



## Condensed Interim Financial Statements

Nine Months Ended September 30, 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)

	September 30, 2023	December 31, 2022
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,279,679	\$ 2,033,247
Taxes receivable	31,077	26,622
Other receivables	13,507	137,813
Marketable securities (Note 3)	596,451	360,870
Prepaid expenses and deposits	80,942	236,174
<b>Total Current Assets</b>	<b>2,001,656</b>	<b>2,794,726</b>
<b>Property and equipment</b> (Note 4)	<b>8,759</b>	<b>35,036</b>
<b>Exploration and evaluation assets</b> (Note 5)	<b>9,573,095</b>	<b>9,610,671</b>
<b>Total Assets</b>	<b>\$ 11,583,510</b>	<b>\$ 12,440,433</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 123,254	\$ 58,750
Current portion of lease liability (Note 9)	11,759	45,001
Liability for flow-through shares (Note 6)	-	157,392
<b>Total Current Liabilities</b>	<b>135,013</b>	<b>261,143</b>
<b>Equity</b>		
<b>Share capital</b> (Note 7)	<b>22,999,822</b>	<b>22,999,822</b>
<b>Reserves</b> (Note 8)	<b>2,887,104</b>	<b>2,829,446</b>
<b>Deficit</b>	<b>(14,438,429)</b>	<b>(13,649,978)</b>
<b>Total Equity</b>	<b>11,448,497</b>	<b>12,179,290</b>
<b>Total Liabilities and Equity</b>	<b>\$ 11,583,510</b>	<b>\$ 12,440,433</b>
Going concern of operations (Note 2)		
Commitments (Note 9)		
Events after the reporting period (Note 13)		

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

**ALX Resources Corp.**

## Condensed Interim Statements of Comprehensive Income (Loss)

For the Three and Nine Months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>				
Accounting and audit fees	\$ -	\$ 2,000	\$ 26,300	\$ 23,000
Advertising and promotion	44,937	45,895	149,571	210,988
Consulting fees and salaries (Note 10)	129,240	120,418	398,434	378,295
Depreciation	8,759	8,760	26,277	27,245
Insurance	7,937	7,622	22,730	20,455
Investor relations	4,601	4,346	10,851	12,123
Legal fees	4,382	3,393	23,799	11,906
Office and general	21,860	21,976	66,801	64,248
Property investigation	-	125	-	36,953
Share-based payments (Note 8)	54,402	42,544	57,658	233,190
Transfer agent and filing fees	6,897	7,349	21,759	26,078
Travel Expenses	1,159	360	14,807	10,482
<b>Operating Expenses</b>	<b>284,174</b>	<b>264,788</b>	<b>818,987</b>	<b>1,054,963</b>
<b>Other Income (Expense)</b>				
Foreign exchange loss	-	2	-	(51,427)
Gain on sale of exploration and evaluation assets (Note 5)	797,573	62,805	797,573	62,805
Impairment of exploration and evaluation assets (Note 5)	(595,860)	-	(595,860)	-
Interest and recovery of office and general	27,703	20,910	80,324	51,056
Loss on sale of marketable securities (Note 3)	-	(44,216)	(65,570)	(76,420)
Operator fees	-	-	-	782
Unrealized (loss)gain on marketable securities (Note 3)	(371,890)	236,272	(343,323)	(168,197)
<b>(Loss)Income before Income Taxes</b>	<b>(426,648)</b>	<b>10,985</b>	<b>(945,843)</b>	<b>(1,236,364)</b>
Deferred income tax recovery (Note 6)	57,649	-	157,392	91,092
<b>Net (Loss)Income and Comprehensive (Loss)Income for the Period</b>	<b>\$ (368,999)</b>	<b>\$ 10,985</b>	<b>\$ (788,451)</b>	<b>\$ (1,145,272)</b>
<b>Basic&amp;Diluted (Loss)Income Per Share</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding-Basic and Diluted</b>	<b>234,383,956</b>	<b>207,808,956</b>	<b>234,383,956</b>	<b>207,808,956</b>

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

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

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, January 1, 2022</b>	<b>207,808,956</b>	<b>\$ 22,038,146</b>	<b>\$ 2,542,733</b>	<b>\$(11,771,052)</b>	<b>12,809,827</b>
Share-based compensation (Note 8)	-	-	233,190	-	233,190
Net loss for the period	-	-	-	(1,145,272)	(1,145,272)
<b>Balance, September 30, 2022</b>	<b>207,808,956</b>	<b>\$ 22,038,146</b>	<b>\$ 2,775,923</b>	<b>\$(12,916,324)</b>	<b>\$ 11,897,745</b>

  

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, January 1, 2023</b>	<b>234,383,956</b>	<b>\$ 22,999,822</b>	<b>\$ 2,829,446</b>	<b>\$(13,649,978)</b>	<b>12,179,290</b>
Share-based compensation (Note 8)	-	-	57,658	-	57,658
Net loss for the period	-	-	-	(788,451)	(788,451)
<b>Balance, September 30, 2023</b>	<b>234,383,956</b>	<b>\$ 22,999,822</b>	<b>\$ 2,887,104</b>	<b>\$(14,438,429)</b>	<b>\$ 11,448,497</b>

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

**ALX Resources Corp.**

## Condensed Interim Statements of Cash Flows

For the Nine Months ended September 30,

(Expressed in Canadian Dollars)

	2023	2022
<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Net loss for the period	\$ (788,451)	\$ (1,145,272)
Items not involving cash:		
Deferred income tax recovery	(157,392)	(91,092)
Impairment of exploration and evaluation assets	595,860	-
Depreciation	26,277	27,245
Finance charges	2,742	6,484
Gain on sale of exploration and evaluation assets	(797,573)	(62,805)
Loss on sale of marketable securities	65,570	76,420
Share-based payments	57,658	233,190
Unrealized loss on marketable securities	343,323	168,197
Changes in non-cash operating working capital:		
Amounts receivable	30,002	41,676
Prepaid expenses	155,232	76,260
Accounts payable and accrued liabilities	(3,107)	7,422
<b>Net cash flows (used in) operating activities</b>	<b>(469,859)</b>	<b>(662,275)</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Proceeds from sale of resource property	400,000	992,700
Exploration and evaluation asset expenditures	(778,251)	(2,956,476)
Proceeds from sale of marketable securities	130,526	332,852
<b>Net cash flows (used in) provided from investing activities</b>	<b>(247,725)</b>	<b>(1,630,924)</b>
<b>CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:</b>		
Interest and finance charges paid	(2,742)	(6,484)
Repayment of lease liabilities	(33,242)	(29,501)
<b>Net cash flows (used in) provided from financing activities</b>	<b>(35,984)</b>	<b>(35,985)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(753,568)</b>	<b>(2,329,184)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>2,033,247</b>	<b>4,052,887</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,279,679</b>	<b>\$ 1,723,703</b>
Supplemental disclosure with respect to cash flows (Note 11)		

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

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 2023

(Expressed in Canadian Dollars)

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## 1. NATURE OF OPERATIONS

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

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

## 2. BASIS OF PREPARATION

### Statement of compliance and basis of measurement

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

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

### Going concern of operations

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

### Approval of the financial statements

The condensed interim financial statements of ALX Resources Corp. for the nine months ended September 30, 2023 were approved and authorized for issue by the board of directors on November 22, 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 Nine Months ended September 30, 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:

	September 30, 2023		December 31, 2022	
	Cost	Fair Market Value	Cost	Fair Market Value
First Mining Gold Corp.	\$ 175,000	\$ 174,981	\$ 100,000	\$ 88,977
Forrestania Resources Ltd.	600,000	179,765	-	-
Manitou Gold Inc.	-	-	19,695	4,545
Okapi Resources Limited	478,338	237,080	542,739	257,805
Pegasus Resources Inc.	-	-	12,000	5,000
Nuclear Fuels Inc.	16,520	4,625	16,520	4,543
Total	\$ 1,269,858	\$ 596,451	\$ 690,954	\$ 360,870

### 4. EQUIPMENT

	Right-of-use asset (Note 9)
	\$
<b>Cost:</b>	
Balance, December 31, 2022	175,184
Additions	-
Balance, September 30, 2023	175,184
<b>Accumulated depreciation:</b>	
Balance, December 31, 2022	140,148
Additions	26,277
Balance, September 30, 2023	166,425
<b>Carrying amounts:</b>	
Balance, December 31, 2022	35,036
Balance, September 30, 2023	8,759



# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 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
<b>Balance, January 1, 2022</b>	<b>\$ 2,726,243</b>	<b>\$ 5,794,034</b>	<b>\$ 8,520,277</b>
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)
<b>Balance, December 31, 2022</b>	<b>\$ 4,412,081</b>	<b>\$ 5,198,590</b>	<b>\$ 9,610,671</b>
Additions during the period-			
Property acquisition costs			
Cash	6,547	-	6,547
Staking	64,787	-	64,787
Property exploration costs			
Assays	43,096	30,242	73,338
Camp	33,100	282	33,382
Field supplies and rentals	98,022	6,282	104,304
Geological and field personnel	264,695	50,642	315,337
Other	(200,000)	558	(199,442)
Surveying costs	361,732	112,660	474,392
Travel and accommodation	54,347	8,721	63,068
Total additions during the period	726,326	209,387	935,713
Proceeds received from sale or earn-in of exploration and evaluation assets	(377,428)	-	(377,428)
Impairment	(540,935)	(54,926)	(595,861)
<b>Balance September 30, 2023</b>	<b>\$ 4,220,044</b>	<b>\$ 5,353,051</b>	<b>\$ 9,573,095</b>

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 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)	
<b>Balance, January 1, 2022</b>	<b>\$ 1,195,369</b>	<b>\$ 306,345</b>	<b>\$ 172,537</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,872</b>	<b>\$ 369,216</b>	<b>\$ 369,934</b>	<b>\$ 126,425</b>	<b>\$ 92,545</b>	<b>\$ 2,726,243</b>
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)
<b>Balance, December 31, 2022</b>	<b>\$ 1,179,415</b>	<b>\$ 884,258</b>	<b>\$ 548,505</b>	<b>\$ 121,958</b>	<b>\$ 29,330</b>	<b>\$ 103,089</b>	<b>\$ 48,765</b>	<b>\$ 1,339,220</b>	<b>\$ 1</b>	<b>\$ 157,540</b>	<b>\$ 4,412,081</b>
Additions during the period --											
Property acquisition costs											
Cash	-	-	-	-	-	-	6,547	-	-	-	6,547
Staking	-	-	-	23,408	820	572	39,987	-	-	-	64,787
Property exploration costs											
Assays	-	-	-	7,834	8,885	-	-	26,377	-	-	43,096
Camp	-	-	-	32,867	-	-	233	-	-	-	33,100
Field supplies and rentals	-	10,088	-	87,583	-	-	-	351	-	-	98,022
Geological and field personnel	2,700	22,641	8,640	197,398	20,260	552	3,690	1,584	-	7,230	264,695
Other	-	(200,000)	-	-	-	-	-	-	-	-	(200,000)
Surveying costs	-	-	-	345,917	11,503	-	4,312	-	-	-	361,732
Travel and accommodation	-	-	-	48,051	6,296	-	-	-	-	-	54,347
Total additions during the period	2,700	(167,271)	8,640	743,058	47,764	1,124	54,769	28,312	-	7,230	726,326
Impairment of exploration and evaluation assets	-	-	(371,170)	-	-	-	(55,315)	-	-	(114,450)	(540,935)
Proceeds from earn-in of exploration and evaluation assets	-	-	-	(377,428)	-	-	-	-	-	-	(377,428)
<b>Balance, September 30, 2023</b>	<b>\$ 1,182,115</b>	<b>\$ 716,987</b>	<b>\$ 185,975</b>	<b>\$ 487,588</b>	<b>\$ 77,094</b>	<b>\$ 104,213</b>	<b>\$ 48,219</b>	<b>\$ 1,367,532</b>	<b>\$ 1</b>	<b>\$ 50,320</b>	<b>\$ 4,220,044</b>

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 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 Nine Months ended September 30, 2023  
(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Energy Metals and Gold Properties – continued

#### ii) Electra Nickel Project - continued

- On or before 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.

On September 30, 2023, the Company recorded an impairment charge of \$371,170.

#### 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.

On May 4, 2023, the Company granted an option to Forrestania Resources Limited (“Forrestania”) to earn a 50% interest in the Company’s Hydra Lithium Project (“Hydra”). On July 7, 2023, Forrestania exercised their option to acquire a 50% interest in Hydra by paying \$400,000 in cash, and issuing \$600,000 in Forrestania common shares to ALX.

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.

#### 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.

#### 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.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
For the Nine Months ended September 30, 2023  
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## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Energy Metals and Gold Properties – continued

#### vii) Other Staked Energy Metals Properties - continued

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. On September 30, 2023, the Company recorded an additional impairment charge of \$55,314.

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.

On March 10, 2023, the Company acquired the Reindeer Lithium Project in northern Saskatchewan by paying \$12,500 to the vendor for a 100% interest. The vendor also retains 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.
- Now that ALX has acquired 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.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 2023

(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Energy Metals and Gold Properties - continued

#### 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.

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 \$1,000,000. 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 \$2,000,000. 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, issue \$175,000 of common shares to ALX (received);
  - On or before September 15, 2024, issue \$175,000 of common shares to ALX;
  - On or before September 15, 2025, issue \$100,000 of common shares to ALX; and
  - On or before September 15, 2025, 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.
- On September 15, 2023, ALX and First Mining agreed to amend the First Option by increasing common share issuances to ALX by \$150,000 and eliminating \$200,000 cash payments on the anniversary dates of 2023 and 2024. ALX will also receive additional compensation during the First Option period by agreeing to a one year extension in exchange for an additional \$100,000 of First Mining common shares. The summary above has been revised to reflect these amendments.

# **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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

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

#### 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 September 30, 2023, the Company recorded an impairment charge of \$114,450 for these projects.

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 70,000 common shares (post-consolidation), 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 50,000 common shares (post-consolidation) by the 5<sup>th</sup> anniversary of the agreement date, otherwise a joint venture would be formed. To the end of the reporting period, the Company has received \$50,000 and 25,000 common shares (post-consolidation) valued at \$12,000. (see Note 13 – Events After the Reporting Period)

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties

	Gibbons Creek	Hook- Carter	Black Lake	Sabre	Bradley Lake	Javelin	McKenzie Lake	Carpenter Lake	Cluff Lake	Other Uranium Properties	Total
Note	(xi)	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)	(xviii)	(xix)	(xx)	
<b>Balance, January 1, 2022</b>	\$ 1,741,174	\$ 15,411	\$ 1,627,467	\$ 30,127	-	\$ 82,415	\$ 86,484	\$ 299,943	\$ 565	\$ 1,910,448	\$ 5,794,034
Additions during the year --											
Property exploration costs											
Assays	7,005	-	-	165	-	-	155	-	-	-	7,325
Camp	204,551	-	-	13,152	-	-	-	-	-	-	217,703
Drilling	330,577	-	-	-	-	-	-	-	-	-	330,577
Field supplies	93,403	-	-	2,664	-	-	-	-	568	512	97,147
Geological and field personnel	188,794	-	405	20,992	-	3,516	5,220	-	300	10,147	229,374
Other expenses	19,277	-	-	-	-	-	-	-	-	-	19,277
Surveying costs	53,100	-	-	56,200	-	149,627	69,266	-	-	25,150	353,343
Travel and accommodation	32,856	-	-	6,003	-	-	-	-	-	-	38,859
Total additions during the year	929,563	-	405	99,176	-	153,143	74,641	-	868	35,809	1,293,605
Proceeds received from earn-in of exploration and evaluation	-	-	-	-	-	-	-	-	(865)	(1,888,184)	(1,889,049)
<b>Balance, December 31, 2022</b>	\$ 2,670,737	\$ 15,411	\$ 1,627,872	\$ 129,303	-	\$ 235,558	\$ 161,125	\$ 299,943	\$ 568	\$ 58,073	\$ 5,198,590
Additions during the period --											
Property exploration costs											
Assays	24,471	-	-	5,771	-	-	-	-	-	-	30,242
Camp	-	-	-	-	-	-	282	-	-	-	282
Field supplies	1,647	-	-	514	-	133	873	3,115	-	-	6,282
Geological and field personnel	1,654	100	-	16,071	1,930	13,511	15,403	1,973	-	-	50,642
Other expenses	3,670	-	-	-	-	-	-	(3,112)	-	-	558
Surveying costs	-	-	-	112,660	-	-	-	-	-	-	112,660
Travel and accommodation	-	-	-	8,721	-	-	-	-	-	-	8,721
Total additions during the period	31,442	100	-	143,737	1,930	13,644	16,558	1,976	-	-	209,387
Impairment	-	-	-	-	-	-	-	-	-	(54,926)	(54,926)
<b>Balance, September 30, 2023</b>	\$ 2,702,179	\$ 15,511	\$ 1,627,872	\$ 273,040	\$ 1,930	\$ 249,202	\$ 177,683	\$ 301,919	\$ 568	\$ 3,147	\$ 5,353,051



# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties – continued

#### xi) Gibbons Creek Property

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

#### xii) 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.

#### xiii) 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.

#### xiv) Sabre Uranium Project

During the year ended December 31, 2021, the Company acquired by staking a 100% interest in Sabre Uranium Project. The claims are located in the Athabasca Basin area of Saskatchewan, Canada.

#### xv) Bradley Uranium Project

During the quarter ended June 30, 2023, the Company acquired by staking a 100% interest in the Bradley Uranium Project. The claim is located approximately 30 kilometres northwest of Stony Rapids, Saskatchewan, Canada.

# ALX Resources Corp.

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties – continued

#### xvi) Javelin Uranium Project

During the year ended December 31, 2021, the Company acquired by staking a 100% interest in Javelin Uranium Project. The claims are located in the eastern margin of the Athabasca Basin of Saskatchewan, Canada.

#### xvii) McKenzie Lake Uranium Project

During the year ended December 31, 2021, the Company acquired by staking a 100% interest in McKenzie Lake Uranium Project. The claims are located in the eastern margin of the Athabasca Basin of Saskatchewan, Canada.

On September 21, 2021, the Company entered into a purchase agreement to acquire a 100% interest in additional claims adjacent to its staked McKenzie Lake claims. 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.

#### xviii) Carpenter Lake Property

On January 13, 2014, the Company entered into an option agreement with Renegade Gold Inc. (“Renegade”) 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 Renegade (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 Renegade through the issuance of shares. On October 28, 2014, the Company was notified that Renegade exercised its right to reduce the Underlying Royalty rate from 5% to 2% by issuing 3,000,000 shares to the original property vendors.

#### xix) Cluff Lake 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. (see Note 13 – Events After the Reporting Period)

#### xx) Other Uranium Properties

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, Perch, and certain Cluff Lake claims. 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.

# ALX Resources Corp.

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties – continued

#### Staked Properties

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, Sphere, and Vulcan. On September 30, 2023, the Company recorded an impairment charge of \$54,926.

## 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 \$1,000,000 of the flow-through funds and has reversed \$200,000 of the flow through liability.

At September 30, 2023, the amount of flow-through proceeds remaining to be expended is \$nil (December 31, 2022 - \$786,962) and the balance of the liability for flow-through shares is \$nil (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 September 30, 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.

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## 7. SHARE CAPITAL

c) Warrants: - continued

	September 30, 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	(583,870)	0.08	(11,788,133)	0.13
Issued	-	-	14,199,500	0.07
Balance, end of period/year	88,974,090	0.11	89,557,960	0.11

The following warrants were outstanding as at September 30, 2023:

Expiry Date	Exercise Price	Number of Warrants	Remaining Contractual Life (Years)
October 2, 2023*	\$ 0.100	14,436,400	0.01
October 8, 2023	\$ 0.095	1,717,584	0.02
October 8, 2023	\$ 0.140	24,561,400	0.02
October 20, 2023*	\$ 0.100	4,783,333	0.05
June 21, 2024*	\$ 0.120	14,801,250	0.73
June 21, 2024*	\$ 0.150	2,690,000	0.73
June 25, 2024*	\$ 0.120	790,000	0.74
June 25, 2024*	\$ 0.150	250,000	0.74
December 17, 2024**	\$ 0.080	10,064,623	1.22
December 30, 2024**	\$ 0.080	680,000	1.25
November 3, 2025	\$ 0.075	8,900,000	2.10
November 3, 2025	\$ 0.050	1,005,000	2.10
November 17, 2025	\$ 0.075	3,062,500	2.13
November 21, 2025	\$ 0.075	1,100,000	2.15
November 21, 2025	\$ 0.050	132,000	2.15
Total		88,974,090	

Weight average remaining life of warrants outstanding

0.65

\* 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 September 30, 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:

	September 30, 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 September 30, 2023 and the year ended December 31, 2022:

- On June 26, 2023 the Company granted 4,800,000 stock options (2,300,000 were issued to Directors and Officers) with an exercise price of \$0.05 per common share and expiring in 5 years. These options will vest as follows: one-third four months from the grant date, one-third eight months from the grant date, and one-third twelve months from the grant date.
- On January 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 September 30, 2023 and the year ended December 31, 2022:

	September 30, 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	4,800,000	0.05	3,350,000	0.09
Balance, end of period/year	19,100,000	\$ 0.07	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 September 30, 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	0.68
January 16, 2025	\$ 0.070	2,900,000	2,900,000	1.30
September 25, 2025	\$ 0.100	1,050,000	1,050,000	1.99
February 26, 2026	\$ 0.075	3,450,000	3,450,000	2.41
March 15, 2026	\$ 0.100	150,000	150,000	2.46
January 7, 2027	\$ 0.090	3,350,000	3,350,000	3.27
June 26, 2028	\$ 0.050	4,800,000	-	4.74
Total		19,100,000	14,300,000	
Weighted average remaining life of stock options outstanding and exercisable				1.94

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the period ended September 30, 2023, the Company issued a total of 4,800,000 (September 30, 2022 – 3,350,000) incentive stock options to directors, officers, employees, and consultants of the Company. During the period ended September 30, 2023, the options issued and vested resulted in share-based payments of \$57,658 (September 30, 2022 – \$233,190).

	September 30, 2023	September 30, 2022
Expected Life	5 years	5 years
Risk-free interest rate	3.70%	1.33%
Annualized volatility	127.86%	115.04%
Dividend rate	N/A	N/A
Fair value of shares at grant date	0.02	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 Company has renewed its lease by entering into a new three agreement which will be commencing on January 1, 2024. Annual base lease payments are \$47,979 in year one, \$51,553 in year two, and \$55,087 in year three. All other terms will remain the same.

# ALX Resources Corp.

Notes to the Condensed Interim Financial Statements  
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## 9. COMMITMENT/LEASE LIABILITY - continued

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). Lease renewals will be disclosed in the period they commence.

### *Lease liability*

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

	September 30, 2023	December 31, 2022
Undiscounted minimum lease payments:		
Less than one year	\$ 11,995	\$ 47,979
Two to five years	-	-
	11,995	47,979
Effect of discounting	(236)	(2,978)
Present value of minimum lease payments	11,759	45,001
Less current portion	(11,759)	(45,001)
Long-term portion	\$ -	\$ -

### *Lease liability continuity*

The net change in the lease liability is as follows:

	September 30, 2023	December 31, 2022
Lease liability - beginning of year	\$ 45,001	\$ 84,937
Cash flows:		
Principal payments	(33,242)	(39,936)
Lease liability - end of period/year	\$ 11,759	\$ 45,001

During the period ended September 30, 2023, interest of \$2,742 (September 30, 2022 – \$6,484) 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:

	Three Months Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Salaries and consulting fees	\$ 73,800	\$ 75,000	\$ 228,600	\$ 222,000
Share-based compensation	26,070	31,751	27,867	175,050
Key management personnel compensation	\$ 99,870	\$ 106,751	\$ 256,467	\$ 397,050

# ALX Resources Corp.

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## 10. RELATED PARTY TRANSACTIONS - continued

During the nine months ended September 30, 2023, the Company incurred consulting fees of \$1,131 (September 30, 2022 - \$305) and exploration costs of \$26,025 (September 30, 2022 - \$438,193) with Dahrouge Geological Consulting Ltd., a company controlled by Jody Dahrouge who was also a director of ALX.

Related party amounts are unsecured, non-interest bearing and due on demand. As at September 30, 2023, \$1,012 (December 31, 2022 - \$21,423) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

## 11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	September 30, 2023	September 30, 2022
Exploration and evaluation costs in accounts payable	\$ 105,231	\$ 193,959
Exploration and evaluation costs in accounts receivable	\$ 3,112	-
Marketable securities received for exploration and evaluation assets	\$ 775,000	\$ 1,037,335

## 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.



# ALX Resources Corp.

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## 12. FINANCIAL RISK MANAGEMENT - continued

### (d) Interest rate risk

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

### (e) Capital management

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

There were no changes in the Company's approach to capital management during the period ended September 30, 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 September 30, 2023 and December 31, 2022:

	As at September 30, 2023		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,279,679	\$ -	\$ -
Marketable securities	\$ 596,451	\$ -	\$ -
	\$ 1,876,130	\$ -	\$ -

  

	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. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the nine month period ended September 30, 2023, the Company:

- Sold its 50% interest in the Cuff Lake Project (also known as the Carswell Property) for \$250,000.
- Received 20,000 common shares from Pegasus Resources Inc. as part of the earn-in agreement for the Hummingbird Gold Project.

## **ALX Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the Nine Months ended September 30, 2023

(Expressed in Canadian Dollars)

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### **13. EVENTS AFTER THE REPORTING PERIOD - continued**

- Closed the first tranche of a private placement equity offering on November 10, 2023. The Company issued a total of 7,142,858 flow-through units for gross proceeds of \$250,000. The flow-through units were sold at a price of \$0.035 per unit, consisting of one common share and one common share purchase warrant. Each share purchase warrant entitles the holder to purchase one non-flow through common share of the Company at a price of \$0.05 for up to two years from closing. In conjunction with the private placement the Company paid finder's fees of \$13,232 and issued 378,043 finder fee warrants. Each warrant is exercisable at \$0.05 per common share of the Company for a period of two years from closing.