make a cash payment of \$35,000 and issue an additional 250,000 common shares of the Company;
 - On or before December 31, 2024, the Company shall make a cash payment of \$45,000 and issue an additional 500,000 common shares of the Company; and
 - The Company shall incur additional expenditures of at least \$750,000 at the property.

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

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

ix) Vixen Gold Project

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

On March 24, 2021, ALX entered into a purchase agreement to acquire a 100% interest in eight claims contiguous to the Company’s Vixen Gold Project in exchange for \$2,500 (paid) and issuing 200,000 common shares (issued and valued at \$19,000) of the Company. The vendor has retained a net smelter royalty (“NSR”) of 1.5%. The Company may at any time purchase the NSR by paying \$1,500,000.

ALX Resources Corp.

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For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Energy Metals and Gold Properties - continued

ix) Vixen Gold Project - continued

On May 7, 2021, ALX entered into a purchase agreement to acquire a 100% interest in fourteen claims and one patented claim contiguous to the Company's Vixen Gold Project in exchange for \$40,000 (paid) and issuing 500,000 common shares (issued and valued at \$30,000) of the Company. The vendor retained an NSR of 2.5%. The Company may at any time acquire 1.25% of the NSR by paying \$1,250,000.

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

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

x) Other Gold Properties

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

On October 5, 2021, the Company granted an option to Pegasus Resources Inc. ("Pegasus") to acquire an interest in four claims that form part of the Hummingbird Gold Project. Pegasus can earn a 70% interest by paying \$50,000, issuing 700,000 common shares, and incurring \$300,000 of exploration expenditures over three years. If Pegasus does not earn a 70% interest, the option will be terminated and ALX will retain a 100% interest. Pegasus can earn the remaining 30% interest by paying \$200,000 and issuing 500,000 common shares by the 5th anniversary of the agreement date, otherwise a joint venture would be formed. To date, the Company has received \$50,000 and 250,000 common shares valued at \$12,000.

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

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5. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties

	Hook- Carter	Black Lake	Gibbons Creek	Newnham Lake	Kelic Lake	Lazy Edward	Carpenter Lake	South Pine/Perch	Cluff Lake	Other Uranium Properties	Total
Note	(xi)	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)	(xviii)	(xix)	(xx)	
Balance, January 1, 2022	\$ 15,411	\$ 1,627,467	\$ 1,741,174	\$ 601,540	\$ 811,858	\$ 233,043	\$ 299,943	\$ 189,377	\$ 565	\$ 273,656	\$ 5,794,034
Additions during the year --											
Property exploration costs											
Assays	-	-	7,005	-	-	-	-	-	-	320	7,325
Camp	-	-	204,551	-	-	-	-	-	-	13,152	217,703
Drilling	-	-	330,577	-	-	-	-	-	-	-	330,577
Field supplies	-	-	93,403	512	-	-	-	-	568	2,664	97,147
Geological and field personnel	-	405	188,794	1,212	-	-	3,142	-	300	35,521	229,374
Other expenses	-	-	19,277	-	-	-	-	-	-	-	19,277
Surveying costs	-	-	53,100	-	-	-	-	-	-	300,243	353,343
Travel and accommodation	-	-	32,856	-	-	-	-	-	-	6,003	38,859
Total additions during the year	-	405	929,563	1,724	-	-	3,142	-	868	357,903	1,293,605
Proceeds received from earn-in of exploration and evaluation assets	-	-	-	(603,264)	(811,858)	(233,043)	-	(189,377)	(865)	(50,642)	(1,889,049)
Balance, December 31, 2022	\$ 15,411	\$ 1,627,872	\$ 2,670,737	-	-	-	\$ 303,085	-	\$ 568	\$ 580,917	\$ 5,198,590
Additions during the period --											
Property exploration costs											
Assays	-	-	24,471	-	-	-	-	-	-	2,215	26,686
Field supplies	-	-	720	-	-	-	-	-	-	514	1,234
Geological and field personnel	100	-	772	-	-	-	1,373	-	-	32,620	34,865
Other expenses	-	-	3,670	-	-	-	-	-	-	-	3,670
Surveying costs	-	-	-	-	-	-	-	-	-	112,660	112,660
Travel and accommodation	-	-	-	-	-	-	-	-	-	8,721	8,721
Total additions during the period	100	-	29,633	-	-	-	1,373	-	-	156,730	187,836
Balance, March 31, 2023	\$ 15,511	\$ 1,627,872	\$ 2,700,370	-	-	-	\$ 304,458	-	\$ 568	\$ 737,647	\$ 5,386,426

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS - continued

Uranium Properties - continued

xi) Hook-Carter Property

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

On November 4, 2016, the Company completed the sale of an 80% interest in the Hook-Carter Property to Denison Mines Corp. ("Denison"). Under the terms of the agreement, the Company received 7.5 million common shares of Denison with a value of \$3.825 million in exchange for an immediate 80% interest in the property. ALX retained a 20% interest in the property and Denison has agreed to fund ALX's share of the first \$12.0 million in expenditures.

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

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

xii) Black Lake Project

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

xiii) Gibbons Creek Property

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

xiv) Newnham Lake Property

On July 21, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in the Newnham Lake Property. To earn its interest the Company paid \$100,000 and issued 833,333 common shares valued at \$275,000.

On August 21, 2014, the Company entered into an option agreement to acquire adjacent claims from Anstag Mining Inc., by paying \$50,000 and issuing 333,333 common shares valued at \$65,000. In addition, the Company committed to incurring \$1,500,000 in exploration expenditures before August 28, 2019. The transaction was approved by the TSX-V on August 28, 2014. On August 19, 2019, the Company amended the agreement to complete the exploration expenditures by August 28, 2022. As consideration for the extension, the Company issued 300,000 common shares valued at \$12,000. Again, on October 18, 2021, the Company amended the agreement to complete the exploration expenditures by August

ALX Resources Corp.

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5. EXPLORATION AND EVALUATION ASSETS – continued

Uranium Properties – continued

xiv) Newnham Lake Property - continued

28, 2025. As consideration for the extension, the Company issued 300,000 common shares valued at \$37,500. The property is subject to a 1% gross overriding royalty (“GORR”), to which the Company may purchase 0.5% of the GORR for \$1,000,000 at any time.

On January 28, 2022, ALX completed a sale agreement with Okapi Resources Limited (“Okapi”) where Okapi has acquired the Company’s interests in the following six uranium exploration properties: Newnham Lake, Kelic Lake, Argo, Lazy Edward Bay, Cluff Lake and Perch. Okapi paid total consideration of \$1,933,519 (\$2.1 million Australian dollars (“AUD”)) consisting of cash payments of \$996,184 (AUD\$1,050,000), including a \$44,470 (AUD\$50,000) non-refundable deposit (received in 2021), and 3,227,790 common shares of Okapi valued at \$937,335 (AUD\$1,050,000). The common shares received from Okapi are subject to an escrow agreement with a release schedule as follows: 33% after six months, 33% after nine months, and 34% after twelve months from the closing date.

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

xv) Kelic Lake Property

On August 29, 2014, the Company entered into an option agreement with Jody Dahrouge and 877384 Alberta Ltd. to acquire a 100% interest in the Kelic Lake property located in southern margin of the Athabasca Basin. To earn its interest, the Company paid \$80,000, issued 500,000 common shares valued at \$133,750, and incurred exploration expenditures of at least \$750,000. The optionors retained a 2.5% royalty on production from the property, which can be reduced to a 1.5% royalty by paying of \$1,500,000 at any time prior to commencement of commercial production.

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

xvi) Lazy Edward Bay Property

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

On October 15, 2021, the Company entered into a purchase agreement to acquire a 100% interest in additional claims adjacent to it Lazy Edward Bay Property. To complete the purchase, the ALX issued 600,000 common shares valued at \$75,000. The vendor will retain 2% net smelter returns royalty (“NSR”). ALX has the option to purchase half of the NSR for \$1.0 million.

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

xvii) Carpenter Lake Property

On January 13, 2014, the Company entered into an option agreement with Pacton Gold Inc. (“Pacton”) to acquire a 60% interest in the Carpenter Lake property located in Northern Saskatchewan. The Company has earned its interest by paying \$60,000, issuing 200,000 common shares valued at \$93,000, and incurring at least \$1,250,000 exploration expenditure.

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

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements
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5. EXPLORATION AND EVALUATION ASSETS – continued

Uranium Properties – continued

xviii) South Pine/Perch Properties

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

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

xix) Cluff Lake Project

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

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

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

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

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

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

xx) Other Uranium Properties

Staked Properties

On November 15, 2017 the Company announced that it had staked various new claims in the Athabasca Basin area of Saskatchewan, Canada including a property known as “Argo”.

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

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

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

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

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

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

During November 2022, the Company issued a total of 20,000,000 units on a flow-through basis at \$0.05 per unit for gross proceeds \$1,000,000 and recognized a liability for flow-through shares of \$200,000. The Company has spent \$529,620 of the flow-through funds and has reversed \$105,924 of the flow through liability.

At March 31, 2023, the amount of flow-through proceeds remaining to be expended is \$470,380 (December 31, 2022 - \$786,962) and the balance of the liability for flow-through shares is \$94,076 (December 31, 2022 - \$157,392).

7. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without nominal or par value.
- b) Issued: The total issued and outstanding shares of the Company at March 31, 2023 is 234,383,956 (December 31, 2022 – 234,383,956).

During the year ended December 31, 2022:

- i) 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.
- c) Warrants:

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

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Three Months ended March 31, 2023

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

c) Warrants: - continued

	March 31, 2023		December 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	89,557,960	0.11	87,146,593	0.12
Expired	-	-	(11,788,133)	0.13
Issued	-	-	14,199,500	0.07
Balance, end of period/year	89,557,960	0.11	89,557,960	0.11

The following warrants were outstanding as at March 31, 2023:

Expiry Date	Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
June 21, 2023	\$ 0.080	487,620	0.22
June 21, 2023	\$ 0.100	78,750	0.22
June 21, 2023	\$ 0.120	14,801,250	0.22
June 21, 2023	\$ 0.150	2,690,000	0.22
June 25, 2023	\$ 0.100	17,500	0.24
June 25, 2023	\$ 0.120	790,000	0.24
June 25, 2023	\$ 0.150	250,000	0.24
October 2, 2023*	\$ 0.100	14,436,400	0.51
October 8, 2023	\$ 0.095	1,717,584	0.52
October 8, 2023	\$ 0.140	24,561,400	0.52
October 20, 2023*	\$ 0.100	4,783,333	0.56
December 17, 2024**	\$ 0.080	10,064,623	1.72
December 30, 2024**	\$ 0.080	680,000	1.75
November 3, 2025	\$ 0.075	8,900,000	2.60
November 3, 2025	\$ 0.050	1,005,000	2.60
November 17, 2025	\$ 0.075	3,062,500	2.64
November 21, 2025	\$ 0.075	1,100,000	2.65
November 21, 2025	\$ 0.050	132,000	2.65
Total		89,557,960	
Weight average remaining life of warrants outstanding			0.93

* The original expiry dates of these warrants were extended by 12 months

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

ALX Resources Corp.

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7. SHARE CAPITAL

c) Warrants: - continued

The Company applies the fair value method in accounting for its finder fee warrants using the Black-Scholes pricing model. During the period ended March 31, 2023, the Company issued nil finder fee warrants. During the year ended December 31, 2022, the Company issued a total of 1,137,000 finder fee warrants. The finder fee warrants granted resulted in share issue costs of \$33,045. The following parameters were used to value finder fee warrants:

	March 31, 2023	December 31, 2022
Expected Life	n/a	3 years
Risk-free interest rate	n/a	4.01%
Annualized volatility	n/a	130.14%
Dividend rate	n/a	n/a
Fair value of shares at grant date	n/a	\$0.03

8. SHARE-BASED PAYMENTS

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

The following stock option grants were issued during the period ended March 31, 2023 and the year ended December 31, 2022:

- On January 4, 2022 the Company granted 3,350,000 stock options (2,500,000 were issued to Directors and Officers) with an exercise price of \$0.09 per common share and expiring in 5 years. These options will vest as follows: one-third four months from the grant date, one-third eight months from the grant date, and one-third twelve months from the grant date.

The following is a summary of option transactions under the Company's stock option plan for the period ended March 31, 2023 and the year ended December 31, 2022:

	March 31, 2023		December 31, 2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	14,300,000	\$ 0.08	13,650,000	\$ 0.08
Expired/Cancelled	-	-	(2,700,000)	0.11
Granted	-	-	3,350,000	0.09
Balance, end of period/year	14,300,000	\$ 0.08	14,300,000	\$ 0.08

ALX Resources Corp.

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8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at March 31, 2023:

Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Remaining Contractual Life (Years)
June 6, 2024	\$ 0.070	3,400,000	3,400,000	1.19
January 16, 2025	\$ 0.070	2,900,000	2,900,000	1.80
September 25, 2025	\$ 0.100	1,050,000	1,050,000	2.49
February 26, 2026	\$ 0.075	3,450,000	3,450,000	2.91
March 15, 2026	\$ 0.100	150,000	150,000	2.96
January 7, 2027	\$ 0.090	3,350,000	3,350,000	3.77
Total		14,300,000	14,300,000	
Weighted average remaining life of stock options outstanding and exercisable				2.45

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the period ended March 31, 2023, the Company issued a total of nil (March 31, 2022 – 3,350,000) incentive stock options to directors, officers, employees, and consultants of the Company. During the period ended March 31, 2023, the options issued and vested resulted in share-based payments of \$891 (March 31, 2022 – \$116,946).

	March 31, 2023	March 31, 2022
Expected Life	5 years	5 years
Risk-free interest rate	1.33%	1.33%
Annualized volatility	115.04%	115.04%
Dividend rate	N/A	N/A
Fair value of shares at grant date	0.07	0.07

9. COMMITMENT/LEASE LIABILITY

The Company has entered into the following agreements:

i) Office Lease

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

The underlying lease payments have been discounted, at the inception of the lease, using the Company's incremental borrowing rate of 12%. On January 1, 2019, the present value of future lease payments and initial recognition of the right-of-use asset totaled \$175,184 (see Note 4).

ALX Resources Corp.

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9. COMMITMENT/LEASE LIABILITY - continued

Lease liability

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

	March 31, 2023	December 31, 2022
Undiscounted minimum lease payments:		
Less than one year	\$ 35,984	\$ 47,979
Two to five years	-	-
	35,984	47,979
Effect of discounting	(1,735)	(2,978)
Present value of minimum lease payments	34,249	45,001
Less current portion	(34,249)	(45,001)
Long-term portion	\$ -	\$ -

Lease liability continuity

The net change in the lease liability is as follows:

	March 31, 2023	December 31, 2022
Lease liability - beginning of year	\$ 45,001	\$ 84,937
Cash flows:		
Principal payments	(10,752)	(39,936)
Lease liability - end of period/year	\$ 34,249	\$ 45,001

During the period ended March 31, 2023, interest of \$1,243 (March 31, 2022 – \$2,453) is included in interest expense.

10. RELATED PARTY TRANSACTIONS

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

The following compensation was awarded to key management personnel:

	March 31, 2023	March 31, 2022
Salaries and consulting fees	\$ 77,400	\$ 72,000
Share-based compensation	664	88,298
Key management personnel compensation	\$ 78,064	\$ 160,298

During the three months ended March 31, 2023, the Company incurred consulting fees of \$1,131 (March 31, 2022 - \$nil) and exploration costs of \$24,052 (March 31, 2022 - \$309,467) 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 March 31, 2023, \$18,002 (December 31, 2022 - \$21,423) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

ALX Resources Corp.

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11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		March 31, 2023		March 31, 2022
Exploration and evaluation costs in accounts payable	\$	97,739	\$	654,127
Marketable securities received for exploration and evaluation assets	\$	-	\$	937,335

12. FINANCIAL RISK MANAGEMENT

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

(a) Credit risk

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

(b) Liquidity risk

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

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

(c) Foreign exchange risk

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

(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.

ALX Resources Corp.

Notes to the Condensed Interim Financial Statements
For the Three Months ended March 31, 2023
(Expressed in Canadian Dollars)

12. FINANCIAL RISK MANAGEMENT - continued

(e) Capital management

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

There were no changes in the Company's approach to capital management during the period ended March 31, 2023 or the year ended December 31, 2022. The Company is not subject to any externally imposed capital requirements.

(f) Fair value

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

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

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

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2023 and December 31, 2022:

	As at March 31, 2023			
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 1,847,731	\$ -	\$ -	
Marketable securities	\$ 301,624	\$ -	\$ -	
	\$ 2,149,355	\$ -	\$ -	

	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	\$ -	\$ -	

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to the quarter ended March 31, 2023, the Company granted an option to Forrestania Resources Limited ("Forrestania") to earn a 50% interest in the Company's Hydra Lithium Project ("Hydra"). To earn a 50% interest in Hydra, Forrestania has agreed to pay to ALX:

- \$50,000 non-refundable deposit for a 60-day exclusivity and due diligence period from the effective date of the Agreement prior to closing; (received)
- \$350,000 in cash on closing; and
- \$600,000 in Forrestania common shares within five days of closing.

Following the receipt of the payments listed above, a joint venture will be formed between the parties to explore and administer Hydra, with ALX acting as operator in exchange for an industry-standard administration fee. Upon the creation of the joint venture, ALX and Forrestania will each vest with a 1.50% net smelter returns royalty.