Alopex Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

The following management discussion and analysis (the "MD&A") of the financial condition and results of the operations of Alopex Gold Inc. (the "Corporation" or "Alopex") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended December 31, 2017. This MD&A should be read in conjunction with Corporation's audited consolidated financial statements for the year ended December 31, 2017 (the "Financial Statements"), which are prepared in accordance with the International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A is current as of April 18, 2018.

The MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no guarantee that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to; economic conjuncture, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to the calculation of mineral reserves and requirements of additional financing and the capacity of the Corporation to obtain financing.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Fiscal 15	September 25, 2015 to December 31, 2015
Q1-16	January 1, 2016 to March 31, 2016
Q2-16	April 1, 2016 to June 30, 2016
Q3-16	July 1, 2016 to September 30, 2016
Q4-16	October 1, 2016 to December 31, 2016
2016	January 1, 2016 to December 31, 2016
Q1-17	January 1, 2017 to March 31, 2017
Q2-17	April 1, 2017 to June 30, 2017
Q3-17	July 1, 2017 to September 30, 2017
Q4-17	October 1, 2017 to December 31, 2017
2017	January 1, 2017 to December 31, 2017
2018	January 1, 2018 to December 31, 2018

1. NATURE OF ACTIVITIES

Alopex 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. Since July 2017, the Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the AEX ticker.

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. The Financial Statements of the Corporation 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.

2. CORPORATE UPDATE

2.1 Transactions executed, Pre-IPO reorganization and initial public offering

On June 26, 2017, Arctic Resources Capital S.à r.l. ("ARC"), AEX Gold Limited (previously known as FBC Mining (Nalunaq) Limited) and the Corporation completed the Pre-IPO Reorganization. Pursuant to the Pre-IPO Reorganization, ARC transferred the shares of Nalunaq A/S held by ARC to its shareholders by way of a distribution in kind. Upon completion of such distribution, Nalunaq A/S issued 2 shares to ARC and 1 share to AEX Gold Limited in settlement of outstanding debt obligations in the aggregate amount of $171,065 which was owed to them for advances made to fund the operations of Nalunaq A/S, and contemporaneously therewith, each of ARC, ARC's shareholders and AEX Gold Limited transferred all of their respective shares of Nalunaq A/S to the Corporation in exchange for an aggregate of 35,999,999 shares of the Corporation. Nalunaq A/S thereby became a wholly-owned subsidiary of the Corporation. As of June 26, 2017 (without giving effect to the prospectus offering), ARC and its shareholders and AEX Gold Limited held 66.67% and 33.33%, respectively, of the issued and outstanding shares of the Corporation.

The final prospectus was filed on June 29, 2017 by the Corporation to qualify the IPO of a minimum of 10,000,000 shares for total gross proceeds to the Corporation of $5,000,000, and a maximum of 20,000,000 shares, for total gross proceeds to the Corporation of $10,000,000 (the "Offering"), at a price of $0.50 per share (the "IPO share price").

The IPO was made pursuant to the terms of an agency agreement dated June 29, 2017 (the "Agency Agreement") between the Corporation and Paradigm Capital Inc., acting as lead agent (the "Lead Agent") and Canaccord Genuity Corp. (together with the Lead Agent, the "Agents"). The Corporation has also agreed to pay the Lead Agent a work fee of $15,000 per month for up to four months, commencing January 1, 2017 (the "Work Fee"). Any Work Fee payable shall be creditable against any commission that becomes payable.

On July 13, 2017, the Corporation completed the IPO by issuing 13,592,500 shares at a price of $0.50 per share for aggregate gross proceeds of $6,796,250.

The Agents received a commission of $411,756 which represents 6.5% of the gross amount raised in the IPO. In addition, the Corporation issued 883,512 compensation, non-transferable share purchase warrants (each an "Agent Warrant") which represents 6.5% of the shares sold during the IPO. The Agent Warrants are exercisable at $0.50 (the IPO share price) on or before July 13, 2020.

On July 13, 2017, the Corporation granted to its directors, officers and consultants 1,360,000 stock options exercisable at $0.50, valid for 5 years. Those stock options were granted at an exercise price equal to the IPO share price.

On August 9, 2017, the Corporation granted to an investor relation firm 50,000 stock options exercisable at $0.59, valid for 5 years, vesting 25% every quarter. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant.

2.2 Highlights of the 2017 Summer Work Programme and results

a) Exploration to delineate Main Vein extensions throughout Nalunaq Licence
Programme Aims:

- A 3,000 m surface diamond drilling programme was planned in the upper, mid-section of the mountain and valley floor. In addition to this, a surface sampling programme of possible Main Vein outcrop on two faces of the mountain was planned in order to further delineate the extension of the gold bearing Main Vein.

2. CORPORATE UPDATE (CONT'D)

Completed:

- A total of 2,445 m of surface diamond drilling across 14 boreholes drilled from 9 pads (including 4 high elevation helicopter serviced locations and 5 skid or road locations).
- The high elevation drilling along strike from the mine workings intersected a number of alteration zones and features which correlate with the 3D model interpretation of the Main Vein position.
- Drilling from low elevations near the valley floor has intersected a potential down dip extension of the Main Vein mined in the South Block further confirming the existing 3D model.
- 161 point samples were collected from Nalunaq Mountain SW face (57) and Nalunaq Mountain North North face ("NNF") (104) with a professional mountain climbing team.

b) Exploration to test grade continuity at Tartoq project
Programme Aims:

- Install a geological team at a remote exploration camp to conduct channel sampling across the Eastern Carbonate Zone at Nuuluk to identify mineralization extent and define future drilling locations. Visit Interlak sub area for reconnaissance and channel sampling.
- Conduct a qualified person visit to the Tartoq Licence.

Completed:

- 328 channel samples collected from 254.8 m of channels along 4 lines across the Eastern Carbonate Zone in the Nuuluk area.
- 54 historic channel sampling sites re-surveyed and logged at Nuuluk.
- It was not possible to visit the Interlak sub area due to conditions in the Fjord.
- Qualified person visit to licence completed on September 28, 2017.

c) Exploration to establish the presence of Main Vein type mineralization in the Vagar Licence
Programme Aims:

- Surface sampling in the Vagar licence sub areas of Nalunaq East and Lake 410 licence areas.

Completed:

- During the field season, Alopex obtained the Vagar licence area, which was previously owned by NunaMinerals A/S, significantly extending the Corporation's exploration area in South Greenland.
- A team of 4 professional climbers were engaged to sample near vertical faces where favorable lithologies crop out.
- A total of 95 point samples were obtained from Ship Mountain in the Nalunaq East sub area (opposite the mine) intersecting multiple quartz veins.
- Due to time and resources it was not possible to visit the Lake 410 sub area this year.

d) Infrastructure – Acquiring new equipment and high grading existing infrastructure:

- Acquisition of backhoe, tractor and other equipment such as tented base camp facilities and a core yard supported operations this year. In addition existing technical equipment was augmented with the new equipment purchased for the Tartoq field camp. This will allow quicker mobilization for future operations as well as providing a capability to support more than one remote field camp.

The Corporation's field programme started on July 28, 2017 and finished on October 5, 2017. All equipment was packed and secured for the winter and the exploration team departed Greenland on October 15, 2017.

All samples collected (1,078, inclusive of QAQC samples) have been transported to ALS laboratories in Loughrea, Ireland and the results have been announced November 30, 2017.

2. CORPORATE UPDATE (CONT'D)

Results – Highlights

The 2017 Summer Work Programme was designed to further investigate the 1.2 Moz Exploration Target by demonstrating that the Main Vein ("MV") extends immediately along strike and down dip of the Nalunaq gold mine, and to explore the rest of the licence area for similar MV type mineralisation.

- All elements of the programme were successful, with 14 surface boreholes drilled at Nalunaq, mountaineering sampling and 255 metres of channel samples cut across 4 lines at Tartoq;
- The programme was completed under-budget despite a very aggressive timetable and the technical challenges presented by the inclusion of drilling four high mountain boreholes with helicopter assistance;
- Results confirm strike continuity across the mountain reinforcing the structural interpretation outlined in the NI 43-101, as well as confirming down dip and strike extension potential to the South Block mining area:
    - o surface sampling of the MV outcrop confirms strike continuity across the mountain;
    - o boreholes intersected mineralisation with comparable frequency to historical exploration drilling campaigns at Nalunaq; and
    - o three boreholes returned mineralised gold grade, including 0.38m @ 19.75g/t Au and 0.45m @ 3.69g/t Au;
- Results increase confidence in the 1.2 Moz exploration potential and the expectation that the 2018 work programme will significantly increase the existing Inferred Resource (263 Koz @ 18.7 g/t Au from 446,900 t).

2.3 Use of funds following the initial public offering

Following is a table summarizing the use of the IPO's $6,796,250 gross proceeds:

	Assuming completion of the minimum concurrent financing	Assuming completion of the maximum concurrent financing	Up to December 31, 2017
	$	$	$
Underground exploration program	-	4,395,000	-
Surface exploration program	1,807,000	1,433,000	2,707,555
Nalunaq Infrastructure (property and equipment)	396,000	796,000	192,129
General and administrative expenses for 18 months	1,339,000	1,339,000	961,899
Working capital deficiency	360,000	360,000	313,941
Costs to complete the IPO	530,000	530,000	928,428
Financing costs (commission)	325,000	650,000	441,756
Unallocated, including contingencies	243,000	497,000	-
	5,000,000	**10,000,000**	**5,545,708**

2. CORPORATE UPDATE (CONT'D)

2.4 Financing

A preliminary short form prospectus was filed on February 14, 2018 by the Corporation pursuant to which the Corporation proposes to complete, on a best efforts basis, a public offering of common shares for a minimum gross proceeds of $4,000,000, and a maximum gross proceeds of $7,000,000 upon terms to be determined in the context of the market. On April 12, 2018, the Corporation announced that it has withdrawn this preliminary prospectus filed in February 14, 2018 and will be completing a private placement financing in the alternative.

The Corporation has the intention to complete a private placement of up to 6,700,000 common shares at a price of $0.45 per share, for gross proceeds to the Corporation of approximately $3,000,000, subject to Exchange and regulatory approvals (the "Offering"). The private placement will be non-brokered, however finders fees may be payable in connection with the Offering. Closing of the Offering is expected to occur on or about April 30, 2018.

2.5 Next 12 months outlook

The Corporation shall use the aggregate net proceeds from the Offering for exploration and drilling (5,000-6,000 metres) activities on the Nalunaq Project, for updating the Nalunaq and Vagar technical reports, for initiation of a preliminary economic assessment with respect to the Nalunaq Project and for general corporate purposes.

Following is a table summarizing the use of proceeds of the Offering:

	$
Field season	
Camp support	446,824
Drilling	910,000
Geology	594,050
Equipment	80,421
Management	25,000
Camp investment	87,500
Mobilisation	216,168
Contingencies	190,812
	2,550,775
Corporate and unallocated	449,225
	3,000,000

3. PROPERTY ACQUISITION

Property acquisitions are capitalized in the statement of financial position.

Vagar Licence

Nalunaq A/S entered into a sale and purchase agreement with NunaMinerals A/S, acting through its bankruptcy receiver, on February 6, 2017 to acquire the Vagar exploration licence number 2006/10 ("Vagar Licence") located in Western Greenland, along with all mineral exploration and mining-related data, maps and reports pertaining to the Vagar Licence, studies and reports, for a purchase price of $9,465 (DKK 50,000) conditional upon the approval of the Greenland authorities. The approval has been received and on October 30, 2017. Nalunaq A/S signed the paperwork to complete the licence transfer, which will become effective upon the Greenland authorities executing the document on January 18, 2018.

Land Adjacent to Existing Tartoq Licence

The Corporation has acquired the right to conduct exploration activities on approximately 170km^2 of land in an area adjacent to the Tartoq Licence. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2018/17 Naalagaaffiup Portornga. The licence application has been approved and all required documentation was signed by the Corporation on January 16, 2018 and the licence became effective on February 19, 2018 when it was signed by the Government of Greenland

Genex

On October 16, 2017, Nalunaq A/S was awarded a prospecting licence covering West Greenland, in this context defined as areas south of 78ºN and west of 44ºW. It is valid for a term of five years until December 31, 2021.

4. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are included in the operating loss in the consolidated statement of comprehensive loss.

The Corporation incurred the following exploration and evaluation expenses:

	Q4-17	Q4-16	2017	2016
	$	$	$	$
Nalunaq				
Geology	118,278	98,284	423,623	306,079
Lodging and on-site support	15,557	-	340,518	-
Drilling	78,435	-	673,205	-
Analysis	51,907	7,843	56,952	14,652
Transport	103,777	10,942	391,979	382,391
Helicopter Charter	-	-	387,525	-
Operator fees	25,547	-	215,579	-
Supplies and equipment	6,412	3,579	46,100	23,514
Government fees	3,274	-	9,477	-
Depreciation	16,010	-	32,021	-
	419,197	120,648	2,576,979	726,636

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

	Q4-17	Q4-16	2017	2016
	$	$	$	$
Tartoq				
Geochemistry	-	694	-	694
Geology	7,470	(221)	111,957	26,546
Lodging and on-site support	-	-	17,099	-
Analysis	7,523	15,248	7,968	15,248
Transport	14,869	1,688	53,647	21,497
Helicopter Charter	-	-	40	-
Supplies and equipment	412	(14)	1,606	8,132
Taxes and permits	-	1,035	-	1,035
Government fees	-	-	4,011	-
Stock-based compensation	-	315	-	315
	30,274	18,745	196,328	73,467
Vagar				
Analysis	458	-	458	-
Government fees	-	-	29,000	-
	458	-	29,458	-
Genex				
Government fees	992	-	5,752	-
	992	-	5,752	-
Total				
Geochemistry	-	694	-	694
Geology	125,748	98,063	535,580	332,625
Lodging and on-site support	15,557	-	357,617	-
Drilling	78,435	-	673,205	-
Analysis	59,888	23,091	65,378	29,900
Transport	118,646	12,630	445,626	403,888
Helicopter Charter	-	-	387,565	-
Operator fees	25,547	-	215,579	-
Supplies and equipment	6,824	3,565	47,706	31,646
Taxes and permits	-	1,035	-	1,035
Government fees	4,266	-	48,240	-
Depreciation	16,010	-	32,021	-
Stock-based compensation	-	315	-	315
Total exploration and evaluation expenses	**450,921**	**139,393**	**2,808,517**	**800,103**

James Gilbertson C-Geol, who is a full-time employee and Managing Director of SRK Exploration Services Limited and a Chartered Geologist with the Geological Society of London and as such a qualified person as defined in NI 43-101 supervised the preparation of the technical information in this section.

4.1 Nalunaq

a) Property description

The Nalunaq Property is located in Southern Greenland at 60º21'N latitude and 44º50'W longitude in the Municipality of Kujalleq. Greenland is an autonomous territory within the Danish realm. It is the largest island in the world with an area of 2,166,086 km^2 although it has a small population of just 56,000 people. Most of the island is covered by the Greenland ice sheet, thus the population lives along the coastal fringe which is heavily incised by fjords. Most of the population is located on the west and south coasts and the largest settlement is the capital, Nuuk. The Nalunaq Property is located on the northern side of the Kirkespirdalen Valley, about 33 km northeast of the town of Nanortalik.

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The Nalunaq Exploration Project area lies within exploitation licence #2003/05 issued by the Government of Greenland, Mineral Licence and Safety Authority (the "Nalunaq Licence"), which covers an area of 22 km^2 and includes the former underground mine which ceased operating in 2013 (the "Nalunaq Gold Mine").

The Nalunaq Licence was granted in April 2003 by the Government of Greenland to Nalunaq Gold Mine A/S, a subsidiary of Crew Gold Corporation ("Crew Gold") and is valid until April 24, 2033.

b) Exploration work

Due to the limited time available, the 2017 exploration programme was designed to establish the continuity of Main Vein style mineralisation beyond the mine workings and throughout Nalunaq Licence.

A total of 2,445 m of surface diamond core drilling was completed from 14 boreholes drilled from 9 pads, including 4 high elevation, helicopter serviced, locations and 5 skid or road locations in the valley.

A team of professional climbers were used to collect 161 point samples which were collected from Nalunaq Mountain SW face (57) where Main Vein was thought to crop out and from Nalunaq Mountain North North face (104) where a tectonically displaced Main Vein was thought to occur.

The high elevation drilling along strike (to the SW) from the mine workings intersected a number of alteration zones and features which correlate with the 3D model interpretation of the Main Vein position. The boreholes are amongst the highest and the most westerly ever drilled at the Nalunaq Property. Two boreholes (AEX 1703 & 1704) intersected the same altered zone in which 0.17 g/t over 0.81 (true thickness) and 0.29 g/t over 1.0 m were reported. This correlates with the projected Main Vein zone of alteration the mountaineers were concurrently sampling on the SW face. This information has improved the understanding of the deposit and will help in future drill planning.

Drilling from low elevations near the valley floor has intersected a potential down dip extension of the Main Vein mined in the South Block. The Main Vein was clearly identified in 3 boreholes. In borehole AEX 1708 it reported a grade of 1.95 g/t over 0.48 m. A hanging wall (HW) and footwall vein also gave anomalous values of 0.25 g/t and 0.38 g/t respectively. Main Vein with visible gold occurs 100m down dip of existing workings (AEX1710) This was represented by an assay value of 19.75 g/t over 0.38m or 9.94 g/t over 0.76m (true thickness) when the adjacent sample is considered. Drilling has also intersected the Main Vein mineralisation exists 100m along strike from South Block workings (AEX1712). An intersection of 3.69 g/t over 0.45m was recovered, 2.1 g/t over 0.90m when combined with an adjacent sample.

In the IPO Prospectus the Corporation stated that it expected to use the majority of the proceeds received to undertake a work program at the Nalunaq Property as recommended in the Nalunaq Report. Phase 1 of the work program included: (i) the continuation of surface sampling and mapping with professional mountaineers and geologists where the Man Vein crops out on the southwest slope of the mountain as well on the most northerly face; and (ii) surface drilling at a number of recommended sites. These holes were designed to explore ground around the Target and South Blocks. Both of these components were completed in the 2017 field season.

Results from the drilling and surface sampling confirm strike continuity across the mountain reinforcing the structural interpretation outlined in the NI 43-101, as well as confirming down dip and strike extension potential to the South Block mining area.

Results increase confidence in the Exploration Target (80Koz to 1.2Moz, 1MT to 2MT at a grade range of 2.5-19.0 g/t) and the expectation that the 2018 work programme will significantly increase the existing Inferred Resource (263 Koz @ 18.7 g/t Au from 446,900 t).

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The Nalunaq Report also states that a goal of the exploration programme is to substantially increase the Mineral Resources at Nalunaq in areas up-dip and along strike from the existing mine area. Increasing the Mineral Resources in this area is challenging as due to the development and mining methods used in the past, the mine has very few drill platforms. Drilling from the surface of the mountain is also very challenging. The work program initially included two 950 m long footwall exploration drives, one developed off the top of the Target Block ramp and one off the top of the Mountain Block ramp. They would have been oriented parallel to strike and will stretch most of the way to the Main Vein outcrop on the southwest flanks of the mountain as identified in the 2016 surface sampling and provided a resource drilling platform. Due to time and cost constraints in 2017, this option could not be followed.

4.2 Tartoq

a) Property description

The exploration project on the Tartoq Property as described in the Tartoq Report (the "Tartoq Exploration Project") is comprised of the area covered by the Mineral Exploration Licence 2015/17 (the "Tartoq Licence") in which Nalunaq A/S holds an undivided 100% interest. The Tartoq Licence conveys the exclusive right to explore for all mineral resources except hydrocarbons and radioactive elements and is valid until December 31, 2019. Pursuant to the Greenland Exploration Standard Terms, at any time before the expiration of its initial term on December 31, 2019, Nalunaq A/S will have the ability to extend the term of the Tartoq Licence for an additional five-year period. At the expiration of the second term of the Tartoq Licence, Nalunaq A/S may, upon application to the MLSA, be granted up to four consecutive three-year extensions for an aggregate additional 12-year period.

The Tartoq Exploration Project covers an "official area" (all parts of the licence excluding those covered by sea) of 78 km2 in south-western Greenland, some 330 km from the capital, Nuuk. The approximate centre of the project is 61°30'N latitude and 48°40'W longitude. The Tartoq Exploration Project flanks the Sermilgaarsuk Fjord and is split into two licence sub-blocks: Nuuluk on the southern side of the fjord and Iterlak on the northern side to the east.

There is no infrastructure within the licence area and access is by boat and then on foot to reach the main target areas, or by helicopter. Given the remote location of the project, any development of the site for mineral exploration and mining would require self-sufficiency in terms of utilities and infrastructure. Some staffing may be sourced from Paamiut or Arsuk, but a skilled workforce will likely need to come from Nuuk.

b) Exploration work

During the 2017 field season, four channel sampling lines were cut logged and sampled across the Eastern Carbonate Zone (ECZ), orientated perpendicular to the strike of the intensely altered carbonate schists and greenstone units.

The purpose of the sampling was to confirm if the gold was restricted to quartz veins/massive sulphide horizons and/or the highly altered schists, or was distributed more pervasively.

All lines reported gold values of significance and a total of 17 samples returned gold grades >0.1 ppm Au and of these, 5 samples returned 1ppm Au or higher. Three adjacent samples, corrected for true thickness, combined to report 3.92g/t over 3.22m) but this was mainly due to a 0.68m thick (corrected) quartz vein delivering a 16.85 g/t value.

The results show that gold at Tartoq is restricted to the quartz veins and there is minimal mineralisation in the bulk of the schist. Given this spatial restriction, Alopex has concluded that there is a negligible potential for a high tonnage - low-grade deposit away from or between those lithological units which are sulphide rich and that contain quartz veins.

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

4.3 Vagar

a) Property description

Nalunaq A/S entered into a sale and purchase agreement with NunaMinerals A/S, acting though its bankruptcy receiver, on February 6, 2017 to acquire the exploration licence #2006/10 issued by the MLSA (the "Vagar Licence"), along with all mineral exploration and mining-related data, maps and reports pertaining to the Vagar Licence, conditional upon the MLSA's approval on terms acceptable to Nalunaq A/S. The approval has been received and on October 30, 2017, Nalunaq A/S signed the paperwork to complete the licence transfer, became effective upon the Greenland authorities executing the document on January 18, 2018. The Vagar Licence covers an official area of 420 km2 and comprises three sub-areas. The acquisition of this licence area is potentially important to the Corporation since it is close to the Nalunaq Property and hosts a number of gold prospects that lie along the prospective Nanortalik Gold Belt, some of which show similarities to Nalunaq.

b) Exploration work

During 2017, exploration work was conducted in an area of Vagar Licence that is immediately adjacent to the Nalunaq Licence. This work was done to test for the presence of the same Main Vein style mineralisation as is present on the Nalunaq Property. A team of professional climbers were used to sample near vertical faces of Ship Mountain in the Nalunaq East sub area (opposite the Nalunaq mine). A total of 95 point samples were obtained multiple quartz veins hosted in amphibolites. A number of anomalous gold values, (0.50 g/t, 2.1 g/t & 0.21 g/t), along a quartz veins which occur at a consistent elevation may justify follow up field work in the future.

Due to time and resources, it was not possible to visit the Lake 410 sub area in 2017.

4.4 Genex

On October 16, 2017, Nalunaq A/S was awarded a prospecting licence covering West Greenland, in this context defined as areas south of 78ºN and west of 44ºW. It is valid for a term of five years until December 31, 2021. Nalunaq A/S is not obligated to spend exploration expenses regarding this licence area during this period.

4.5 Field Work Timeline

The Corporation's field programme started on July 28, 2017 and finished on October 5, 2017. All equipment was packed and secured for the winter and the exploration team departed Greenland on October 15, 2017.

The Nalunaq and Tartoq programmes progressed as follows:

- The exploration team started operations at Tartoq on July 28, 2017.
- The Tartoq campaign was finished on August 15, 2017.
- The field camp then was stored in Nalunaq property.
- The containers with the drilling equipment arrived at Nalunaq on August 14, 2017.
- The camp was set up and ready on August 16, 2017.
- The drilling work started on August 17, 2017.
- The mountaineering sampling started on August 17, 2017.
- The core logging facilities was ready on August 18, 2017.
- Drilling ceased on October 5, 2017.
- Logging and core processing was completed on October 9, 2017.
- Technical Team demobilized on October 15, 2017.
- Samples were sent 3 shipments (September 12, September 26 and October 13, 2017).

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

All samples collected (1,078, inclusive of QAQC samples) have been transported to ALS laboratories in Loughrea, Ireland and the results have been announced November 30, 2017.

5. ENVIRONMENTAL MONITORING EXPENSES

When Nalunaq A/S purchased the Nalunaq Property on October 15, 2015, it came with an escrow account for environmental monitoring and an environmental monitoring provision. This escrow account was set up in favour of the Government of Greenland as security for fulfilling the environmental monitoring expenses following the closure of the Nalunaq Gold Mine.

For the year ended December 31, 2017, Nalunaq A/S incurred $10,036 ($75,880 in 2016) in environmental monitoring expenses. All incurred amounts are funded from the escrow account.

6. SELECTED ANNUAL INFORMATION

	2017	2016	2015
	$	$	$
Financial Results			
Exploration and evaluation expenses	2,808,517	800,103	-
General and administrative expenses	1,212,237	445,188	8,517
Net loss	4,489,949	1,143,424	8,504
Financial Position			
Cash on hand	1,465,277	137,322	41,791
Total assets	2,373,983	772,153	768,488
Total current liabilities	428,667	460,805	74,511
Shareholders' equity	1,810,629	187,939	329,108
Working capital (deficiency)	1,250,542	(182,050)	41,791

7. RESULTS OF OPERATIONS

7.1 Discussion on 2017

The Corporation reported a net loss of $4,489,949 in 2017 compared to $1,143,424 for 2016. The main variations are as follow:

- Exploration and evaluation expenses of $2,808,517 ($800,103 in 2016) (see section exploration and evaluation expenses for details).
- General and administrative of $1,212,237 ($445,188 in 2016).
  - Management and consulting fees of $378,751 ($205,378 in 2016) and director's fees of $50,001 (nil in 2016). Since May 1, 2017, a public company management team and a board of directors were appointed.
  - Professional fees of $344,544 ($121,043 in 2016). The Corporation incurred legal fees to prepare the Pre-IPO Reorganization. An accounting team was put in place to bring the bookkeeping to an IFRS level.
  - Marketing and industry involvement of $237,058 ($5,858 in 2016). Since the Corporation became public, it has incurred costs related to investor relations, strategic communications and conferences.
- Stock-based compensation of $518,630 (nil in 2016) was estimated using the Black-Scholes model. Following completion of the IPO, the Corporation granted options to its directors, officers and consultants including an investor relation firm.
- The deferred income tax recovery of $97,908 in 2015 was all recovered in 2016 (nil in 2017).

7. RESULTS OF OPERATIONS (CONT'D)

7.2 Discussion on Q4-17

The Corporation reported a net loss of $778,978 in Q4-17 compared to $251,026 for Q4-16. The main variations are as follow:

- Exploration and evaluation expenses of $450,921 ($139,393 in Q4-16) (see section exploration and evaluation expenses for details).
- General and administrative of $332,740 ($118,642 in Q4-16).
    - Management and consulting fees of $89,236 ($52,196 in Q4-16) and director's fees of $18,751 (nil in Q4-16). Since May 1, 2017, a public company management team and a board of directors were appointed.
    - Professional fees of $84,613 ($43,635 in Q4-16). The Corporation incurred legal fees for general consultation purposes. An accounting team was put in place to bring the bookkeeping to an IFRS level.
    - Marketing and industry involvement of $61,037 ($1,021 in Q4-16). Since the Corporation became public, it has incurred costs related to investor relations, strategic communications and conferences.
    - Travel and other expenses of $40,478 ($6,775 in Q4-16). Since the Corporation became public, it has incurred more costs related to travel and administrative expenses.

8. SELECTED QUARTERLY INFORMATION

The following table presents selected financial information for each of the most recent eight quarters:

	Q4-17	Q3-17	Q2-17	Q1-17
	$	$	$	$
Exploration and evaluation expenses	450,921	2,216,823	94,427	46,346
General and administrative expenses	332,740	467,363	239,963	172,171
Net loss	778,978	3,182,622	308,296	220,053
Cash on hand	1,465,277	2,506,265	74,928	58,999
Total assets	2,373,983	3,518,863	1,649,579	785,310
Total current liabilities	428,667	807,376	1,690,239	693,817
Shareholders' equity (deficiency)	1,810,629	2,579,348	(172,467)	(33,716)
Working capital (deficiency)	1,250,542	2,023,142	(1,409,288)	(403,976)

	Q4-16	Q3-16	Q2-16	Q1-16
	$	$	$	$
Exploration and evaluation expenses	139,393	595,762	64,948	-
General and administrative expenses	118,642	109,442	132,455	84,649
Net loss	251,026	691,060	140,757	60,581
Cash on hand	137,322	32,399	27,189	40,295
Total assets	772,153	687,878	652,173	682,442
Total current liabilities	460,805	1,138,363	262,969	81,181
Shareholders' equity (deficiency)	187,939	(578,999)	118,926	264,893
Working capital (deficiency)	(182,050)	(959,040)	(235,780)	(40,886)

8. SELECTED QUARTERLY INFORMATION (CONT'D)

Highlights for each quarter are as follows.

8.1 Q4-17

- On October 16, 2017, Nalunaq A/S was awarded a prospecting licence covering West Greenland, in this context defined as areas south of 78ºN and west of 44ºW. It is valid for a term of five years until December 31, 2021.
- The Corporation completed its field exploration program, sent samples for analysis and results and the results have been announced November 30, 2017. The majority of exploration and evaluation work was performed on the Nalunaq Property for $419,197 and on the Tartoq Property for $30,274.

8.2 Q3-17

- On July 13, 2017, the Corporation complete its IPO of 13,592,500 common shares at a price of $0.50 per share for aggregate gross proceeds of $6,796,250.
- Following completion of the IPO, the Corporation granted options to its directors, officers and consultants including an investor relation firm for a stock-based compensation of $510,839.
- The functional currency of Nalunaq A/S was the Danish Krone ("DKK") up until June 30, 2017 and it was changed thereafter to Canadian dollars ("CAD").
- Included in its summer exploration programme, the Corporation has purchased property and equipment for $192,129.
- The majority of exploration and evaluation work was performed on the Nalunaq Property for $2,042,196 and on the Tartoq Property for $140,867. The Corporation has executed its summer exploration programme and the largest expenses are drilling, helicopter charter, geology, lodging and on-site support and transport.

8.3 Q2-17

- On June 26, 2017, ARC, AEX Gold Limited and the Corporation completed the Pre-IPO Reorganization.
- Exploration and evaluation expenses were incurred on the Nalunaq property for a sum of $94,427 and are relative to the preparation of the summer exploration season.

8.4 Q1-17

- On February 6, 2017, Nalunaq A/S entered into a sale and purchase agreement with NunaMinerals A/S to acquire the Vagar exploration licence located in Western Greenland for a purchase price of $9,465 conditional upon the approval of the Greenland authorities.
- Included within general and administrative expenses, professional fees were spent on the corporate reorganization related to the IPO.
- Exploration and evaluation expenses were incurred for a sum of $46,346 and are composed primarily of geological expenses.

8.5 Q4-16

- On October 21, 2016, 501,000 shares of Nalunaq A/S were issued at a value of $1,014,023 (DKK 5,208,128) to the shareholders of Nalunaq A/S.
- Exploration and evaluation expenses were incurred for a sum of $139,393.

8. SELECTED QUARTERLY INFORMATION (CONT'D)

8.6 Q3-16

- On July 6, 2016, Nalunaq A/S signed a sale and purchase agreement to purchase from Nanoq the Tartoq Licence located in Southwest Greenland, for a total consideration of $7,221.
- The majority of exploration and evaluation work was performed on the Nalunaq Property for $548,704 and on the Tartoq Property for $47,058. The largest expenses are geology, logistics and mobilization as well as infrastructure.

8.7 Q2-16

- The field exploration and evaluation campaign for the Nalunaq Property began at a cost of $64,948.

8.8 Q1-16

- Payment for environmental monitoring work of $75,880 was made on January 22, 2016.

9. LIQUIDITY AND CAPITAL RESOURCES

The Corporation has a working capital of $1,250,542 as of December 31, 2017 (working capital deficiency of $182,050 as of December 31, 2016). The working capital position was favourably improved on July 13, 2017 when the Corporation completed its IPO of 13,592,500 shares at a price of $0.50 per share for aggregate gross proceeds of $6,796,250.

As at December 31, 2017, Nalunaq A/S had a payable of $16,456 to FBC Mining BA Ltd. ("FBC BA"), a subsidiary of FBC Mining (75%) and ARC (25%). On March 1, 2017, March 30, 2017, April 10, 2017 and April 19, 2017, Nalunaq A/S signed loan agreements with ARC and FBC BA whereby ARC and FBC BA agreed to make available US$80,000 ($103,849) and US$106,707 ($138,518) respectively to Nalunaq A/S. The loans bore no interest and were payable in one installment upon request when Nalunaq A/S had sufficient cash reserves. Nalunaq A/S reimbursed all shareholders loans of $261,310 in the month of August 2017.

See Section 2.3 for the use of funds following the IPO.

While the Corporation 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 new funding is not obtained, 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.

10. OFF BALANCE SHEET ARRANGEMENTS

Neither the Corporation nor Nalunaq A/S have any off-balance sheet arrangements.

11. SUBSEQUENT EVENT

See section 2.4 for details on subsequent events.

12. TRANSACTIONS BETWEEN RELATED PARTIES

Following are additional information on related party transactions in 2017:

In the normal course of operations:

- A company controlled by George Fowlie, (president from February 22, 2017 to April 28, 2017, director since April 14, 2017 and chairman of the board since April 28, 2017) invoiced $33,336 as chairman compensation;
- A company controlled by Eldur Olafsson (director appointed April 14, 2017 and president and CEO since April 28, 2017) invoiced $133,334 as president and CEO compensation;
- A company in which Eldur Olafsson (director appointed April 14, 2017 and president and CEO since April 28, 2017) holds shares charged exploration work and equipment amounting to $129,207;
- A firm in which Georgia Quenby (director, appointed April 14, 2017) is a partner charged legal professional fees of $11,761 through FBC BA and directly to the Corporation for $5,169;
- A company controlled by Ingrid Martin (chief financial officer, appointed April 28, 2017) charged accounting professional fees of $142,212 (including $85,553 for her staff) and $5,000 for additional work during the IPO process;
- Justinas Matusevicius (vice-president operations and logistic, appointed April 28, 2017) invoiced $55,681 as compensation and $20,000 for additional work during the IPO process;
- FBC BA invoiced $69,967 for Joan Plant (Corporate Secretary, appointed February 22, 2017) for her compensation (including $20,000 for additional work during the IPO process) ($27,216 for 2016);
- ARC charged a fixed management fee of $65,637 from January 1, 2017 to April 30, 2017 (date of the termination of the agreement with ARC) including management services from Eldur Olafsson and Justinas Matusevicius and other services ($178,162 in 2016);
- As at December 31, 2017, the balance due to those related parties amounted to $45,173 ($167,266 as at December 31, 2016).

Outside of the normal course of operations:

- Directors and officers of the Corporation participated in the July 2017 IPO offering for $135,000 while AEX Gold Ltd. participated for $450,000. The directors and officers as well as AEX Gold Ltd. subscribed to the IPO under the same terms and conditions set forth all subscribers.

13. CRITICAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS 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. Critical judgments, estimates and assumptions exercised in applying accounting policies with the most significant effect on the amounts recognized in the financial statements are described at note 4 of the 2017 Financial Statements

14. CHANGES IN ACCOUNTING POLICIES

The most relevant standards, amendments and interpretations issued up to the date of the issuance of the 2017 Financial Statements are listed at note 3 of these.

15. FINANCIAL INSTRUMENTS

Financial instruments are described in notes 2.12 and 21 to the Financial Statements.

16. OUTSTANDING SHARES DATA

	April 18, 2018	December 31, 2017
	Number	**Number**
Capital stock	49,592,500	49,592,500
Stocks options	1,410,000	1,410,000
Warrants	883,512	883,512
Fully diluted	**51,886,012**	**51,886,012**

Escrow Shares

As of December 31, 2017, there were 33,300,005 shares held in escrow following the IPO. Under the escrow agreement, 10% of the escrow common shares was released from escrow on the completion of the Corporation's listing date (done on July 13, 2017, date of the Exchange Bulletin) and additional 15% will be released every six months thereafter.

17. STOCK OPTION PLAN

The purpose of the Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, senior officers, employees and consultants of the Corporation, to reward such of these participants from time to time for their contributions toward the long-term goals of the Corporation and to enable and encourage such participants to acquire shares as long-term investments. There is no performance indicator relating to profitability or risk attached to the plan. The maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the common shares outstanding.

18. RISK FACTORS

The following discussions review a number of important risks which management believes could impact the Corporation's business. There are other risks, not identified below, which currently, or may in the future exist in the Corporation's operating environment.

Risks Related to the Corporation and the Mining Industry

18.1 The Corporation is an exploration stage company.

The Corporation currently has no development projects. While the Nalunaq Property has an operating history, the exploration potential that may represent the long-term future of the Nalunaq Property is at an early stage. Future mining and processing methods may differ to those used historically and thus historical operating costs, capital spending, site remediation costs or asset retirement obligations may not be applicable as benchmarks.

The Tartoq Property and the Vagar Property are an early stage exploration projects that have no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. The Corporation has no experience in placing mineral interests into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with major mining companies that can provide such expertise. There can be no assurance that the Corporation will have available to it the necessary expertise when and if it places any of its mineral interests into production.

18. RISK FACTORS (CONT'D)

18.2 The Corporation's liquidity and capital resources are uncertain.

The exploration and development of the Corporation's mineral properties depends upon the Corporation's ability to obtain financing through joint ventures, offerings of equity securities or offerings of debt securities, or by obtaining financing through a bank or other entity. The Corporation has not established a limit as to the amount of debt it may incur nor has it adopted a ratio of its equity to debt allowance. If the Corporation needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Corporation, or that any future offering of securities will be successful. Volatile markets for precious metals may make it difficult or impossible for the Corporation to obtain debt financing or equity financing on favourable terms or at all. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Corporation's outstanding Common shares. The Corporation could suffer adverse consequences if it is unable to obtain additional capital, which would cast substantial doubt on its ability to continue its operations and growth.

In addition, the Corporation does not expect to generate material revenue or achieve self-sustaining operations in the near future. To the extent the Corporation has negative cash flows in future periods, the Corporation may use a portion of its general working capital to fund such negative cash flow.

18.3 The Corporation requires substantial funds merely to determine whether commercial mineral deposits exist on its Properties.

Any potential development and production of the Corporation's exploration properties depends upon the results of exploration programs and/or feasibility studies and the recommendations of duly qualified engineers and geologists. Such programs require substantial additional funds. Any decision to further expand the Corporation's operations on these exploration properties is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

- costs of bringing a property into production, including exploration work, preparation of production feasibility studies, and construction of production facilities;
- availability and costs of financing;
- ongoing costs of production;
- market prices for the minerals to be produced;
- environmental compliance regulations and restraints; and
- political climate and/or governmental regulation and control.

18.4 Gold price volatility may adversely affect the Corporation.

If the Corporation commences production, profitability will be dependent upon the market price of gold. Gold prices historically have fluctuated widely and are affected by numerous external factors beyond the Corporation's control, including industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, levels of gold production, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events.

18. RISK FACTORS (CONT'D)

18.5 Title to the Corporation's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.

The Corporation cannot guarantee that title to its mineral properties will not be challenged. Title insurance is generally not available for mineral properties and the Corporation's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Corporation's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Corporation has not conducted surveys of all of the mineral rights in which it holds direct or indirect interests. A successful challenge to the precise area and location of these mineral rights could result in the Corporation being unable to operate on its Nalunaq Property, Tartoq or Vagar Property (collectively, the "Properties") as permitted or being unable to enforce its rights with respect to its Properties.

18.6 Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure.

Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The Corporation's inability to secure adequate water and power resources, as well as other events such as unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

18.7 Exploration activities are influenced, amongst others, by the location, its climate and terrain.

The Properties are in remote locations in a global context, although not in a Greenlandic context. The costs of logistics and staffing are high. The climatic conditions allow a relatively short period for surface exploration activities, although this should not affect underground exploration.

The Nalunaq Gold Mine and areas of exploration potential lie within a steep mountain. Regularized surface diamond drilling for structure is impractical in many parts, resulting in a greater reliance on underground exploration.

18.8 The Corporation is an exploration stage company, and there is no assurance that a commercially viable deposit or "reserve" exists on any properties for which the Corporation has or might obtain an interest.

The Corporation is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve", exists on any properties for which the Corporation currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic and environmental factors. If the Corporation fails to find a commercially viable deposit on any of its Properties, its operations, financial condition and results of operations will be materially adversely affected.

18. RISK FACTORS (CONT'D)

18.9 Mineral exploration and development activities are speculative in nature.

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of the Corporation and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Corporation not receiving an adequate return on investment capital.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

18.10 The Corporation depends on the Properties

The Properties are the only material properties of the Corporation. Any material adverse development affecting the progress of the Properties, or both, will have a material adverse effect on the Corporation's financial condition and results of operations.

18.11 There is no assurance that the Corporation will be able to acquire other properties.

If the Corporation loses or abandons its interest in its Properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Corporation, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties.

18.12 The Corporation's insurance does not cover all of its potential losses, liabilities and damage related to its business.

Exploration, development and production operations on mineral properties involve numerous risks, including:

- unexpected or unusual geological operating conditions;
- rock bursts, cave-ins, ground or slope failures;
- fires, floods, earthquakes and other environmental occurrences;
- political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage;
- delays in mining caused by industrial accidents or labour disputes;
- changes in regulatory environment;
- monetary losses; and
- possible legal liability.

18. **RISK FACTORS** (CONT'D)

It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

18.13 Competition may hamper the Corporation's ability to acquire attractive mineral properties.

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Corporation, the Corporation may be unable to acquire attractive mineral properties on terms it considers acceptable. The Corporation also competes with other companies for the recruitment and retention of qualified employees and other personnel.

18.14 Insofar as certain directors and officers of the Corporation hold similar positions with other mineral resource companies, conflicts may arise between the obligations of these directors and officers to the Corporation and to such other mineral resource companies.

Certain directors and officers of the Corporation are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Corporation. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Corporation. Directors and officers of the Corporation with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

18.15 The loss of certain key individuals could have an adverse effect on the Corporation.

The Corporation's success depends to a certain degree upon key members of the management. These individuals are a significant factor in the Corporation's growth and success and the Corporation does not have key man insurance in place in respect of any of its directors, management or employees. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

18.16 The Corporation may experience difficulty attracting and retaining qualified management to meet the needs of its anticipated growth.

The Corporation's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. To manage its growth, the Corporation may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. Although the Corporation believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

18. RISK FACTORS (CONT'D)

18.17 Estimates and assumptions used in preparing the Corporation's financial statements and actual amounts could differ.

Preparation of its financial statements requires the Corporation's management to use estimates and assumptions. Accounting for estimates requires the Corporation's management to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

18.18 Investors may not be able to enforce judgments against foreign persons.

Alopex's principal assets, as well as three of its directors, namely Eldur Ólafsson, Georgia Quenby and Graham Stewart, and three of Alopex's non-director officers, namely Justinas Matusevičius, William Kellaway and Joan Plant, either are located or reside outside of Canada. Furthermore, the authors of the Nalunaq Report and Tartoq Report, namely Fernando Saez, James Gilbertson, Jon Russill and Michael Selby either are located or reside outside of Canada. It may therefore not be possible for investors to enforce judgements obtained in Canada against Alopex, such directors and officers, or any of the authors of the technical reports, notwithstanding the fact that each of the aforementioned individuals has appointed Bennett Jones LLP as his or her agent for service of process in Canada.

18.19 The Corporation has significant shareholders.

Immediately following the completion of the Public offering, AEX Gold Limited, Vatnar S.à r.l. ("Vatnar"), and Crossroads Holdings S.à r.l. ("Crossroads") hold •%, •% and •%, respectively, of the issued and outstanding Common Shares. As a result, AEX Gold Limited, Vatnar and Crossroads will have significant influence over all matters requiring shareholder approval. Circumstances may occur in which the interests of such significant shareholders could be in conflict with the interests of other holders of Common Shares. There is no assurance that the interests of AEX Gold Limited, Vatnar and Crossroads will always be aligned with the Corporation's interests and those of the Corporation's other shareholders, and there is no assurance that such significant shareholders would not make decisions with regard to their holdings of Common Shares or how they vote those Common Shares in a manner that is adverse to the Corporation or the Corporation's other shareholders.

While AEX Gold Limited, Vatnar and Crossroads will have limitations on their ability to dispose of their Common Shares in the near term due to the escrow agreement that was entered into among the Corporation, Computershare Trust Company of Canada and certain principals of the Corporation in accordance with the closing of the Corporation's initial public offering, this may not prevent AEX Gold Limited, Vatnar and Crossroads from selling some or all of their Common Shares in the future. If AEX Gold Limited, Vatnar and/or Crossroads dispose of a significant number of Common Shares in the future, the market price of the Common Shares may be negatively impacted by the resulting additional trading volume.

18.20 The Corporation is subject to the risks and liabilities associated with possible accidents, injuries or deaths on its Properties.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Corporation and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Corporation as an employer.

18. RISK FACTORS (CONT'D)

There is no assurance that the Corporation has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Corporation from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Corporation's operations, financial condition and results of operations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Risks Related to the Political and Economic Climate of Greenland and its Legislative Regime

18.21 The Corporation's operations depend on permits and government regulations

The Corporation's future operations on the Properties, including exploration and any development activities or commencement of production on its properties, require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, protection of endangered and protected species, treatment of indigenous people, mine safety and other matters. To the extent that such permits are required and not obtained, the Corporation may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws may have a material adverse effect on the operations, financial condition and results of the Corporation.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Government of Greenland may from time to time change the Mineral Resources Act, the Greenland Exploration Standard Terms and the royalties imposed on proceeds from mineral exploitation.

18.22 The Corporation's operations are subject to compliance with environmental laws and regulation

The Corporation's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

The Corporation's exploration programs on the Properties will, in general, be subject to approval by the MLSA and the EAMRA. Development of the mineral properties located in Greenland will be dependent on the project meeting environmental regulations and guidelines set by governmental agencies in Greenland and, where required, being approved by governmental authorities.

18. RISK FACTORS (CONT'D)

18.23 The Corporation may lose its interests in licences.

Interests in licences in Greenland are for specific terms and carry with them estimated annual expenditure and reporting commitments, as well as other conditions requiring compliance. The MLSA is largely focused on the activities completed by an exploitation licence holder and ensuring that a project is advancing towards production. The Corporation could lose title to or its interest in licences relating to the Properties if licence conditions are not met.

In particular, the Nalunaq Exploration Project is currently within the Nalunaq Licence. Under the current terms of this licence, Nalunaq A/S is required to commence mine production by January 1, 2021, although the scale of this production is not specified. There is no guarantee that this will be possible within this timeframe, and the government has reserved the right to revoke the licence if these conditions are not met.

Failure to satisfy any of the conditions set forth in the addendums to the Nalunaq Licence (for example, the commitment to perform specific exploration activities for sub period 3 as set out in Addendum No. 4) may result in the MLSA revoking the Nalunaq Licence, however the MLSA has stated as an objective that there is no automatic revocation of a licence when a condition has not been achieved, rather they have committed to, at all times, act reasonably and in accordance with the general rules and regulations of Greenlandic administrative law, including the principles of objectiveness, proportionality and equal treatment.

Moreover, under the Tartoq Licence, Nalunaq A/S is required to expend a total of $196,000 in 2018 on exploration activities.

18.24 The Corporation is exposed to fluctuation in exchange rates.

A portion of the Corporation's undertakings are in Greenland. As a result, revenues, cash flows, expenses, capital expenditure and commitments are primarily denominated in Danish Krone, Euros, Canadian dollars, U.S. dollars and U.K. Pound Sterling. This results in the income, expenditure and cash flows of the Corporation being exposed to fluctuations and volatilities in exchange rates, as determined in international markets. The amount of revenue generated by the Corporation in Canadian dollars to pay dividends and operating costs will fluctuate with changes in exchange rates. Changes in exchange rates are outside the Corporation's control.

18.25 The Corporation is subject to political risks.

The Corporation's underlying business interests are located and carried out in Greenland. As a result, the Corporation is subject to political and other uncertainties, including but not limited to, changes in politics or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted.

The Greenland Home Rule Government has responsibility for the mineral resources area in Greenland. The political condition in Greenland is generally stable; however, changes in exchange rates, control of fiscal regulations and regulatory regimes, labour unrest, inflation or economic recession could affect the Corporation's business. The management of the Corporation will closely monitor events and take advice, if necessary, from experts to prepare for any eventualities.

19. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Corporation's Financial Statements are the responsibility of the Corporation's management. The Financial Statements were prepared by the Corporation's management in accordance with IFRS. The Financial Statements include certain amounts based on the use of estimates, judgements and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the Financial Statements are presented fairly in all material respects.

The Financial Statements have been approved by the board of directors based on the estimates, judgements and assumptions as presented by management and the certifications by the CEO and CFO.

20. FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information within the meaning of applicable securities legislation, which reflects the Corporation's current expectations regarding future events, including expectations regarding the completion of the Offering, the receipt of necessary authorizations from securities regulatory authorities and the use of the net proceeds from the Offering. Such statements can be recognized by the terms "forecast", "anticipate", "consider", "foresee" and other terms and similar expressions. In this MD&A there is forward-looking information based on a number of assumptions and subject to a number of risks and uncertainties, many of which are beyond the Corporation's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, failure to complete the Offering and the factors discussed under "Risk Factors" in Section 17. Any forward-looking information included in this MD&A is based only on information currently available to the Corporation and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Corporation assumes no obligation to update or revise any forward-looking information to reflect new circumstances or events.

April 18, 2018

(s) "Eldur Ólafsson"
Eldur Ólafsson
President, CEO and Director

(s) "Ingrid Martin"
Ingrid Martin
CFO