



AEX Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

1. Nature of activities	3
2. Corporate update.....	4
3. Property acquisition	6
4. Exploration and evaluation expenses.....	6
5. Strategy and action plan	17
6. Environmental monitoring expenses	17
7. Selected annual information.....	17
8. Results of operations	17
9. Selected quarterly information	19
10. Liquidity and capital resources.....	22
11. Off balance sheet arrangements.....	22
12. Subsequent event.....	22
13. Transactions between related parties	23
14. Critical accounting policies, estimates, judgements and assumptions.....	23
15. Changes in accounting policies.....	23
16. Financial instruments	23
17. Contractual commitments and obligations.....	24
18. Outstanding shares data.....	24
19. Stock option plan	24
20. Risk factors.....	24
21. Management's responsibility for financial information	31
22. Forward looking information.....	31

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

The following management discussion and analysis (the “MD&A”) of the financial condition and results of the operations of AEX Gold Inc. (the “Corporation” or “AEX”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended December 31, 2021. This MD&A should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended December 31, 2021 (the “Financial Statements”), which are prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless otherwise noted. This MD&A is current as of April 28, 2022.

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
2019	January 1, 2019 to December 31, 2019
Q1-20	January 1, 2020 to March 31, 2020
Q2-20	April 1, 2020 to June 30, 2020
Q3-20	July 1, 2020 to September 30, 2020
Q4-20	October 1, 2020 to December 31, 2020
2020	January 1, 2020 to December 31, 2020
Q1-21	January 1, 2021 to March 31, 2021
Q2-21	April 1, 2021 to June 30, 2021
Q3-21	July 1, 2021 to September 30, 2021
Q4-21	October 1, 2021 to December 31, 2021
2021	January 1, 2021 to December 31, 2021
2022	January 1, 2022 to December 31, 2022

1. NATURE OF ACTIVITIES

AEX was incorporated on February 22, 2017 under the *Canada Business Corporations Act*. The Corporation’s head office is situated at 3400, One First Canadian Place, P.O. Box 130, Toronto, Ontario, M5X 1A4, 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 have been listed on the TSX Venture Exchange (the “Exchange”) under the AEX ticker and since July 2020, the Corporation’s shares have also been admitted to trading on the AIM market of the London Stock Exchange (“AIM”) under the AEXG ticker.

At the time of the AIM admission, AEX announced the development of the Nalunaq Project and the main engineering and constructing activities commenced for this in Q4-20. The Nalunaq Project was put on hold in February 2021 due to unforeseen cost increases associated with the COVID-19 global pandemic.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

2. CORPORATE UPDATE

2.1 Update on the Corporation's Strategic Process

AEX has accumulated the largest land package of gold and strategic mineral licences in Southern Greenland, with nine licences covering 4,090 square kilometres in the two known gold belts, namely the Nanortalik gold belt and the Tartoq gold belt.

AEX remains committed to leveraging existing infrastructure and development at Nalunaq as the most cost-effective path to near-term production and cash flows to self-fund development and exploration across the Corporation's extensive, mineral rich, land package.

The COVID-19 pandemic presented a unique set of challenges for the mining industry as a whole, and specific challenges for AEX. In January 2021, the government of Greenland implemented a temporary travel ban, initially effective until the end of February 2021 and subsequently extended that to the end of April 2021. Travel bans resulted in construction delays and additional indirect cost whilst mandatory quarantine periods for expats, lead to large and unforeseen labour cost increases. This led the Board to take the difficult but ultimately prudent decision to defer development at Nalunaq until such time as the current pandemic subsides.

The Corporation adjusted and focussed on three elements in 2021 to continue the advancement and de-risking of the Nalunaq Project by:

- Conducting a third-party engineering study to advance engineering on the process plant and surface infrastructure to optimize the overall design but also obtain firm cost estimates for assembly and completion. Concurrently the Corporation was advancing the EIA and SIA to obtain all relevant permits
- Completing a minimal infrastructure program that focused on expanding and enhancing the previous Nalunaq Exploration camp and access roads to support a more intensive exploration program.
- Completing 10,000-15,000m of exploration drilling to confirm the geological model relating to the formation of the high-grade zones in the Valley Block and to increase the size and definition of the Nalunaq resource.

Despite this temporary setback at Nalunaq, the Corporation is still focused on the continued exploration of its extensive, high-grade licence area. Continued geophysical work and geological mapping over the wider exploration portfolio has been undertaken to ensure drill-readiness but also to get a sense of mineral endowment.

2.2 Highlights of the 2021 work programme and results

The 2021 exploration program was completed with 11,044m of core drilling over the South and Valley Blocks at Nalunaq. Drilling commenced in Q2 2021 and was finalised in Q4 2021. The program objectives were met by confirming that the Valley Block is a new, previously unrecognised, resource area within the Nalunaq project and supporting the Nalunaq geological model – the Dolerite Dyke Model – as an indicator of high grade mineralization. The Valley Block surface drilling yielded results similar in grade to those historically recorded at Mountain, Target and South Blocks. Furthermore, this confirmed five resource growth target areas.

The drill results at Nalunaq, coupled with a revised resource estimation approach that focuses on coarse-gold mineralization being developed in conjunction with SRK Consulting, will be important aspects for further exploration at Nalunaq and a new mineral resource estimate.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

2. CORPORATE UPDATE (CONT'D)

Significant exploration was also conducted on the Nanoq and Vagar Ridge gold targets. These programs have confirmed the extent and style of mineralisation of these advanced exploration assets ahead of developing the 2022 field programs

On the strategic minerals side, work programs at Sava have illustrated IOCG style signatures across three targets opening up the opportunity to host copper, gold and rare earth mineralisation. At Nørream a bulk sample has been taken and shipped for metallurgical test work in the UK. Furthermore, the Corporation is working on minerals system model that will allow it to understand better underexplored area that sits outside of its current licences. The Corporation will continue acquiring licences as further understanding of the highly prospective south Greenland.

2.3 AEX Executive Management and Directors update

Executive management and the Board underwent several changes in 2021. Robert Menard left the Board on April 27, 2021, being replaced by Jaco Crouse, the chief financial officer. Line Frederiksen and David Neuhauser joined the Board at the AGM on June 9, 2021, as Non-Executive Directors whilst Georgia Quenby was not up for re-election.

Line Frederiksen has substantial experience in Greenlandic infrastructure and is currently CFO at Tele Greenland A/S, the leading provider of telecom solutions in Greenland. Line is also responsible for cybersecurity governance.

David Neuhauser has extensive capital markets and M&A experience and is the founder and managing director of event-driven hedge fund Livermore Partners in Chicago, a 6.69% shareholder in the Corporation. Mr. Neuhauser currently sits on the board of Shareholders Gold Council, a Canadian corporation promoting best practices in the gold mining industry, AIM-quoted Jadestone Energy Plc, and Kolibri Global Energy.

Martin Menard the Chief Operating Officer departed AEX on June 25, 2021, and Azhar Cajee was appointed as Director of Projects on July 5, 2021. Azhar has 15 years of mining and project experience and most recently occupied the position of Manager Projects at New Gold Inc. Azhar was in charge of the minimal infrastructure work program in 2021 as well as the completion of the internal 3rd party engineering study on the Nalunaq Project.

On August 27, 2021, the Corporation announced the further strengthening of its Board of Directors with the appointment of two additional Non-Executive Directors, Liane Kelly and Warwick Morley-Jepson.

Liane brings a wealth of ESG experience to the Board having enjoyed a successful career focused on advising companies on sustainability and CSR initiatives. She currently sits on the Board of B2Gold Corporation and acts as a CSR Advisor to Middle Ground Consulting. Liane specialises in advising companies on community engagement and social impact, both of which will be vital for AEX as the Corporation continues to build on its strong engagement with its Greenlandic stakeholders. Liane replaces George Fowlie, who has stepped down from the Board, but will continue to provide his valuable expertise in corporate and business development to the Corporation as well as supporting our Investor Relations in Canada.

Warwick has significant experience in mining having spent just under 40 years in the industry, holding various managerial and executive positions including his current roles as Chairman and Independent Director of Wesdome Gold Mines and Karora Minerals respectively. Warwick was previously the Executive Vice President and Chief Operating Officer at Ivanhoe Mines and before that held the same positions at Kinross Gold Corporation. His experience in mine development and operations at global mining firms is highly relevant to AEX as the Corporation continues to progress both the Nalunaq mine and its various exploration targets.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

2. CORPORATE UPDATE (CONT'D)

With the strong focus on exploration, James Gilbertson was appointed as Vice President – Exploration on September 13, 2021 and oversaw all of the Corporation's exploration activities. James had been working with AEX as a consultant through SRK Exploration for the past six years. James has over 20 years of experience in mineral exploration and resource development with 17 years as a Principal Exploration Geologist. He specialises in mineral exploration design, planning and management, specifically for lode and epithermal gold deposits, porphyry related, and orthomagmatic deposits. James is a Chartered Geologist and Competent Person (CP) with the Geological Society London.

2.4 Next 12 months and more outlook

The main focus for the Corporation will be:

Nalunaq

1. To define the resources at Nalunaq further;
2. Look into opportunities to advance understanding of Green energy development on site of its current mining and processing activities;
3. Look at the most up to date technology in exploration, development, and communications to focus on operational security and health and safety.

3. PROPERTY ACQUISITION

Property acquisitions are capitalized in the consolidated statement of financial position.

Kobberminebugt Licence

The Corporation acquired the right to conduct exploration activities on approximately 220km² of land in an areas of Aputaajuitsoq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2022/01, referred to as Kobberminebugt. The licence application has been approved and all required documentation was signed by the Corporation on November 24, 2021 and the licence became effective on February 23, 2022 when it was signed by the Government of Greenland.

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:

	Q4-21	Q4-20	2021	2020
	\$	\$	\$	\$
Nalunaq				
Geology	911,031	339,173	2,332,281	1,968,010
Lodging and on-site support	248,315	99,081	479,921	278,440
Underground works	69,499	10,109	118,017	75,396
Drilling	2,489,396	18,727	3,647,452	186,955
Safety and environment	-	789	-	21,402
Analysis	16,322	60,171	120,548	259,188
Transport	1,005	237,793	35,324	638,533
Supplies and equipment	-	-	1,998	-
Helicopter Charter	(530,145)	-	181,069	4,922
Logistic support	445,784	36,833	1,009,553	339,200
Insurance	-	4,217	41,197	37,990
Project Engineering costs	1,967,059	1,456,934	3,753,320	2,434,862
Government fees	132,513	68,854	137,453	87,224
Depreciation	177,099	48,640	299,771	206,153
	5,927,878	2,381,321	12,157,904	6,538,275

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

	Q4-21	Q4-20	2021	2020
	\$	\$	\$	\$
Vagar				
Geochemistry	(290,008)	-	227,764	-
Geology	(22,710)	138,192	427,903	158,392
Lodging and on-site support	-	-	-	7,088
Analysis	-	-	1,250	263
Transport	-	519	-	519
Helicopter Charter	124,843	-	124,843	40,451
Logistic support	-	745	-	19,652
Project Engineering costs	14,015	14,116	20,461	14,116
Government fees	-	-	8,419	8,468
	(173,860)	153,572	810,640	248,949
Tartoq				
Geochemistry	80,631	-	80,631	-
Geology	6,076	9,638	19,413	11,426
Lodging and on-site support	-	-	248	-
Drilling	130	-	130	-
Transport	-	-	957	-
Logistic support	-	745	-	19,652
Government fees	-	-	8,419	14,615
	86,837	10,383	109,798	45,693
Naalagaaffiup Portornga				
Geology	-	9,638	1,105	14,110
Logistic support	-	745	-	19,652
	-	10,383	1,105	33,762
Nuna Nutaaq				
Geology	76,440	10,555	113,309	18,630
Analysis	-	-	469	-
Transport	-	104	-	104
Helicopter Charter	128,328	12,110	128,328	30,115
Logistic support	-	745	-	19,652
Project Engineering costs	21,039	2,823	21,039	2,823
	225,807	26,337	263,145	71,324
Saarloq				
Geology	-	9,637	6,620	32,549
Transport	-	156	-	156
Project Engineering costs	-	4,235	-	4,235
	-	14,028	6,620	36,940
Anoritoq				
Geology	51,285	9,638	57,905	55,760
Transport	-	259	-	259
Helicopter Charter	11,772	-	11,772	6,789
Project Engineering costs	1,927	7,058	1,927	7,058
	64,984	16,955	71,604	69,866
Sava (previously called Kangerluarsuk)				
Geochemistry	292,883	-	292,883	-
Geology	68,400	9,937	219,458	9,937
Helicopter Charter	295,147	-	295,147	-
	656,430	9,937	807,488	9,937

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

	Q4-21	Q4-20	2021	2020
	\$	\$	\$	\$
Genex				
Geology	11,039	-	11,039	-
Helicopter Charter	33,302	-	33,302	-
Project Engineering costs	5,461	-	5,461	-
Government fees	962	-	1,949	961
	50,764	-	51,751	961
Total				
Geochemistry	83,506	-	601,278	-
Geology	1,101,561	536,408	3,189,033	2,268,814
Lodging and on-site support	248,315	99,081	480,169	285,528
Underground works	69,499	10,109	118,017	75,396
Drilling	2,489,526	18,727	3,647,582	186,955
Safety and environment	-	789	-	21,402
Analysis	16,322	60,171	122,267	259,451
Transport	1,005	238,831	36,281	639,571
Supplies and equipment	-	-	1,998	-
Helicopter Charter	63,247	12,110	774,461	82,277
Logistic support	445,784	39,813	1,009,553	417,808
Insurance	-	4,217	41,197	37,990
Project Engineering costs	2,009,501	1,485,166	3,802,208	2,463,094
Government fees	133,475	68,854	156,240	111,268
Depreciation	177,099	48,640	299,771	206,153
Total exploration and evaluation expenses	6,838,840	2,622,916	14,280,055	7,055,707

James Gilbertson CGeol, Vice President – Exploration of the Corporation 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 60°21'N latitude and 44°50'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 km² 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.

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 km² 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.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

b) Nalunaq exploration and Mineral Resource Model

As previously announced, the COVID-19 pandemic has caused significant cost escalation, uncertainty, and unprecedented interruptions to logistics. As a result, after the February 2021 announcement to suspend all development activities, only essential infrastructure construction to support exploration activities has been ongoing and are scheduled to be completed in the coming months. As a result, all non-essential expenditures and commitments have been terminated or suspended where possible to reduce spending.

The Corporation conducted a new core drilling programme across the lower reaches of the Main Vein primarily targeting the southern extension of the South Block, the newly identified Valley Block as well as exploration holes into further potential downdip and lateral extensions. By the end of the season a total of 11,044m was drilled across 51 holes.

The third-party review of the Nalunaq Resource Model by InnovExplo, a specialist in a wide range of exploration and technical services in the metals and mining industry, has been completed and concluded that the existing resource model contains no fatal flaws. The results of the review and recommendations coupled with further discussion with SRK Consulting UK formed the framework of the 2021 exploration program at Nalunaq. The drilling program leveraged the latest findings from the drilling campaigns of 2019 and 2020 to test the down-dip extension of Main Vein in the Kirkspir Valley, near the South and Valley Blocks, as well as the possible existence of a 5th high grade zone to the southwest of Valley Block.

Following the completion of the drilling program in 2021, further discussions have taken place with SRK Consulting to understand the true statistical nature of sample results from the historical mine in order to develop the best estimation options for future Mineral Resource Estimation at Nalunaq.

The results from the 2021 core drilling program confirmed the existence of the Valley block as a new resource area of the deposit that was not recognised or mined by the previous operators. It also highlighted the potential for resource extension down dip of the South Block as well as into a potential parallel new block to the South of Valley Block. Further drilling allowed the Corporation to update and refine its geological model and its structural model, the Dolerite Dyke Model, which has been used to target further drill areas.

The Corporation now has five distinct potential resource growth areas to target moving into 2022.

Further exploration activities, mine planning, mine infrastructure and mine development will all incorporate the information from the 2021 drilling campaign. In preparation for this evaluation, representatives from mining contractors and an underground geotechnical engineering have conducted technical visits to the former mine workings. One key observation has been that the ground conditions are considered as high quality.

c) Halyard Engineering Study and Minimal Site Infrastructure

The Corporation completed the engineering study with the assistance of Halyard Inc. ('Halyard'), an engineering consulting firm based out of Toronto, Canada. Halyard was involved in the engineering and design of most of the components in the Nalunaq processing plant and come with Greenlandic, project execution experience.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The primary objective of the engineering study was to advance the engineering on the process plant and surface infrastructure and optimize the design for efficiencies/potential cost savings. Halyard provided the study results in Q4 2022, using a feasibility framework to present its results contributed to the relevant chapters of the NI 43-101 National Instrument for The Standards of Disclosure for Mineral Project. Certain sections associated with the surface infrastructure i.e., permanent camp and fleet maintenance shop, such as placement and sizing will be confirmed after the final scope and design of the Nalunaq mine has been completed.

Nalunaq Engineering Study key highlights:

- Study advanced engineering to Feasibility Study level based on the NI43-101 requirements on the process plant and most of the surface infrastructure;
- Approximately \$150m to \$200m has been invested in the Nalunaq Project by previous owners. The total additional cost for the plant and surface infrastructure has been estimated by Halyard at approximately \$111.8 million with \$12.2 million sunk capital that can be re-used in the future;
- Halyard's estimates reflect the impact of: (i) sector-wide cost inflation resulting from increased global mining activity and COVID-19; and, (ii) changes in buildings and surface infrastructure estimates;
- Development costs already incurred include the temporary camp (which has been installed and is functioning as an all-weather exploration camp), around 60% of the process plant equipment (which has been delivered and is in storage) along with the surface mobile equipment;
- Procurement completed prior to the deferral has been reconciled to the overall project cost estimate and all major process plant components were taken delivery of in October 2021 and moved to storage locations in Montreal and Denmark;
- Critical fleet such as the fuel truck, multi-purpose truck, industrial snow blower, personnel bus, ambulance, and crane have been delivered to site for usage during the field season;
- Halyard optimized the camp/process plant buildings to reduce the overall site footprint but also to improve heat retention.

A revised mine plan will be driven by drilling results in the Valley Block, which potentially offers the Corporation better vein continuity and a more optimized mine plan with the potential for a new portal mitigating the bulkhead issue completely. The final Golder report on the condition of the bulkhead is still pending and will detail the cost of any remediation required ahead of safely re-entering the historical mine.

The bulkhead assessment included non-destructive pile integrity and ultrasound tests to determine the bulkhead thickness as well as an unconfined compressive strength test of cored concrete samples. The Corporation does not anticipate a significant cost for the remediation of the bulkhead and expects the time required for any potential remediation work to be in the region of 6-12 months.

The construction of the 50-person exploration camp was completed as planned and is in full operation to support the site and exploration teams. The bridge over the Kirkespir River connecting the camp to the Nalunaq site has been expanded and improved to provide reliable access between the exploration camp and the historical mine site all year round.

The draft Social Impact Assessment (SIA) is largely in its final form.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

4.2 Vagar

a) Property description

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 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 was received and on October 30, 2017, Nalunaq A/S signed the paperwork to complete the licence transfer, becoming effective upon the Greenland authorities executing the document on January 18, 2018. The licence originally expired December 31, 2021 with a possible 6-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2023. After a reduction of the size of the area, the Vagar Licence covers an official area of 292 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 - Vagar Ridge and the Vagar Licence Area

The area around Vagar Ridge has undergone further logistical investigation ahead of a potential drill campaign in 2022 which would follow up on the historical drilling on Veins 1 and 2 as well as the mineralisation identified within the host granodiorites. In addition, the target area and the Vagar licence as a whole, has been assessed with a 385km² airborne geophysical survey (magnetics and radiometrics), the outputs of which are undergoing detailed structural interpretation in early November 2021.

The central area of Vagar in and around Vagar Ridge, East and West Ridge have also been imaged with ground based spectral remote sensing in order to define alteration and lithologies link to the mineralisation.

Further geological reconnaissance has been conducted on a number of high priority targets generated by GoldSpot and our internal team. This includes grab sampling across East Ridge, Bismuth Valley and Eagle's Nest (within the Ippatit licence).

The purpose of this work has been to advance Vagar Ridge to a drill ready stage and prioritise additional targets for geological exploration and potential diamond drilling as early as 2022.

The results of this program have further illustrated the potential and scale of the Vagar Ridge area and highlighted several other targets within the licence that could be scheduled within the 2022 program.

c) Exploration work - Saaqqa Dyke

Within the Nalunaq East sub area of the Vagar license, the Saaqaa peridotite dyke is known to host semi-massive and disseminated magmatic sulphide mineralisation, with elevated concentrations of Nickel (up to >1%), Copper (up to 6% in float samples), and Platinum Group Elements (up to 10 g/t Pd in channel samples). This mineralisation has been revisited during 2021. AEX have conducted additional sampling and a drone survey to further define the geometry of the dyke ahead of a more detailed sampling program in 2022.

In addition to this, a number of ground geophysical lines have been conducted along the Kirkespir valley to determine the dyke's strike and depth extension into the valley area aiding in potential drill targeting as part of future exploration programs.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

Initial results from this programme have highlighted the nickel content of the ultramafic body but have not confirmed the tenor of the Pd grades in historical sample. This is due to limited ability to access and sample the full body due to the local topography. The ground geophysics however, have provided at least two drill targets for extension of the body into the lower reaches of the Kirkespir valley.

A review of other ultramafic intrusives which occur in AEX's licences is ongoing. Commodity prices are significantly higher than in the 1980s, when systematic exploration for platinum group elements was last carried out in the region, in particular for palladium.

4.3 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. The licence originally expired December 31, 2024 with the 5-year extension. The renewal for a period of five years has been confirmed with Addendum No. 3 dated February 2020 which was signed by Nalunaq A/S on February 13, 2020 and became effective on March 13, 2020 when it was signed by the Government of Greenland. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026. 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 Arsuq, but a skilled workforce will likely need to come from Nuuk.

b) Exploration work

Desktop work is ongoing for the Nuuluk and Iterlak sub licence areas to prioritise targets for future drilling.

A high resolution airborne magnetic and radiometric survey covering 84km² has been completed that covers both the Nuuluk and Iterlak subareas with a 50 metre line spacing over priority areas and 100 metre line spacing over the remainder of the licence.

The results of this survey were reviewed and interpreted by GoldSpot and allowed the Corporation to refine and focus its ground targets ahead of future sampling, trenching and or drilling.

The adjoining Naalagaaffiup Portornga licence (also referred to as Tartoq NP) has been assessed on a desk bases during 2021 including an assessment of the potential for base and critical metal mineralisation within the major geological unconformity hosted within the licence.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

4.4 Naalagaaffiup Portornga

a) Property description

The Corporation has acquired the right to conduct exploration activities on approximately 170km² 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 and the licence originally expired December 31, 2022 with a possible 5-year extension. 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. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2024.

b) Exploration work

No field work has been conducted in 2021 with all work carried out being in the form of desk-based studies, mainly consisting of historical data review and preliminary geological modeling.

4.5 Nuna Nutaaq

a) Property description

AEX has been granted the exclusive exploration rights under a new licence in South Greenland: licence 2019/113. The licence is comprised of five sub-areas and covers a total of 266 km² within the Nanortalik Gold Belt. The licence application has been approved and all required documentation was signed by the Corporation on September 13, 2019 and the licence became effective on September 26, 2019 when it was signed by the Government of Greenland. The licence originally expired December 31, 2023 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2025.

b) Exploration work - Nørrearm

At Nørrearm the graphite-sulphide horizon discovered in 2019 has been revisited to further assess the form and extent of this mineralised body. In addition, a large (>50kg) sample has been collected and dispatched to Wardel Armstrong for preliminary ore characterisation, grind test work and metallurgical testwork, including characterising the flake size, in order to assess likely concentration characteristics.

It is anticipated that these results will be available in Q2 2022.

Similar mineralisation has been described at Ippatit and along the main Nalunaq thrust exposed on the North face of Nalunaq mountain. These will be further assessed during 2022.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

c) Exploration work - Nanoq

During the 2020 field season, AEX conducted reconnaissance mapping and sampling to support additional progression of the geological baseline at the Nanoq gold prospect at Kangerluluk fjord in South East Greenland (previously called Kangerluluk). This project was historically held by Goldcorp in 1997 who reported the project to be promising, although in a time of low gold prices. Following the positive result from AEX's sampling program, announced in February 2021, AEX have conducted a detailed structural mapping exercise across the target area in order to better understand the controls on mineralisation. This program has identified a folded system of sediments and volcanoclastics hosting at least two mineralised shears with strike extensions of between 800m to 2km. Coupled with this mapping program, additional samples have been taken on both the gold mineralised structures as well as cross cutting structures that have graded up to 3.8% Cu from samples taken in 2020.

d) Exploration work – Jokum's Shear

During the 2021 field season, exploratory mapping and sampling took place over the Jokum's Shear sub area, following up on sulphide bearing float rock identified in glacial moraines.

4.6 Saarloq

a) Property description

The Corporation has acquired the right to conduct exploration activities on approximately 818km² of land in areas of Quassugaarsuk and Sermeq Kangilleq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2020/31, referred to as Saarloq. The licence application has been approved and all required documentation was signed by the Corporation on May 15, 2020 and the licence became effective on May 28, 2020 when it was signed by the Government of Greenland. The licence originally expired December 31, 2024 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026.

b) Exploration work

In 2021, AEX conducted reconnaissance visits to the licence, based on preliminary target generation from GoldSpot.

4.7 Anoritoq

a) Property description

The Corporation has acquired the right to conduct exploration activities on approximately 1,710km² of land in the areas of Anoritoq and Kangerluluk in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2020/36, referred to as Anoritoq. The licence application has been approved and all required documentation was signed by the Corporation on June 11, 2020 and the licence became effective on June 24, 2020 when it was signed by the Government of Greenland. In October 2020, the Corporation was granted an addendum to the Anoritoq Licence, increasing the size of the licence to 1,889km² and became effective November 6, 2020 when it was signed by the Government of Greenland. The licence originally expired December 31, 2024 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave an extension of the licence period for all exploration licences by two years, therefore the licence expires December 31, 2026.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

b) Exploration work – Eagle's Nest

in 2021, the Corporation's geological team conducted reconnaissance mapping and sampling over the Eagle's Nest sub area aimed at following up on a number of >50g/t gold grab samples taken in the area historically.

The exploration was successful in identifying a number of outcropping narrow quartz veins that hold the potential for mineralisation similar to that seen at Nalunaq. These opportunities warrant further investigation through into 2022.

4.8 Sava (previously called Kangerluarsuk)

a) Property description

The Corporation acquired the right to conduct exploration activities on approximately 335km² of land in the area of Eqaluit Iluat in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2021/02, referred to as Kangerluarsuk. The licence application has been approved and all required documentation was signed by the Corporation on October 13, 2020 and the licence became effective on November 6, 2020 when it was signed by the Government of Greenland. The licence originally expired December 31, 2025 with a possible 5-year extension. In response to the COVID 19 pandemic, the Government of Greenland gave in December 2020, an extension of the licence period for all exploration licences by one year, therefore the licence expires December 31, 2026.

b) Exploration work

Data compilation work and a literature review have been carried out since the license was acquired in late 2020 and AEX considers this license to be highly prospective for Iron Oxide Copper Gold (IOCG) and/or copper porphyry style mineralization. The license is also prospective for orogenic gold mineralization and strategic minerals including Niobium and Rare Earth Elements.

Historic rock chip samples have returned grades up to 3.4% Cu, 3.7% Zn, 0.28% Mo, 382 g/t Au, 100 g/t Ag, 19.9% Nb, 1.7% U.

Pervasive magnetite and hematite-mineralized granites, breccias and regional alternation signatures are described within historic reports from the area, as are common with significant global IOCG districts. IOCG / porphyry and Iron-Oxide-Apatite (IOA) deposits are common in granitic rocks of similar age and geological setting in northern Sweden, which can broadly be considered as a geological extension of South Greenland. Possible analogue deposits include Aitik and deposits in the Kiruna area. Beryl-pegmatites have been mapped in the northern part of the license and require further investigated for their potential to host economic concentrations of beryllium and other rare metals.

Spectral remote sensing was carried out to guide geological fieldwork conducted in July 2021. Several priority targets were identified based on the remote sensing study, a structural lineament assessment and historic geochemistry data. AEX's field program concluded having assessed the highest priority targets within the license. This program saw geological mapping, grab sampling and an ionic geochemistry survey designed to assess the anomalous altered and mineralized areas. One target in particular has been identified in the north west of the license that hosts intense hydrothermal (potassic) alteration over 500 m.

In addition to this an airborne magnetic and radiometric survey has been conducted in September 2021 over the whole license with a line spacing of 100 meters. The full results from this survey are expected during November 2021.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The conclusion of the 2021 results was that three significant and coherent multi element anomalies were identified that provide important insights to the alteration, lithologies present and the style of mineralization. These targets are open and required additional investigations but appear to have the geochemical and alteration signatures akin to IOCG style mineralization. The Corporation's geological resource also suggest that these occurrences may be linked to similar deposits both in Canada and Scandinavia.

4.9 Kobberrminebugt Licence

a) Property description

The Corporation acquired the right to conduct exploration activities on approximately 220km² of land in an area of Aputaajuitsoq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2022/01, referred to as Kobberrminebugt. The licence application has been approved and all required documentation was signed by the Corporation on November 24, 2021, and the licence became effective on February 23, 2022 when it was signed by the Government of Greenland.

The area hosts numerous copper-gold showings including the small past-producing Josva copper mine, which was last worked in 1914 with reported grades up to 5% Copper, 1.5 g/t Gold and 250 g/t Silver. Copper mineralisation discovered to date is found within volcanic and sedimentary sequences as disseminated stratabound sulphides, and locally enriched into layers due to strong folding or in quartz veins and breccias. Sulphide concentrations vary from 1-50% volume depending on the style of mineralisation. Some showings can be followed for several hundred metres along strike with widths of up to several metres.

Mineralisation has been interpreted as Iron-Oxide-Copper-Gold (IOCG) style by the Geological Survey of Denmark and Greenland (GEUS). The new licence is located approximately 100 km west of AEX's Sava exploration project (formerly known as Kangerluarsuk), which is similarly targeting granite hosted IOCG mineralisation in the Julianehåb granitic batholith. AEX believes that the region is underexplored for IOCG deposits and shows many geological similarities to the IOCG province of northern Sweden, which hosts several operating mines.

b) Exploration work

Data compilation work is ongoing. One priority target was briefly visited during 2021. the Corporation's geology team have now interpreted the site to host copper skarn style mineralisation.

4.10 Additional Exploration Target Generation

Geological research is actively progressing with GoldSpot, SRK and AEX's internal team to define the resource potential within our full licence area, as we continue to develop our exploration portfolio. In addition, there is strong geological prospectivity for other strategic minerals including copper, molybdenum, graphite, platinum group elements, rare earth elements and others across the licence portfolio and the wider region. Priority targets have been visited by AEX geoscientists during the 2021 field season.

This has included several prospective targets within the Anoritoq license and in particular on the east coast in the Kangerluluk and Igutsaat fjord areas, and north of the Vagar license, close to the Saarloq shear zone.

The Corporation may apply for further licences in due course.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

5. STRATEGY AND ACTION PLAN

AEX focus is to centre its operation from Nalunaq where we can leverage the infrastructure there for our exploration of our other gold deposits and strategic mineral deposits. The Corporation focuses on bringing Nalunaq to production so in time the Corporation can be self sufficient to fund its exploration activities.

6. 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. This environmental monitoring program was completed in 2020.

In September 2020, a final payment to settle the environmental monitoring obligations attached to the Nalunaq Licence was made and no further payments are expected to be made regarding this obligation. For the year ended December 31, 2021, Nalunaq A/S incurred \$nil (\$95,102 in 2020) in environmental monitoring expenses. All incurred amounts are funded from the escrow account.

7. SELECTED ANNUAL INFORMATION

	2021	2020	2019
	\$	\$	\$
Financial Results			
Revenue	-	-	-
Exploration and evaluation expenses	14,280,055	7,055,707	3,557,662
General and administrative expenses	9,328,427	3,291,176	950,946
Net loss	24,689,239	12,339,112	5,102,106
Net loss per share, basic and diluted	0.14	0.10	0.08
Financial Position			
Cash on hand	27,324,459	61,874,999	1,515,406
Total assets	42,781,664	65,944,682	2,720,473
Total current liabilities	2,100,084	897,799	645,933
Shareholders' equity	39,968,502	64,282,970	2,074,540
Working capital	25,542,242	61,411,208	1,157,012

8. RESULTS OF OPERATIONS

2020 operating results reflect the mobilization of employees and contractors post the equity raise and AIM listing in June 2020 with the aim to deliver the Nalunaq Project by April 2022. 2021 reflect the costs associated with right-sized workforce for the above-mentioned work streams post the decision to delay the Nalunaq Project in February 2021.

The strategic shift in focus of the Corporation between Q4-20 and Q4-21 make it difficult to compare operating costs. In Q4-20 the Corporation was effectively transitioning to a development company whereas in Q4-21 the Corporation reverted back to a predominantly exploration company (see section 4.1 b).

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

8. RESULTS OF OPERATIONS (CONT'D)

8.1 Discussion on 2021

The Corporation reported a net loss of \$24,689,239 in 2021 compared to \$12,339,112 for 2020. The main variations by function are as follow:

- Exploration and evaluation expenses of \$14,280,055 (\$7,055,707 in 2020) mainly representing costs of geological work, project engineering and drilling at Nalunaq (see section Exploration and Evaluation Expenses for details).
- General and administrative costs of \$9,328,427 (\$3,291,176 in 2020).
 - Salaries and benefits of \$2,652,938 (\$348,948 in 2020), reflect a fully on-boarded organization in contrast to an organization in the process of on-boarding employees post the AIM listing. A number of executive managers transferred from contractors to payroll post Q2-20.
 - Director's fees increased from \$252,083 in 2020 to \$628,652 in 2021. The Board in 2020 consisted of six directors compared to eight in 2021. In addition to the increase in the number of directors the Corporation also changed the composition of the committees, resulting in increased cost.
 - Professional fees of \$2,382,916 (\$1,077,541 in 2020). Professional fees increased with the cost and schedule peer review conducted by Ausenco on the Nalunaq Project. These costs also include the recruitment fees for the new employees and directors, highlighted in section above.
 - Investor Relations and Communication of \$791,722 (\$466,465 in 2020). The increase in costs in 2021 relates to the establishment of a larger investor relations function, recruitment of a full-time employee, the retention of communication services and website improvement.
 - Insurance of \$571,364 (\$218,355 in 2020). The 2021 increase relates to the increase in insurance for procured equipment that has been delivered to site or kept in storage as well as a market related increase in Directors' and Officers' insurance.
 - Travel and other expenses of \$1,884,189 (\$140,135 in 2020) relates to the 2021 work program and getting people to and from the Nalunaq site in contrast to 2020 where the Corporation was mobilizing for the construction of Nalunaq in early 2021. Other expenses include the purchase cost of computer hardware as well as rent costs associated with the establishment of the project office in Montreal, executive recruitment costs and engineering costs relating to the internal feasibility study.
 - Regulatory fees increased to \$326,464 (\$132,315 in 2020) with the Corporation's dual-listing on AIM in July 2020 and the hiring of an additional corporate broker in Panmure Gordon in August 2021.
- Stock-based compensation of \$374,771 (\$1,031,650 in 2020) was estimated using the Black-Scholes model. In 2021, the Corporation granted 900,000 options to the CFO and 200,000 options to other employees for a total of 1,100,000 options (2,195,000 options to its directors, officers and consultants in 2020) for costs amount of \$374,771 (\$1,031,650 in 2020) based on an average estimated fair value of \$0.38 (\$0.47 in 2020) per option. The stock options vested 100% at the grant date except for the 200,000 2021 options which are vested over a 3-year period.
- Foreign exchange loss of \$809,751 (\$1,130,808 in 2020) relates to cash balances and deposit on order held in EUR and GBP that depreciated against the Canadian Dollar.

On January 17, 2022, the Corporation granted to its directors, officers, employees and consultant 4,100,000 stock options exercisable at an exercise price of \$0.60, with an expiry date of January 17, 2027. The stock options vested 100% at the grant date. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant. Total stock-based compensation costs amount to \$1,435,000 for an estimated fair value of \$0.35 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 69.38% expected volatility, 1.51% risk-free interest rate and 5 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable companies to the Corporation.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

8. RESULTS OF OPERATIONS (CONT'D)

8.2 Discussion on Q4-21

The Corporation reported a net loss of \$9,814,256 in Q4-21 compared to \$4,321,051 for Q4-20. The main variations by function are as follow:

- Exploration and evaluation expenses of \$6,838,840 (\$2,622,916 in Q4-20) mainly representing costs of geological work, project engineering and drilling at Nalunaq (see section Exploration and Evaluation Expenses' for details).
- General and administrative costs of \$2,627,040 (\$1,304,804 in Q4-20).
 - Salaries and benefits of \$897,791 (\$284,116 in Q4-20), reflect a fully on-boarded organization in contrast to an organization in the process of on-boarding employees post the AIM listing.
 - Director's fees increased from \$116,250 in Q4-20 to \$157,000 in Q4-21. The Board in Q4-20 consisted of six directors compared to eight in Q4-21. In addition to the increase in the number of directors the Corporation also changed the composition of the committees, resulting in increased cost.
 - Professional fees of \$404,079 (\$440,540 in Q4-20). Professional fees in Q4-21 were partly composed of the cost and schedule peer review conducted by Ausenco on the Nalunaq Project. In Q4-20, the professional fees consisted of the cost related to the development of projects and consulting fees incurred during the period to, among other things, assess the Corporation's optimal organizational structure and obtain tax and accounting advice.
 - Investor Relations and Communication of \$214,768 (\$167,440 in Q4-20). The increase in costs in Q4-21 relates to the establishment of a larger investor relations function and the retention of communication services.
 - Insurance of \$135,585 (\$145,831 in Q4-20). The Q4-20 increase was mainly due to the increase in insurance limits as well as the cost of an additional insurance policy taken out in this quarter.
 - Travel and other expenses of \$733,826 (\$78,649 in Q4-20) relates to the 2021 work program and getting people to and from the Nalunaq site in contrast to Q4-20 where the Corporation was mobilizing for the construction of Nalunaq in early 2021. Other expenses include the purchase cost of computer hardware as well as engineering costs relating to the internal feasibility study.
- Foreign exchange loss of \$348,046 (\$434,798 in Q4-20) is mainly explained by the effects of exchange rate changes on EUR (US\$ in Q4-20) cash and deposit on order that depreciated against the Canadian Dollar.

9. SELECTED QUARTERLY INFORMATION

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

	Q4-21	Q3-21	Q2-21	Q1-21
	\$	\$	\$	\$
Revenue	-	-	-	-
Exploration and evaluation expenses	6,838,840	4,196,019	1,998,049	1,247,147
General and administrative expenses	2,627,040	3,022,738	2,093,578	1,585,071
Net loss	9,814,256	7,008,968	4,576,963	3,289,052
Net loss per share, basic and diluted	0.05	0.04	0.03	0.02
Cash on hand	27,324,459	37,852,228	49,593,636	55,012,910
Total assets	42,781,664	54,307,568	58,772,695	62,868,344
Total current liabilities	2,100,084	3,809,088	1,248,048	1,109,749
Shareholders' equity	39,968,502	49,767,987	56,776,955	60,993,918
Working capital	25,542,242	34,500,785	48,500,792	54,318,593

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

9. SELECTED QUARTERLY INFORMATION (CONT'D)

	Q4-20	Q3-20	Q2-20	Q1-20
	\$	\$	\$	\$
Revenue	-	-	-	-
Exploration and evaluation expenses	2,622,916	2,908,340	912,676	611,775
General and administrative expenses	1,304,804	1,104,822	498,639	382,911
Net loss	4,321,051	4,609,492	2,442,132	966,437
Net loss per share, basic and diluted	0.03	0.03	0.03	0.01
Cash on hand	61,874,999	68,742,384	4,441,089	4,366,773
Total assets	65,944,682	70,444,243	6,547,834	6,032,341
Total current liabilities	897,799	1,840,222	1,682,113	1,144,438
Shareholders' equity	64,282,970	68,604,021	4,865,721	4,887,903
Working capital	61,411,208	67,475,882	2,978,497	3,459,290

Highlights for each quarter are as follows.

9.1 Q4-21

- The Corporation bought field equipment and infrastructure for \$1,983,718 and vehicles and rolling stock for \$4,195,205 for the Q4-21. The Corporation added \$1,485,101 of construction in progress costs for Q4-21.
- The Corporation completed its work exploration program. Most of the exploration and evaluation work was performed on the Nalunaq Property for \$5,927,878. The largest expenses were drilling, project engineering costs and geology.
- The social impact assessment project is largely in its final form and the Nalunaq engineering study progressed during Q4-21.
- On September 13, 2021, the Corporation granted options to its employee for a stock-based compensation of \$29,000.

9.2 Q3-21

- The Corporation added \$5,368,507 of construction in progress costs for Q3-21.
- The majority of exploration and evaluation work was performed on the Nalunaq Property for \$3,209,447. The Corporation executed its field work exploration and evaluation programme and the largest expenses were geology, drilling and helicopter charter.
- The environmental impact study, the social impact study as well as the Nalunaq engineering study progressed well during Q3-21.
- On July 5, 2021, the Corporation granted options to its employee for a stock-based compensation of \$29,000.

9.3 Q2-21

- The Corporation added \$1,489,439 of construction in progress costs for Q2-21.
- On June 9, 2021, the Corporation granted options to the CFO for a stock-based compensation of \$360,000.
- Exploration and evaluation expenses were incurred for a sum of \$1,834,170 and are composed primarily of project engineering costs, geology and drilling expenses on Nalunaq property.
- A third-party engineering study to advance engineering on the process plant and surface infrastructure to optimize the overall design and de-risk the project schedule commenced in Q2-21.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

9. SELECTED QUARTERLY INFORMATION (CONT'D)

9.4 Q1-21

- The Corporation added \$594,722 of construction in progress costs for Q1-21.
- Exploration and evaluation expenses were incurred for a sum of \$1,186,408 and are composed primarily of project engineering costs, geology and analysis expenses on Nalunaq property.
- Peer review of the current Nalunaq project conducted by Ausenco Engineering Canada Inc during Q1-21 identified scope for project capital cost optimization and de-risking.

9.5 Q4-20

- The Corporation bought property and equipment for \$57,440 for the Q4-20. The Corporation bought field equipment for the exploration and evaluation purpose work.
- In October 2020, the Corporation started the lease for its office for five years and five months and has the option to renew the lease for an additional five-year period. A right-of-use asset of \$841,080 and an equivalent long term lease liability was recorded as of October 1, 2020, with a 5% incremental borrowing rate and considering that the renewal option would be exercised.
- The Corporation completed its work exploration program. Most of the exploration and evaluation work was performed on the Nalunaq Property for \$2,622,916. The largest expenses were maintenance infrastructure, geology and transport.

9.6 Q3-20

- The Corporation acquired the right to conduct exploration activities on approximately 335km² of land in the area of Eqluit Iluat in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence Kangerluarsuk. The licence became effective on November 6, 2020 when it was signed by the Government of Greenland.
- The Corporation bought property and equipment for \$47,558. The Corporation bought vehicles and rolling stock and equipment for the exploration and evaluation purpose work.
- During Q3-20, the Corporation completed the admission of its entire issued share capital to trading on the AIM market and trading commenced on AIM on July 31, 2020 under the ticker AEXG.
- On July 31, 2020, the Corporation completed the fundraising by issuing 94,444,445 common shares at a price of \$0.77 per share for subscription made in Canadian dollars and GBP 0.45 per share for subscriptions made in British pounds sterling, for gross proceeds to the Corporation of \$74,550,202. The Corporation incurred total issuance costs of \$6,312,546 in relation to this process.
- On September 11, 2020, Nalunaq A/S incurred \$95,102 in environmental monitoring expenses. All incurred amounts were funded from the escrow account. This environmental monitoring program is now complete, and no further payments are expected to be made regarding this obligation.
- The majority of exploration and evaluation work was performed on the Nalunaq Property for \$2,908,340. The Corporation executed its field work exploration and evaluation programme and the largest expenses were geology, maintenance infrastructure and transport.

9.7 Q2-20

- The Corporation acquired the right to conduct exploration activities on approximately 818km² of land in an area of Quassugaarsuk and Sermeq Kangilleq in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence Saarloq. The licence became effective on May 28, 2020 when it was signed by the Government of Greenland.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

9. SELECTED QUARTERLY INFORMATION (CONT'D)

- The Corporation acquired the right to conduct exploration activities on approximately 1,710km² of land in the areas of Anoritoq and Kangerluluk in South Greenland. The exploration rights have been granted to the Corporation under a new separate Exploration Licence Anoritoq. The licence became effective on June 24, 2020 when it was signed by the Government of Greenland. On November 6, 2020, the Corporation was granted an addendum to the Anoritoq Licence, increasing the size of the licence to 1,889km².
- In Q2-20, 2,988,070 warrants were exercised at an exercise price per warrant of between \$0.45 and \$0.50, for total gross proceeds of \$1,350,300.
- On June 17, 2020, the Corporation granted options to its directors, officers and consultants for a stock-based compensation of \$1,031,650.
- Exploration and evaluation expenses were incurred for a sum of \$912,676 and are composed primarily of geological expenses, maintenance infrastructure and logistic support on Nalunaq property.

9.8 Q1-20

- On March 5, 2020, 8,399,556 warrants were exercised at \$0.45 for total gross proceeds of \$3,779,800.
- Exploration and evaluation expenses were incurred for a sum of \$611,775 and are composed primarily of geological expenses on Nalunaq property.

10. LIQUIDITY AND CAPITAL RESOURCES

The Corporation has a working capital of \$25,542,242 as of December 31, 2021 (\$61,411,208 as of December 31, 2020). No financing was completed in 2021 and \$11,875,926 of cash was invested in capital assets, net of deposit on order, during 2021.

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 including the unspent amount on the exploration licences and pay general and administration costs.

As of December 31, 2021, the Corporation has seven exploration licences, Tartoq, Naalagaaffiup Portornga, Vagar, Nuna Nutaaq, Saarloq, Anoritoq and Sava (previously called Kangerluarsuk). The total amount of future exploration obligations as at December 31, 2021 for these seven licences is DKK 514,901 (\$99,702 using the exchange rate as at December 31, 2021). The details of the exploration commitments are described in note 6 to the 2021 Financial Statements.

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.

11. OFF BALANCE SHEET ARRANGEMENTS

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

12. SUBSEQUENT EVENT

See section 8.1 for details on subsequent events.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

13. TRANSACTIONS BETWEEN RELATED PARTIES

Following are additional information on related party transactions in 2021:

In the normal course of operations:

- A company controlled by George Fowlie, (director from April 28, 2017 to August 26, 2021, chair of the audit committee from November 13, 2019 to January 20, 2020 and chief financial officer from December 16, 2019 to January 25, 2021) invoiced \$64,162 (\$165,833 in 2020) as Corporate Development Director and chief financial officer compensation;
- A company controlled by Eldur Olafsson (director and president and CEO) invoiced \$nil (\$305,462 in 2020) as president and CEO compensation;
- A firm in which Georgia Quenby (director until June 9, 2021) is a partner charged legal professional fees for \$9,934 (\$168,309 in 2020);
- A company controlled by Martin Ménard (Chief Operating Officer, from July 9, 2019 to June 30, 2021) charged engineering professional fees of \$nil (\$261,292 in 2020) as his compensation and \$12,240 (\$765,235 in 2020) for his staff. The Chief Operating Officer is the son of Robert Ménard, director until April 27, 2021;
- Nicolas and Catherine Ménard and Samuel Martel, engineering consultants, (the son, the daughter and the son-in-law of Robert Ménard, director until April 27, 2021 and the brother, the sister and brother-in-law of Martin Ménard, Chief Operating Officer until June 30, 2021) were paid \$324,799 (\$464,896 in 2020);
- FBC BA invoiced \$nil (\$161,925 in 2020) for Joan Plant (Corporate Secretary) for her compensation;
- As of December 31, 2021, the balance due to those related parties amounted to \$173,254 (\$150,829 as of December 31, 2020).

Outside of the normal course of operations:

- Directors and officers of the Corporation participated in the July 31, 2020 fundraising for \$906,737 (\$nil in 2021). The directors and officers subscribed to the fundraising in 2020 under the same terms and conditions set forth all subscribers.

14. 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 2021 Financial Statements.

15. CHANGES IN ACCOUNTING POLICIES

The most relevant standards, amendments and interpretations issued up to the date of the issuance of the 2021 Financial Statements are listed at note 3 of these.

16. FINANCIAL INSTRUMENTS

Financial instruments are described in notes 2.14 and 21 to the Financial Statements.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

17. CONTRACTUAL COMMITMENTS AND OBLIGATIONS

The Corporation has seven exploration licences in Greenland, Tartoq, Naalagaaffiup Portornga, Vagar, Nuna Nutaaq, Saarloq, Anoritoq and Sava, (previously called Kangerluarsuk) and one exploitation licence, Nalunaq. The total amount of future exploration obligations as at December 31, 2021 for the seven exploration licences is DKK 514,901 (\$99,702 using the exchange rate as at December 31, 2021). For the purpose of crediting expenditures against the amounts set forth in these licences, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. If these obligations are not met, certain measures may be taken by the licence holder to rectify the situation, including reducing the area of the licence proportionately to the spending shortfall or rolling over the exploration commitment to the next period subject to approval from the MLSA. Nalunaq A/S submitted its statements of expenses for these exploration licences for the 2021 year to the MLSA by April 1, 2022.

The details of the exploration commitments are described in note 6 to the 2021 Financial Statements.

The Corporation has presently only one lease for its office. In October 2020, the Corporation started the lease for five years and five months including five free rent months during this period. The monthly rent is \$8,825 until March 2024 and \$9,070 for the balance of the lease. The Corporation has the option to renew the lease for an additional five-year period at \$9,070 monthly rent indexed annually to the increase of the consumer price index of the previous year for the Montreal area. The total amount of lease liabilities as at December 31, 2021 is \$763,913.

18. OUTSTANDING SHARES DATA

	April 28, 2022	December 31, 2021
	Number	Number
Capital stock	177,098,737	177,098,737
Stocks options	11,035,000	6,935,000
Warrants	-	-
Fully diluted	188,133,737	184,033,737

19. STOCK OPTION PLAN

The purpose of the Option Plan (the "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 Plan was approved initially in 2017 and renewed by shareholders on June 9, 2021. The Plan is a "rolling" plan whereby a maximum of 10% of the issued shares at the time of the grant are reserved for issue under the Plan to executive officers and directors, employees and consultants. The Board of directors attributes the stock options, and the exercise price of the options shall not be less than the closing price on the last trading day preceding the grant date. The options have a maximum term of ten years. Options granted pursuant to the Plan shall vest and become exercisable at such time or times as may be determined by the Board, except options granted to consultants providing investor relations activities shall vest in stages over a 12 month period with a maximum of one-quarter of the options vesting in any three-month period. The Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

20. 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.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

The mining and mineral exploration industry is risky in nature as companies have to deal with various local and global risks associated with, but not limited to: environmental and social, political, regulatory, health and safety, logistical, financial, and operational. The major risks facing the Corporation are detailed in the section below.

20.1 Environmental and Social

The Corporation's operations are subject to environmental and social regulations as a result of increased societal and local communities' pressure in the jurisdictions in which it operates. Environmental and social 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 and social regulations, if any, will not adversely affect the Corporation's operations. The Corporation recognizes the importance of social and environment responsibility, close co-operation and building long-lasting partnership with the host communities. Therefore, the Corporation has adopted a Greenlandic procurement policy to encourage the host community suppliers participating in local operations and contributing to the economy of Greenlandic society. The Corporation is committed to maintaining high standards of environmental stewardship and incorporating environmental protection as part of its strategy and decision-making process. AEX recognizes that appropriate environmental management is essential to the proper conduct of its mining operations and activities. Accordingly, our goal is to minimize the environmental impacts of our projects and activities..

20.2 Regulatory

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 conditions 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.

20.3 Political

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.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

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.

20.4 Dependence on key individuals

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.

Additionally, 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.

20.5 Difficulty attracting and retaining qualified staff

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, develop 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, through the development of comprehensive multi-year talent management and succession planning measures to ensure continuity and minimum interruptions to the operations of the Corporation there can be no assurance of such success.

20.6 Dependence on third party services

The Corporation will rely on products and services provided by third parties. If there is any interruption to the products or services provided by such third parties, the Corporation may be unable to find adequate replacement services on a timely basis or at all.

The Corporation is unable to predict the risk of insolvency or other managerial failure by any of the contractors or other service providers currently or in the future used by the Corporation in its activities. COVID and recent war conflicts, sanctions have demonstrated that heavy reliance on global supply chain and logistics is a risk as well. One very effective way of mitigating that risk is to balance it out where possible with procuring locally and reducing the logistical routes crossing continents. There is increased risk of global supply chain disruptions, prolonged logistical delays due to overall global unrest and conflicts.

Any of the foregoing may have a material adverse effect on the results of operations or the financial condition of the Corporation. In addition, the termination of these arrangements, if not replaced on similar terms, could have a material adverse effect on the results of operations or the financial condition of the Corporation.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

20.7 External contractors and sub-contractors

When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as mining and drilling contractors, assay laboratories, metallurgical test work facilities and other providers of engineering, project management and mineral processing services.

As a result, the Corporation may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and the Corporation may find this more challenging given its Greenlandic operations with most third-party service providers located in other countries. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Corporation's business, results of operations, financial condition and prospects.

20.8 Access to Properties and renewal of licences

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 Properties as permitted or being unable to enforce its rights with respect to its 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.

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.

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, 2023, 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.

In response to COVID 19 pandemic, the Government of Greenland approved a proposal (i) adjusting required exploration expenses in years 2020 and 2021 for all mineral exploration licences to zero (0 DKK), (ii) postponing of the transferred unfulfilled exploration obligations by two years, and (iii) extending of the licence period for all mineral exploration licences by two years.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

20.9 Exploration

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.

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.

20.10 Development risks and substantial funding requirements to assess commercial mineral deposits

There can be no assurance that the Corporation will be able to manage effectively the expansion of its operations or that the Corporation's personnel, systems, procedures and controls will be adequate to support the Corporation's operations. In particular, although certain of the Directors and Senior Management have experience of bringing mineral assets into production, the Corporation itself does not and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with service providers that can provide such expertise. The Group's ability to commence, maintain or increase its annual production of ore in the future will be dependent in significant part on its ability to bring the Properties into production. Any failure of the Board to manage effectively the Corporation's growth and development could have a material adverse effect on its business, financial conditions and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated. The Corporation's profitability will depend, in part, on the actual economic returns and the actual costs of developing the Properties, which may differ significantly from the Corporation's current estimates. The development of the Properties may be subject to unexpected problems and delays.

For example, on November 12th, 2020 and following a site visit by geotechnical experts, Golder, a recognized third-party engineering company, submitted its report following the investigation of the underground tailings bulkhead. The result of the report was that measurements indicated that the length of the concrete bulkhead is likely smaller than what would be expected to withstand the current tailings bearing pressure at an acceptable safety factor. The result of this assessment produced a response by the Corporation to review its mining plan and prevent mine development in the existing underground workings due to health and safety hazards until finding a solution to mitigate and solve the problem. The Corporation worked with geotechnical experts and its selected underground mining contractor to finalize the proper scheme to de-risk access in the existing underground workings.

The Corporation requires substantial funds to determine whether commercial mineral deposits exist on its Properties beyond the Inferred Mineral Resource. Any potential development and production of the Corporation's Properties depends upon the results of exploration programmes and/or feasibility studies and the recommendations of duly qualified engineers and geologists. Such programmes require substantial additional funds. Any decision to further expand the Corporation's operations on these Properties is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

- 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

20.11 Resource Estimate

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.

20.12 Market Conditions

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.

Additionally, the Corporation is exposed to foreign exchange fluctuations as its undertakings are in Greenland, and is serviced through a web of international service providers in various currencies. 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.

Another important market condition to consider in the ability of the Corporation to undertake activities on its Properties is dependent the current COVID-19 pandemic being resolved. AEX’s key individuals and strategic advisors are not all Greenlandic citizens, and as such, cannot be dispatched to site as straightforwardly as before given the various global travel bans and restrictions, including in Greenland. Additionally, the supply and demand equilibrium point has been impacted by COVID, as can be observed through various indexes for goods and services.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

COVID-19

As a result of the Coronavirus outbreak, there are currently travel restrictions in place in many countries with many land borders closed and suspension of flights. These restrictions may have an immediate impact on the operations of the Corporation in terms of access to resources and supplies from neighbouring countries, access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of Coronavirus has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics and has also resulted with a number of companies across the globe being essentially shut down for an extended period of time. The impact of this is that the Corporation will have to ensure that its future plans include an appropriate amount of contingency planning for the current Coronavirus and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable despite the period of lock down. As such, costs could escalate from the level originally anticipated. While the Corporation will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus will not have an adverse effect on the future operations of the Corporation's projects in Greenland or an investment in the Corporation.

20.13 Insurance Risks

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

- unexpected or unusual geological operating conditions;
- rock bursts, cave-ins, ground, slope and bulkhead 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.

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.

20.14 Information Systems Security Threats

The Corporation's operations depend upon information technology systems which may be subject to disruption, damage, or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks, and defects in design.

AEX Gold Inc.

Management Discussion & Analysis

For the year ended December 31, 2021

20. RISK FACTORS (CONT'D)

Although to date the Corporation has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Corporation will not incur such losses in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

21. 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.

22. 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 and the receipt of necessary authorizations from securities regulatory authorities. 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, the factors discussed under "Risk Factors" in Section 20. 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 28, 2022

(s) "Eldur Ólafsson"

Eldur Ólafsson
President, CEO and Director

(s) "Jaco Crouse"

Jaco Crouse
CFO