



Alopex Gold Inc.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2018

*The attached financial statements have been prepared by Management of
Alopex Gold Inc. and have not been reviewed by the auditor*

Alopex Gold Inc.
Consolidated Statements of Financial Position
(Unaudited, in Canadian Dollars)

	Notes	As at March 31, 2018 \$	As at December 31, 2017 \$
ASSETS			
Current assets			
Cash		913,180	1,465,277
Escrow account for environmental monitoring		63,063	138,386
Sales tax receivable		66,559	18,849
Prepaid expenses and others		25,204	56,697
Total current assets		1,068,006	1,679,209
Non-current assets			
Escrow account for environmental monitoring		531,170	505,131
Mineral properties	3	35,869	29,535
Property and equipment	4	144,097	160,108
Total non-current assets		711,136	694,774
TOTAL ASSETS		1,779,142	2,373,983
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		572,594	273,825
Payables to shareholders		16,102	16,456
Current portion of environmental monitoring provision		63,063	138,386
Total current liabilities		651,759	428,667
Non-current liabilities			
Environmental monitoring provision		143,806	134,687
Total non-current liabilities		143,806	134,687
Total liabilities		795,565	563,354
Equity			
Capital stock		6,696,759	6,696,759
Warrants	5	273,889	273,889
Contributed surplus		522,755	518,630
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(6,473,054)	(5,641,877)
Total equity		983,577	1,810,629
TOTAL LIABILITIES AND EQUITY		1,779,142	2,373,983
Going concern	1		
Subsequent events	10		

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Alopex Gold Inc.
Consolidated Statements of Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2018	2017
		\$	\$
Expenses			
Exploration and evaluation expenses	7	102,319	46,346
General and administrative	8	429,847	172,171
Stock-based compensation		4,125	-
Short form prospectus expenses	9	311,611	-
Foreign exchange gain		(17,622)	(1,144)
Operating loss		830,280	217,373
Other expenses (income)			
Interest income		(2,566)	-
Finance costs		3,463	2,680
Net loss		(831,177)	(220,053)

Other comprehensive loss that may not be reclassified subsequently to net loss:

Exchange rate differences on translation from functional to presentation currency		-	(1,302)
Other comprehensive loss		-	(1,302)
Comprehensive loss		(831,177)	(221,355)

Weighted average number of common shares outstanding - basic and diluted		49,592,500	35,657,870
Basic and diluted loss per common share		(0.02)	(0.01)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Alopex Gold Inc.
Consolidated Statements of Changes in Equity
(Unaudited, in Canadian Dollars)

	Notes	Common Shares Number	Capital Stock	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity (deficiency)
			\$	\$	\$	\$	\$	\$
Balance at January 1, 2017	1.1	35,657,869	1,088,160	-	224,562	27,145	(1,151,928)	187,939
Net loss		-	-	-	-	-	(220,053)	(220,053)
Other comprehensive loss		-	4,567	-	926	(6,795)	-	(1,302)
<u>Comprehensive loss</u>								<u>(221,355)</u>
Share issuance in consideration of cash		1	1	-	-	-	-	1
Share-based compensation		-	-	-	(300)	-	-	(300)
Balance at March 31, 2017		35,657,870	1,092,728	-	225,188	20,350	(1,371,981)	(33,715)
Balance at January 1, 2018		49,592,500	6,696,759	273,889	518,630	(36,772)	(5,641,877)	1,810,629
Net loss		-	-	-	-	-	(831,177)	(831,177)
Other comprehensive loss		-	-	-	-	-	-	-
<u>Comprehensive loss</u>								<u>(831,177)</u>
Share-based compensation		-	-	-	4,125	-	-	4,125
Balance at March 31, 2018		49,592,500	6,696,759	273,889	522,755	(36,772)	(6,473,054)	983,577

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Alopex Gold Inc.
Consolidated Statements of Cash Flows
(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2018	2017
		\$	\$
Operating activities			
Net loss for the period		(831,177)	(220,053)
Adjustments for:			
Depreciation	4	16,011	-
Share-based compensation		4,125	(300)
Finance costs		3,463	2,680
Payment from cash held in escrow account for environmental monitoring		(85,015)	-
Escrow account for environmental monitoring		85,015	-
Foreign exchange gain		(18,024)	(2,310)
		(825,602)	(219,983)
Changes in non-cash working capital items:			
Sales tax receivable		(47,710)	(12,144)
Prepaid expenses and others		26,693	(22,918)
Trade and other payables		293,397	22,958
Payables to shareholders		(354)	155,228
		272,026	143,124
Cash flow used in operating activities		(553,576)	(76,859)
Investing activities			
Acquisition of mineral properties	3	(6,334)	(3,800)
Cash flow used in investing activities		(6,334)	(3,800)
Financing activities			
Share issuance		-	1
Share issuance costs		4,800	-
Loans from shareholders		-	88,827
Deferred share issuance costs		-	(74,796)
Cash flow from financing activities		4,800	14,032
Net change in cash before effects of exchange rate changes on cash during the period		(555,110)	(66,627)
Effects of exchange rate changes on cash		3,013	(1,737)
Net change in cash during the period		(552,097)	(68,364)
Cash, beginning of period		1,465,277	137,322
Cash, end of period		913,180	68,958
Supplemental cash flow information			
Interest received		2,566	-
Additions in mineral properties included in trade and other payables		-	12,869
Share issuance costs included in trade and other payables		21,048	-
Deferred share issuance costs included in trade and other payables		-	63,545

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

Alopex Gold Inc. (the "Corporation") was incorporated on February 22, 2017 under the *Canada Business Corporations Act*. The Corporation's head office is situated at 123 Front Street West, suite 905, Toronto, Ontario, Canada. The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. It owns interests in properties located in Greenland. The Corporation's financial year ends on December 31. Since July 2017, the Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the AEX ticker.

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2018 ("Financial Statements") were approved by the Board of Directors on May 24, 2018.

1.1 Basis of presentation

The Corporation's properties were acquired upon the reorganisation that was completed on June 26, 2017 whereby the Corporation acquired 100% of the shares of Nalunaq A/S, a corporation incorporated under the *Greenland Public Companies Act*, in anticipation of the initial public offering ("IPO") of the Corporation on the Exchange completed on July 13, 2017. As the Corporation was founded by the same group of shareholders as Nalunaq A/S and in contemplation of the reorganisation, said reorganisation is accounted for as a reorganisation of the capital of Nalunaq A/S. These Financial Statements thus reflect the continuation of the activities of Nalunaq A/S for periods prior to the incorporation of the Corporation on February 22, 2017, the combined activities of the Corporation and Nalunaq A/S for the period from February 22, 2017 until the reorganization on June 26, 2017, and the consolidated activities of the Corporation since June 26, 2017.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements have been prepared under the historical cost convention.

The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2017 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year ended December 31, 2017.

1.2 Going concern

The Financial Statements were prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, senior management of the Corporation ("Management") takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. The Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation recorded a loss of \$831,177 for the three months ended March 31, 2018 and has an accumulated deficit of \$6,473,054 as at March 31, 2018. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at March 31, 2018, the Corporation had a working capital of \$416,247. These conditions indicate the existence of material uncertainties that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN (CONT'D)

The Corporation' ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. The completion of the IPO in July 2017 and the private placement of the Corporation disclosed in the subsequent events note, contributed to such financing. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these Financial Statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

The measurement of certain assets and liabilities is dependent on future events; therefore the preparation of these Financial Statements requires the use of estimates, which may vary from actual results. The success of the Corporation' exploration and evaluation activities is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Corporation to discover economically recoverable reserves.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

The preparation of the Financial Statements requires Management to make judgments and form 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. On an ongoing basis, Management evaluates its judgments in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments. Actual outcomes may differ from these estimates under different assumptions and conditions.

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended December 31, 2017. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. MINERAL PROPERTIES

	As at December 31, 2017	Additions	As at March 31, 2018
	\$	\$	\$
Nalunaq	1	-	1
Tartoq	18,431	-	18,431
Vagar	11,103	-	11,103
Naalagaaffiup Portornga	-	6,334	6,334
Total mineral properties	29,535	6,334	35,869

	As at December 31, 2016	Effect of translation	Additions	As at December 31, 2017
	\$	\$	\$	\$
Nalunaq	1	-	-	1
Tartoq	17,617	814	-	18,431
Vagar	-	-	11,103	11,103
Total mineral properties	17,618	814	11,103	29,535

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited, in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Exploration and evaluation		Total
	Field equipment and base camp	Vehicles and rolling stock	
	\$	\$	\$
Three months ended March 31, 2018			
Opening net book value	16,667	143,441	160,108
Additions	-	-	-
Depreciation	(1,667)	(14,344)	(16,011)
Closing net book value	15,000	129,097	144,097
As at March 31, 2018			
Cost	20,000	172,129	192,129
Accumulated depreciation	(5,000)	(43,032)	(48,032)
Closing net book value	15,000	129,097	144,097

Depreciation of property and equipment related to exploration and evaluation properties is being recorded in exploration and evaluation expenses in the statement of income (loss), under depreciation. Depreciation of \$16,011 was expensed as exploration and evaluation expenses during the three months ended March 31, 2018.

5. AGENT WARRANTS

Changes in the Corporation's agent warrants are as follow:

	Three months ended March 31, 2018			2017		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	883,512	273,889	0.50	-	-	-
Issued	-	-	-	883,512	273,889	0.50
Balance, end	883,512	273,889	0.50	883,512	273,889	0.50

Agent warrants outstanding as at March 31, 2018 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
883,512	0.50	July 13, 2020

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited, in Canadian Dollars)

6. STOCK OPTIONS

Changes in stock options are as follow:

	Three months ended March 31, 2018		2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning	1,410,000	\$ 0.50	165	\$ 0.19
Granted	-	-	1,410,000	0.50
Exercised	-	-	(165)	0.19
Balance, end	1,410,000	0.50	1,410,000	0.50
Balance, end exercisable	1,385,000	0.50	1,372,500	0.50

Stock options outstanding as at March 31, 2018 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
1,360,000	1,360,000	0.50	July 13, 2022
50,000	25,000	0.59	August 9, 2022
1,410,000	1,385,000		

7. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2018	2017
	\$	\$
Geology	83,152	45,672
Analysis	3,156	674
Depreciation	16,011	-
Exploration and evaluation expenses	102,319	46,346

8. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2018	2017
	\$	\$
Management and consulting fees	105,115	60,161
Director's fees	18,750	-
Professional fees	153,638	92,359
Marketing and industry involvement	74,858	2,006
Insurance	21,850	4,384
Travel and other expenses	46,794	13,261
Regulatory fees	8,842	-
General and administration	429,847	172,171

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited, in Canadian Dollars)

9. SHORT FORM PROSPECTUS EXPENSES

A preliminary short form prospectus was filed on February 14, 2018 pursuant to which the Corporation proposed to complete, on a best efforts basis, a public offering of common shares upon terms to be determined in the context of the market. On April 12, 2018, the Corporation announced that it withdrew the preliminary prospectus. For the three months ended March 31, 2018, the Corporation incurred professional fees and expenses related to this short form prospectus for an amount of \$311,611.

10. SUBSEQUENT EVENTS

On May 14, 2018, the Corporation has completed a non-brokered private placement by issuing 5,564,422 common shares at a price of \$0.45 per share, for gross proceeds to the Corporation of \$2,503,990, subject to Exchange approval.

In connection with the private placement, \$32,901 finders fees were paid and 184,227 finders warrants were issued. The finder's warrants are exercisable at any time up to 24 months following the closing of the private placement at \$0.45 per share. Insiders of the Corporation purchased an aggregate of 986,111 common shares for \$443,750.