



Alopex Gold Inc.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended September 30, 2017

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

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

	Notes	As at September 30, 2017 \$	As at December 31, 2016 \$
ASSETS			
Current assets			
Cash		2,506,265	137,322
Escrow account for environmental monitoring		136,813	141,433
Sales tax receivable		128,881	-
Prepaid expenses and others	3	58,559	-
Total current assets		2,830,518	278,755
Non-current assets			
Non-current portion – escrow account for environmental monitoring		493,795	475,780
Mineral properties	3	18,432	17,618
Property and equipment	4	176,118	-
Total non-current assets		688,345	493,398
TOTAL ASSETS		3,518,863	772,153
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		627,608	156,464
Payables and loans to shareholders	5	42,955	167,266
Current portion – environmental monitoring provision		136,813	137,075
Total current liabilities		807,376	460,805
Non-current liabilities			
Environmental monitoring provision		132,139	123,409
Total non-current liabilities		132,139	123,409
Total liabilities		939,515	584,214
Equity			
Capital stock		6,694,291	1,088,160
Warrants	8	273,889	-
Contributed surplus		510,839	224,562
Accumulated other comprehensive income		(36,772)	27,145
Deficit		(4,862,899)	(1,151,928)
Total equity		2,579,348	187,939
TOTAL LIABILITIES AND EQUITY		3,518,863	772,153
Going concern	1		

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

Alopex Gold Inc.
Consolidated Statements of Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
Expenses					
Exploration and evaluation expenses	10	2,216,823	595,762	2,357,596	660,710
General and administrative	11	978,202	109,442	1,390,336	326,546
Foreign exchange		(15,321)	(5,032)	(45,430)	(4,439)
Operating loss		3,179,704	700,172	3,702,502	982,817
Other expenses					
Finance costs		2,918	2,507	8,469	7,489
Loss before income tax recovery		(3,182,622)	(702,679)	(3,710,971)	(990,306)
Deferred income tax recovery		-	11,619	-	97,908
Net loss for the period		(3,182,622)	(691,060)	(3,710,971)	(892,398)

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

Exchange rate differences on translation from functional to presentation currency		-	(7,023)	(2,823)	(15,867)
Other comprehensive loss		-	(7,023)	(2,823)	(15,867)
Comprehensive loss		(3,182,622)	(698,083)	(3,713,794)	(908,265)

Weighted average number of common shares outstanding - basic and diluted		47,819,565	17,828,935	40,728,398	17,828,935
Basic and diluted loss per common share		(0.07)	(0.04)	(0.09)	(0.05)

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

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

	Notes	Common Shares Number	Capital Stock	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity (deficiency)
Balance at January 1, 2016	1.1	17,828,935	\$ 100,901	\$ -	\$ 236,953	\$ (242)	\$ (8,504)	\$ 329,108
Net loss		-	-	-	-	-	(892,398)	(892,398)
Other comprehensive loss		-	(1,703)	-	(4,002)	(10,162)	-	(15,867)
Comprehensive loss								(579,157)
Share-based payments		-	-	-	158	-	-	158
Balance at September 30, 2016		17,828,935	99,198	-	233,109	(10,404)	(900,902)	(578,999)
Balance at January 1, 2017	1.1	35,657,869	1,088,160	-	224,562	27,145	(1,151,928)	187,939
Net loss		-	-	-	-	-	(3,710,971)	(3,710,971)
Other comprehensive loss		-	50,756	-	10,338	(63,917)	-	(2,823)
Comprehensive loss								(3,525,855)
Share issuance in consideration of cash		1	1	-	-	-	-	1
Share issuance in consideration of conversion of debt	6	342,130	171,065	-	-	-	-	171,065
Share issuance in IPO	6	13,592,500	6,796,250	-	-	-	-	6,796,250
Pre-IPO Reorganization	6	-	234,600	-	(234,600)	-	-	-
Warrants issuance in IPO	8	-	(273,889)	273,889	-	-	-	-
Share-based payments	9	-	-	-	510,539	-	-	510,539
Share issuance costs		-	(1,372,652)	-	-	-	-	(1,372,652)
Balance at September 30, 2017		49,592,500	6,694,291	273,889	510,839	(36,772)	(4,862,899)	2,579,348

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

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

	Notes	Nine months ended September 30,	
		2017	2016
		\$	\$
Operating activities			
Net loss for the period		(3,710,971)	(892,398)
Adjustments for:			
Depreciation	4	16,011	-
Share-based payments	9	510,539	158
Finance costs		8,469	7,489
Deferred income tax recovery		-	(97,908)
Payment from cash held in escrow account for environmental monitoring		(10,036)	(75,880)
Escrow account for environmental monitoring		10,036	75,880
Unrealized foreign exchange loss (gain)		(21,290)	(4,691)
		(3,197,242)	(987,350)
Changes in non-cash working capital items:			
Sales tax receivable		(128,881)	-
Prepaid expenses and others		(59,076)	-
Trade and other payables		492,190	309,098
Payables to shareholders		52,949	668,079
		357,182	977,177
Cash flow used in operating activities		(2,840,060)	(10,173)
Investing activities			
Acquisition of mineral properties		(17,479)	(968)
Acquisition of property and equipment	4	(192,129)	-
Cash flow used in investing activities		(209,608)	(968)
Financing activities			
Share issuance	6	6,796,251	-
Share issuance costs		(1,368,352)	-
Loans from shareholders		254,233	-
Reimbursement of loans from shareholders		(254,233)	-
Cash flow from financing activities		5,427,899	-
Change in cash during the period		2,378,231	(11,141)
Effect of exchange rate changes on cash		(9,288)	1,749
Cash, beginning of period		137,322	41,791
Cash, end of period		2,506,265	32,399
Supplemental cash flow information			
Additions in mineral properties included in trade and other payables		-	13,313
Share issuance costs included in trade and other payables		4,300	-
Share issued in payment of payables and loans to shareholders	6	171,065	-

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

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

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

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

These unaudited condensed interim consolidated financial statements ("Financial Statements") were reviewed and authorized for issue by the Board of Directors on November 20, 2017.

1.1 Basis of presentation

The Corporation's properties were acquired upon the reorganisation that was completed on June 26, 2017 whereby the Corporation acquired 100% of the shares of Nalunaq A/S, a corporation incorporated under the *Greenland Public Companies Act*, in anticipation of the initial public offering ("IPO") of the Corporation on the Toronto Venture Exchange (the "Exchange") completed on July 13, 2017 (Note 6). As the Corporation was founded by the same group of shareholders as Nalunaq A/S and in contemplation of the reorganisation, said reorganisation is accounted for as a reorganisation of the capital of Nalunaq A/S. These Financial Statements thus reflect the continuation of the activities of Nalunaq A/S for periods prior to the incorporation of the Corporation on February 22, 2017, the combined activities of the Corporation and Nalunaq A/S for the period from February 22, 2017 until the reorganization on June 26, 2017, and the consolidated activities of the Corporation since June 26, 2017.

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

The Financial Statements should be read in conjunction with the annual financial statements of Nalunaq A/S for the year ended December 31, 2016 and the audited interim financial statements of Alopex Gold Inc. for the initial 38-day period ended March 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the annual financial statements of Nalunaq A/S for the year ended December 31, 2016 and the audited interim financial statements of Alopex Gold Inc. for the initial 38-day period ended March 31, 2017, both presented in the June 29, 2017 prospectus, except for the policies described below.

Functional and presentation currency – Foreign currency transactions

The presentation currency is Canadian dollars ("CAD"). The functional currency of Nalunaq A/S was Danish Krone ("DKK") up until June 30, 2017 and it was changed thereafter to CAD. The functional currency of Nalunaq A/S is measured using the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate rates of exchange prevailing on the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the net profit or loss.

Until June 30, 2017, for presentation purposes, the results of operations are translated to CAD at an appropriate average rate of exchange during the year and are included in net profit or loss. The assets, liabilities, capital stock and contributed surplus are translated to CAD at rates of exchange in effect at the end of the period. Gains or losses arising on translation to the presentation currency for assets, liabilities, capital stock and contributed surplus to CAD at period end are recognized in other comprehensive loss as a foreign currency translation adjustment.

Alopex Gold Inc.
Condensed Notes to the interim Consolidated Financial Statements
Nine months ended September 30, 2017 and 2016
(Unaudited, in Canadian Dollars)

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

When a foreign operation is sold, such exchange differences are recognized in the statement of comprehensive loss as part of the gain or loss on sale.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Repairs and maintenance costs are charged to the statement of income (loss) during the period in which they are incurred.

Depreciation is calculated to amortize the cost of the property and equipment less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Vehicles and rolling stock	3 years
Field equipment and base camp related to exploration and evaluation activities	3 years

Depreciation of property and equipment, if related to exploration activities, is expensed consistently with the policy for exploration and evaluation expenses. For those which are not related to exploration and evaluation activities, depreciation expense is recognized directly in the statement of income (loss).

Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recorded in the statement of income (loss).

1.2 Going concern

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

The Corporation recorded a loss of \$3,710,971 for the nine months ended September 30, 2017 and has an accumulated deficit of \$4,862,899 as at September 30, 2017. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at September 30, 2017, the Corporation had a working capital of \$2,023,142. These conditions indicate the existence of material uncertainties that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

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

The Corporation' ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. The completion of the initial public offering of the Corporation discussed in Note 6, contributed to such financing. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these Financial Statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

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

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of Nalunaq A/S for the year ended December 31, 2016 and the audited interim financial statements of Alopex Gold Inc. for the initial 38-day period ended March 31, 2017, both presented in the June 29, 2017 prospectus. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. MINERAL PROPERTIES

	December 31, 2016	Effect of translation	September 30, 2017
Nalunaq	\$ 1	\$ -	\$ 1
Tartog	17,617	814	18,431
Total mineral properties	17,618	814	18,432

	December 31, 2015	Additions	December 31, 2016
Nalunaq	\$ 1	\$ -	\$ 1
Tartog	-	17,617	17,617
Total mineral properties	1	17,617	17,618

3.1 Nalunaq

Nalunaq A/S holds the gold exploitation licence number 2003/05 on the Nalunaq property (the "Nalunaq Licence") located in South West Greenland. The licence expires in April 2033 with an extension possible up to 50 years.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES (CONT'D)

3.1.1 Collaboration agreement and project schedule

Cyrus Capital Partners LP was the main creditor of Angel Mining PLC, the parent company of Angel Mining (Gold) A/S. Angel Mining PLC went into administration in February 2013 and as part of the Administrator's restructuring process, FBC Mining (Holdings) Ltd. ("FBC Mining") and Arctic Resources Capital S.à r.l. ("ARC") agreed to enter into a collaboration agreement ("Collaboration Agreement") (signed July 15, 2015) to progress the Nalunaq exploration project. FBC Mining is a 100% subsidiary of FBC Holdings S.à r.l which is managed by Cyrus Capital Partners LP.

In addition, ARC, FBC Mining and FBC (Nalunaq) (a 100% subsidiary of FBC Mining) signed on July 17, 2015 the Nalunaq project schedule ("2015 Project Schedule") which was continued following the signature with Nalunaq A/S on March 31, 2017 of the 2016-2017 Nalunaq Project Schedule ("2016-2017 Project Schedule"), (collectively "Project Schedules"). Under the Project Schedules, the following collaboration conditions are defined:

- a) ARC shall undertake an exploration program in the summer of 2015.
- b) The activities will consist of progressing the work programs approved by the Mineral Licence and Safety Authority in Greenland ("MLSA") in respect of the Nalunaq Licence in 2015 and 2016, providing assistance as may be required in connection with the IPO and manage Nalunaq A/S.
- c) The Project Schedules are in effect up to the earliest of i) the completion of the IPO, ii) June 30, 2017 and iii) the date on which the 2016-2017 Project Schedule is terminated in accordance with the Collaboration Agreement.

In preparation for the Pre-IPO Reorganization, an agreement was signed on May 30, 2017 between ARC, FBC Nalunaq, FBC Mining and Nalunaq A/S whereby the 2016-2017 Project Schedule effective date is extended up to July 31, 2017.

Finally, the conditions relating to a processing plant located on the Nalunaq Licence ("Processing Plant") and a royalty payment were outlined in the 2015 Project Schedule and formalized in the processing plant and royalty agreement ("Processing Plant and Royalty Agreement") signed on March 31, 2017 and the conditions are as follows:

- a) FBC Nalunaq transfers the Processing Plant to Nalunaq A/S under the following conditions:
 - i) An initial purchase price of US\$1;
 - ii) A deferred consideration of US\$1,999,999 ("Deferred Consideration") on a pay as you go basis until the Deferred Consideration is paid in full. If only part of the Processing Plant is used, then the Deferred Consideration payable shall be reduced by an amount to be agreed by the parties to reflect the value of the part of the Processing Plant used.
 - iii) The Deferred Consideration may be reduced to the extent that the Processing Plant or any part which is being used requires repairs, is not in good working conditions or will not be capable of doing the work for which it was designed.
 - iv) Nalunaq A/S may dispose or otherwise deal with the Processing Plant or any part of it at its own cost. If any disposal proceeds (defined as proceeds received minus costs of dealing with the disposal) are received, that disposal proceeds shall be paid to FBC Nalunaq and such amount shall be deemed to be Deferred Consideration. If there are any disposal proceeds remaining after the Deferred Consideration has been paid in full, the disposal proceeds remaining may be retained by Nalunaq A/S.
- b) Nalunaq A/S shall pay to FBC Mining (Nalunaq) a 1% royalty on Nalunaq A/S' net revenue (total revenue minus production, transportation and refining costs), provided that in respect to the last completed calendar year, the operating profit per ounce of gold exceeded US\$500. The cumulative royalty payments over the life of mine are capped at a maximum of US\$1,000,000.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES (CONT'D)

3.1.2 Exploration commitments and exploitation milestones

Under Addendum No. 2 of the Nalunaq Licence dated March 2016 and as subsequently amended with Addendum No. 3 dated May 2016, Nalunaq A/S is committed to perform exploration activities for an estimated amount of US\$1,75M in 2016 and US\$9,6M from January 1, 2017 to December 31, 2018, for a total of US\$11,35M.

On March 27, 2017, the MLSA confirmed that the Government of Greenland had approved that the outstanding exploration obligation initially scheduled to be incurred by December 31, 2016 (sub period 2) be carried forward to the ensuing licence period. As a result, Nalunaq A/S is committed to perform specific exploration activities stated in addendum No. 3 and as subsequently confirmed with Addendum No. 4 dated July 2017 totaling an estimated amount of US\$10,259,000 by no later than December 31, 2018 (sub period 3). This US\$10,259,000 takes into account the Addendum No. 3 obligation totaling an estimated amount of US\$11,350,000 less the US\$1,091,000 expenditures of 2016 calculated in line with the MLSA guidelines. For the purpose of crediting expenditures for MLSA purposes, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. In the event the additional exploration expenditures totaling an estimated amount of US\$10,259,000 are not made by December 31, 2018, Nalunaq A/S would request a roll over of any unspent amount to the next period (sub period 4), subject to approval from the MLSA. Failure to satisfy any of the conditions set forth in the addendums to the Nalunaq Licence may result in the MLSA revoking the Nalunaq Licence without further notice.

No later than December 31, 2019, the licensee shall submit a report on a bankable feasibility study, prepare an environmental impact assessment and social impact assessment and by December 31, 2020, perform an impact benefit agreement. The time limit for commencement of exploitation is January 1, 2021.

3.2 Tartoq

3.2.1 Purchase of the Tartoq Licence

Nalunaq A/S signed on July 6, 2016 a sale and purchase agreement, to purchase from Nanoq Resources Ltd. the Tartoq exploration licence number 2015/17 located in Southwest Greenland, for a total consideration of \$7,221. The licence expires December 31, 2019 with a possible 5 year extension.

3.2.2 Exploration commitments

Under the exploration licence, Nalunaq A/S shall complete DKK 959,340 of exploration activities in 2017, adding the non-fulfilled exploration obligation 2016 of DKK 105,587 for a total of DKK 1,064,927 (\$210,655 using the exchange rate as at September 30, 2017) exploration obligation in 2017. However, for the purpose of crediting expenditures against the amounts set forth in the Tartoq Licence, actual expenditures are multiplied by a factor of between 1.5 and 3, depending upon the type of expenditures made. In the event the exploration obligation of DKK 1,064,927 is not met by December 31, 2017, Nalunaq A/S would request a roll over of any unspent amount to the next period or reduce the area of the Tartoq Licence, subject to approval from the MLSA.

3.3 Vagar

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

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Exploration and evaluation		Total
	Field equipment and base camp	Vehicles and rolling stock	
	\$	\$	\$
Nine months ended September 30, 2017			
Opening net book value	-	-	-
Additions	20,000	172,129	192,129
Depreciation	(1,667)	(14,344)	(16,011)
Closing net book value	18,333	157,785	176,118
As at September 30, 2017			
Cost	20,000	172,129	192,129
Accumulated depreciation	(1,667)	(14,344)	(16,011)
Closing net book value	18,333	157,785	176,118

Depreciation of property and equipment related to exploration and evaluation properties is being recorded within in exploration and evaluation expenses. Depreciation of property and equipment is recorded on the statement of income (loss) under depreciation of property and equipment. An amount of \$16,011 (\$nil – 2016) was expensed as exploration and evaluation expenses during the nine months ended September 30, 2017.

5. PAYABLES AND LOANS TO SHAREHOLDERS

Amounts payable and loans to shareholders for cost recoveries related to management and professional services are detailed as follow:

	September 30, 2017	December 31, 2016
	\$	\$
Shareholders payables		
ARC	-	111,439
FBC Mining (BA) Ltd.	42,955	55,827
	42,955	167,266
Shareholders loans		
ARC	122,792	-
FBC Mining (BA) Ltd.	138,518	-
Reimbursement of shareholders loans	(261,310)	-
	-	-
	42,955	167,266

FBC Mining BA Ltd. ("FBC BA") is a subsidiary of FBC Mining (75%) and ARC (25%). FBC (Nalunaq) is a 100% subsidiary of FBC Mining. Amounts due to shareholders are unsecured, non-interest bearing.

On March 1, 2017, March 30, 2017, April 10, 2017 and April 19, 2017, Nalunaq A/S signed loan agreements with ARC and FBC BA whereby ARC and FBC BA agreed to make available US\$80,000 and US\$106,707 respectively to Nalunaq A/S. The loans bear no interest and are payable in one installment upon request when Nalunaq A/S has sufficient cash reserves. Nalunaq A/S reimbursed all shareholders loans in the month of August 2017.

Alopex Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Nine months ended September 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

6. TRANSACTIONS EXECUTED, PRE-IPO REORGANIZATION AND INITIAL PUBLIC OFFERING

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

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

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

On July 13, 2017, the Corporation complete its IPO of 13,592,500 common shares at a price of \$0.50 per share (the "IPO share price") for aggregate gross proceeds of \$6,796,250.

The Agents received a commission of \$441,756 which represents 6.5% of the gross amount raised in the IPO. In addition, the Corporation issued 883,512 compensation, non-transferable share purchase warrants (each an "Agent Warrant") which represents 6.5% of the shares sold during the IPO. The Agent Warrants are exercisable at \$0.50 (the IPO share price) on or before July 13, 2020. The total cost of the Agent Warrant is \$273,889 which was recorded under warrants and share issuance costs. The fair value of the Agent Warrants was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.38% risk-free interest rate and 3 years Agent Warrant expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

7. SHARE CAPITAL

7.1 Share Capital

The Corporation is authorized to issue an unlimited number of common voting shares and an unlimited number of preferred shares issuable in series, all without par value.

7.2 Escrow Shares

As of September 30, 2017, there were 33,300,005 shares held in escrow following the IPO. Under the escrow agreement, 10% of the escrow common shares was released from escrow on the completion of the Corporation's listing date (done on July 13, 2017, date of the Exchange Bulletin) and additional 15% will be released every six months thereafter.

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8. AGENT WARRANTS

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

Nine months ended September 30, 2017			
	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$
Balance, beginning	-	-	-
Issued (note 6)	883,512	273,889	0.50
Balance, end	883,512	273,889	0.50

Agent warrants outstanding as at September 30, 2017 are as follows:

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

9. STOCK OPTIONS

Changes in stock options are as follow:

	Nine months ended September 30, 2017		2016	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	165	0.19	-	-
Granted	1,410,000	0.50	165	0.19
Exercised	(165)	0.19	-	-
Balance, end	1,410,000	0.50	165	0.19
Balance, end exercisable	1,360,000	0.50	165	0.19

Stock options outstanding as at September 30, 2017 are as follows:

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

On July 6, 2016, Nalunaq A/S signed a service agreement with a consultant complemented with a share option agreement whereby Nalunaq A/S granted 165 share options at an exercise price of \$0.19 (DKK 1) per share option, with an expiry date of August 30, 2018. Notwithstanding, Nalunaq A/S is entitled to, instead of issuing shares, make a cash payment of \$77.87 (US\$ 59.88) per share option.

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9. STOCK OPTIONS (CONT'D)

As per an agreement signed on February 12, 2017, Nalunaq A/S paid in August 2017 \$12,728 (US\$9,735) to a consultant in lieu of issuing shares according to the consultant's July 6, 2016 share option agreement.

On July 13, 2017, the Corporation granted to its directors, officers and consultants 1,360,000 options exercisable at an exercise price of \$0.50, valid for 5 years. The options vest 100% at the grant date. Those options were granted at an exercise price equal to the shares issued as part of concurring IPO. Total stock-based compensation costs amount to \$503,200 for an estimated fair value of \$0.37 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.57% risk-free interest rate and 5 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

On August 9, 2017, the Corporation granted to an investor relation firm 50,000 options exercisable at an exercise price of \$0.59, valid for 5 years. The options vest 25% every quarter from 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 \$22,000 for an estimated fair value of \$0.44 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.68% risk-free interest rate and 5 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

10. EXPLORATION AND EVALUATION EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Geology	362,797	234,562	409,833	234,562
Lodging and on-site support	342,061	-	342,061	-
Drilling	594,769	-	594,769	-
Analysis	3,965	6,809	5,490	6,809
Transport	326,980	351,489	326,980	391,258
Helicopter Charter	387,622	-	387,622	-
Operator fees	100,712	-	190,033	-
Supplies and equipment	40,880	2,902	40,880	28,081
Taxes and permits	-	-	(57)	-
Government fees	41,026	-	43,974	-
Depreciation	16,011	-	16,011	-
Exploration and evaluation expenses	2,216,823	595,762	2,357,596	660,710

Genex

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

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11. GENERAL AND ADMINISTRATION

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Management and consulting fees	143,353	50,938	289,515	153,182
Share-based compensation	510,839	-	510,839	-
Director's fees	18,750	-	31,250	-
Professional fees	58,343	26,726	259,931	77,408
Marketing and industry involvement	172,122	132	176,021	4,837
Insurance	17,924	8,927	26,779	27,466
Travel and other expenses	48,409	22,719	86,674	63,653
Regulatory fees	8,462	-	9,327	-
General and administration	978,202	109,442	1,390,336	326,546

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Up to September 30, 2017, the Corporation's key management personnel are the members of the board of directors, the President and Chief Executive Officer, the Chief Financial Officer, the Vice-President Exploration, the Vice-President Operations and Logistic and the Corporate Secretary. Key management compensation is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Short-term benefits				
Management and consulting fees	143,353	50,938	289,515	153,182
Share-based compensation (note 9)	499,500	-	499,500	-
Professional fees presented in the share issuance costs	2,139	-	20,191	-
Professional fees	20,988	-	20,988	-
Professional fees presented in the exploration and evaluation expenses	45,145	-	76,040	-
Director's fees	18,750	-	31,250	-
Total compensation	729,875	50,938	937,484	153,182

The compensation of the Corporate Secretary are charged through FBC BA for \$58,041 for the nine months ended September 30, 2017.

Up to April 30, 2017 (date of the termination of the agreement), ARC charged a fixed management fee of \$65,637 including management services from two directors and other services.

In addition to the amounts listed above in the compensation to key management, following are the related party transactions:

In the normal course of operations:

- A firm in which a director is a partner charged professional fees of \$11,761 through FBC BA and directly to the Corporation for \$1,855;
- A company controlled by an officer charged professional fees of \$60,323 for her staff.

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12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (CONT'D)

Key management employees are subject to employment agreements which provide for market standard payments on termination of employment without cause or following a change of control providing for payments up to twice base salary.

13. FINANCIAL INSTRUMENTS

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. The Corporation' Management manages financial risks. The Corporation does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Corporation' main financial risks exposure and its financial policies are described below.

13.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation' cash and escrow account for environmental monitoring are exposed to credit risk. Management believes the credit risk on cash and escrow account for environmental monitoring is small because the counterparties are chartered Canadian and Greenlandic banks.

13.2 Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its exploration, development, and operating obligations and cash on hand. The Corporation anticipates seeking additional financing in order to fund general and administrative costs, loan service costs and exploration and evaluation costs. The Corporation' options to enhance liquidity include the issuance of new equity instruments or debt (refer to note 1 for going concern discussion).

The following table summarizes the carrying amounts and contractual maturities of financial liabilities:

	As at September 30, 2017		As at December 31, 2016	
	Trade and other payables	Payables and loans to shareholders	Trade and other payables	Payables and loans to shareholders
	\$	\$	\$	\$
Within 1 year	627,608	42,955	156,464	167,266
1 to 5 years	-	-	-	-
Total	627,608	42,955	156,464	167,266

13.3 Currency risk

As at September 30, 2017, a portion of the Corporation's transactions are denominated in DKK, Euros, United States Dollars (USD) and British Pounds (GBP) to the extent such currencies are different from the relevant group entities' functional currency.

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13. FINANCIAL INSTRUMENTS (CONT'D)

The Corporation had the following balances in currencies:

As at September 30, 2017	In DKK	In Euros	In USD	In GBP
Cash	359,318	-	1,894	-
Escrow account for environmental monitoring	3,187,914	-	-	-
Prepaid expenses and others	55,000	-	-	2,527
Trade and other payables	(307,863)	(63,570)	(68,971)	(78,536)
Payables and loans to shareholders	-	-	(34,459)	-
Environmental monitoring provision	(1,359,636)	-	-	-
	1,934,733	(63,570)	(101,536)	(76,009)
Exchange rate	0.1978	1.4745	1.2465	1.6693
Equivalent to CAD	382,713	(93,734)	(126,569)	(126,884)

Based on the above net exposures as at September 30, 2017, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the functional currencies against the DKK, Euro, USD and GBP by 10% would increase/decrease profit or loss by \$3,554.

As at December 31, 2016	In Euros	In USD	In GBP
Cash	3,331	97,583	-
Trade and other payables	-	(80,183)	(21,343)
Receivables (payables) and loans from (to) shareholders	60,626	(88,287)	-
	63,957	(70,887)	(21,343)
Exchange rate	1.4169	1.3427	1.6564
Equivalent to CAD	90,621	(95,180)	(35,353)

Based on the above net exposures as at December 31, 2016, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the functional currencies against the Euro, USD and GBP by 10% would increase/decrease profit or loss by \$3,991.

13.4 Fair value risk

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at September 30 2017, the Corporation' financial instruments are cash, escrow account for environmental monitoring, trade and other payables and payables and loans to shareholders. For all the financial instruments, the amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to their short-term nature.