



AEX Gold Inc.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022

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

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

	Notes	As at March 31, 2022 \$	As at December 31, 2021 \$
ASSETS			
Current assets			
Cash		23,823,441	27,324,459
Sales tax receivable		36,054	51,250
Prepaid expenses and others		159,633	266,617
Total current assets		24,019,128	27,642,326
Non-current assets			
Deposit		27,944	9,805
Escrow account for environmental monitoring		409,727	424,637
Mineral properties	3	62,244	62,244
Capital assets	4	14,676,426	14,642,652
Total non-current assets		15,176,341	15,139,338
TOTAL ASSETS		39,195,469	42,781,664
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		1,137,933	2,049,249
Lease liabilities – current portion	5	69,170	50,835
Total current liabilities		1,207,103	2,100,084
Non-current liabilities			
Lease liabilities	5	711,500	713,078
Total non-current liabilities		711,500	713,078
Total liabilities		1,918,603	2,813,162
Equity			
Capital stock		88,500,205	88,500,205
Contributed surplus		4,744,585	3,300,723
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(55,931,152)	(51,795,654)
Total equity		37,276,866	39,968,502
TOTAL LIABILITIES AND EQUITY		39,195,469	42,781,664

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

AEX Gold Inc.
Consolidated Statements of Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Notes	Three months ended March 31,	
		2022	2021
		\$	\$
Expenses			
Exploration and evaluation expenses	7	1,010,330	1,247,147
General and administrative	8	2,988,769	1,585,071
Foreign exchange loss		147,188	490,599
Operating loss		4,146,287	3,322,817
Other expenses (income)			
Interest income		(20,325)	(44,070)
Finance costs		9,536	10,305
Net loss and comprehensive loss		(4,135,498)	(3,289,052)

Weighted average number of common shares outstanding - basic and diluted	177,098,737	177,098,737
Basic and diluted loss per common share	(0.02)	(0.02)

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

AEX Gold Inc.**Consolidated Statements of Changes in Equity**

(Unaudited, in Canadian Dollars)

	Number of common shares outstanding	Capital Stock	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total Equity
		\$	\$	\$	\$	\$
Balance at January 1, 2021	177,098,737	88,500,205	2,925,952	(36,772)	(27,106,415)	64,282,970
Net loss and comprehensive loss	-	-	-	-	(3,289,052)	(3,289,052)
Balance at March 31, 2021	177,098,737	88,500,205	2,925,952	(36,772)	(30,395,467)	60,993,918
Balance at January 1, 2022	177,098,737	88,500,205	3,300,723	(36,772)	(51,795,654)	39,968,502
Net loss and comprehensive loss	-	-	-	-	(4,135,498)	(4,135,498)
Stock-based compensation	-	-	1,443,862	-	-	1,443,862
Balance at March 31, 2022	177,098,737	88,500,205	4,744,585	(36,772)	(55,931,152)	37,276,866

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

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

	Notes	Three months ended March 31,	
		2022	2021
		\$	\$
Operating activities			
Net loss for the period		(4,135,498)	(3,289,052)
Adjustments for:			
Depreciation	4	203,970	71,862
Stock-based compensation		1,443,862	-
Other expenses (income)		9,048	-
Foreign exchange loss		145,361	504,799
		(2,333,257)	(2,712,391)
Changes in non-cash working capital items:			
Sales tax receivable		15,196	(5,004)
Prepaid expenses and others		106,984	23,580
Trade and other payables		(905,619)	96,077
		(783,439)	114,653
Cash flow used in operating activities		(3,116,696)	(2,597,738)
Investing activities			
Acquisition of capital assets	4	(247,834)	(594,722)
Deposit on order		-	(3,306,586)
Cash flow used in investing activities		(247,834)	(3,901,308)
Financing activities			
Principal repayment – lease liabilities	5	(5,550)	(16,168)
Cash flow from financing activities		(5,550)	(16,168)
Net change in cash before effects of exchange rate changes on cash during the period		(3,370,080)	(6,515,214)
Effects of exchange rate changes on cash		(130,938)	(346,875)
Net change in cash during the period		(3,501,018)	(6,862,089)
Cash, beginning of period		27,324,459	61,874,999
Cash, end of period		23,823,441	55,012,910
Supplemental cash flow information			
Interest received		20,325	44,070
Additions in capital assets included in trade and other payables		48,290	-

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

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION

AEX Gold Inc. (the “Corporation”) 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. The Corporation’s financial year ends on December 31. Since July 2017, the Corporation’s shares are listed on the TSX Venture Exchange (the “TSX-V”) under the AEX ticker and since July 2020, the Corporation’s shares are also listed on the AIM market of the London Stock Exchange (“AIM”) under the AEXG ticker.

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022 (“Financial Statements”) were approved by the Board of Directors on May 29, 2022.

1.1 Basis of presentation

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

The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year ended December 31, 2021.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation’s audited annual financial statements for the year ended December 31, 2021. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES

	As at December 31, 2021	Additions	As at March 31, 2022
	\$	\$	\$
Nalunaq	1	-	1
Tartoq	18,431	-	18,431
Vagar	11,103	-	11,103
Naalagaaffiup Portornga	6,334	-	6,334
Nuna Nutaaq	6,076	-	6,076
Saarloq	7,348	-	7,348
Anoritooq	6,389	-	6,389
Sava (previously called Kangerluarsuk)	6,562	-	6,562
Total mineral properties	62,244	-	62,244

	As at December 31, 2020	Additions	As at December 31, 2021
	\$	\$	\$
Nalunaq	1	-	1
Tartoq	18,431	-	18,431
Vagar	11,103	-	11,103
Naalagaaffiup Portornga	6,334	-	6,334
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Saarloq	7,348	-	7,348
Anoritooq	6,389	-	6,389
Sava (previously called Kangerluarsuk)	6,562	-	6,562
Total mineral properties	62,244	-	62,244

4. CAPITAL ASSETS

	Field equipment and infrastruc- ture \$	Vehicles and rolling stock \$	Equipment (including software) \$	Construc- tion In Progress \$	Right-of- use assets \$	Total \$
Three months ended March 31, 2022						
Opening net book value	1,989,114	4,304,709	156,011	7,452,668	740,150	14,642,652
Additions	-	-	173,207	69,417	-	242,624
Adjustment	-	-	-	-	(4,880)	(4,880)
Depreciation	(64,592)	(109,614)	(9,987)	-	(19,777)	(203,970)
Closing net book value	1,924,522	4,195,095	319,231	7,522,085	715,493	14,676,426
As at March 31, 2022						
Cost	2,351,041	4,605,320	359,085	7,522,085	836,200	15,673,731
Accumulated depreciation	(426,519)	(410,225)	(39,854)	-	(120,707)	(997,305)
Closing net book value	1,924,522	4,195,095	319,231	7,522,085	715,493	14,676,426

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, in Canadian Dollars)

4. CAPITAL ASSETS (CONT'D)

Depreciation of capital assets related to exploration and evaluation properties is being recorded in exploration and evaluation expenses in the consolidated statement of comprehensive loss, under depreciation. Depreciation of \$181,833 (\$49,316 for the three months ended March 31, 2021) was expensed as exploration and evaluation expenses during the three months ended March 31, 2022.

As at March 31, 2022, the Corporation had capital asset purchase commitments, net of deposit on order, of \$nil (\$6,597,326 as at March 31, 2021). These commitments related to purchases of equipment, infrastructure and vehicles.

As of March 31, 2022, the amount of \$7,522,085 of construction in progress is related to equipment and infrastructure received or in storage and which will be installed at the appropriate time. Equipment and infrastructure include process plant components that are not yet available for use.

5. LEASE LIABILITIES

	As at March 31 2022
	\$
Balance beginning	763,913
Principal repayment	(5,550)
Adjustment	22,307
Balance ending	780,670
Non-current portion – lease liabilities	(711,500)
Current portion – lease liabilities	69,170

6. STOCK OPTIONS

An incentive stock option 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, directors, employees and consultants. The Board of directors grants 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.

On January 17, 2022, the Corporation granted to its officers, employees and consultant 4,100,000 stock options with an exercise price of \$0.60 and expiry date of January 17, 2027. The stock options vested 100% at the grant date. The options were granted at an exercise price equal to the closing market price of the shares the day prior to 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 a 5 year term. The expected life and expected volatility were estimated by benchmarking comparable companies to the Corporation.

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, in Canadian Dollars)

6. STOCK OPTIONS (CONT'D)

Changes in stock options are as follows:

	Three months ended March 31, 2022	
	Number of options	Weighted average exercise price
Balance, beginning	6,935,000	\$ 0.51
Granted	4,100,000	0.60
Expired	-	-
Balance, end	11,035,000	0.55
Balance, end exercisable	10,901,666	0.55

Stock options outstanding and exercisable as at March 31, 2022 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
1,160,000	1,160,000	0.50	July 13, 2022
1,360,000	1,360,000	0.45	August 22, 2023
1,820,000	1,820,000	0.38	December 31, 2025
100,000	33,333	0.50	July 5, 2026
100,000	33,333	0.50	September 13, 2026
1,495,000	1,495,000	0.70	December 31, 2026
4,100,000	4,100,000	0.60	January 17, 2027
900,000	900,000	0.59	December 31, 2027
11,035,000	10,901,666		

7. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2022	2021
	\$	\$
Geology	154,421	143,538
Drilling	40,462	-
Analysis	141,382	79,219
Transport	89,139	957
Logistic support	11,752	21,202
Insurance	13,200	8,663
Maintenance infrastructure	370,247	-
Project Engineering costs	-	931,866
Government fees	7,894	12,386
Depreciation	181,833	49,316
Exploration and evaluation expenses	1,010,330	1,247,147

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2022 and 2021

(Unaudited, in Canadian Dollars)

8. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2022	2021
	\$	\$
Salaries and benefits	639,999	387,508
Stock-based compensation	1,443,862	-
Director's fees	157,000	119,500
Professional fees	275,708	556,355
Marketing and investor relations	168,867	165,723
Insurance	101,019	117,965
Travel and other expenses	145,913	130,209
Regulatory fees	34,264	85,265
Depreciation	22,137	22,546
General and administration	2,988,769	1,585,071

9. SUBSEQUENT EVENTS

9.1 Options granted

On April 20, 2022, the Corporation granted a senior employee 73,333 stock options with an exercise price of \$0.75 and expiry date of April 20, 2027. The stock options vested 100% at the grant date. The options were granted with an exercise price equal to the closing market price of the shares the day prior to the grant.

9.2 Acquisition of Significant Strategic Mineral Land Package in South Greenland

On May 12, 2022, the Corporation announced that it has acquired mineral exploration licences No. 2020-41 and 2021-11 (the "Licences") covering areas in South Greenland from Orano Group ("Orano") for zero upfront consideration but in exchange for a 0.5% contractual, gross revenue royalty (GRR), based on potential future sales of minerals exploited on the licences. The GRR is paid annually and capped at US\$10 million ("Royalties Cap"). The Royalties Cap is subject to an annual inflation adjustment, with an ultimate cap limited to the current market capitalisation of the Corporation. Orano has a right of first refusal on any sales or transfer of licenses. The acquisition is subject to approval from the Greenland Government.