



AEX Gold Inc.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021

*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, 2021 \$	As at December 31, 2020 \$
ASSETS			
Current assets			
Cash		55,012,910	61,874,999
Sales tax receivable		67,754	62,750
Prepaid expenses and others		347,678	371,258
Total current assets		55,428,342	62,309,007
Non-current assets			
Deposit on order	4	5,018,556	1,711,970
Escrow account for environmental monitoring		435,328	460,447
Mineral properties	3	62,244	62,244
Capital assets	4	1,923,874	1,401,014
Total non-current assets		7,440,002	3,635,675
TOTAL ASSETS		62,868,344	65,944,682
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		1,060,781	831,899
Lease liabilities – current portion	5	48,968	65,900
Total current liabilities		1,109,749	897,799
Non-current liabilities			
Lease liabilities	5	764,677	763,913
Total non-current liabilities		764,677	763,913
Total liabilities		1,874,426	1,661,712
Equity			
Capital stock		88,500,205	88,500,205
Contributed surplus		2,925,952	2,925,952
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(30,395,467)	(27,106,415)
Total equity		60,993,918	64,282,970
TOTAL LIABILITIES AND EQUITY		62,868,344	65,944,682

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)

		Three months ended March 31,	
	Notes	2021	2020
		\$	\$
Expenses			
Exploration and evaluation expenses	7	1,247,147	611,775
General and administrative	8	1,585,071	382,911
Foreign exchange loss (gain)		490,599	(25,397)
Operating loss		3,322,817	969,289
Other expenses (income)			
Interest income		(44,070)	(5,042)
Finance costs		10,305	2,190
Net loss and comprehensive loss		(3,289,052)	(966,437)

Weighted average number of common shares outstanding - basic and diluted	177,098,737	73,438,570
Basic and diluted loss per common share	(0.02)	(0.01)

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

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

(Unaudited, in Canadian Dollars)

	Notes	Number of common shares outstanding	Capital Stock \$	Warrants \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Deficit \$	Total Equity \$
Balance at January 1, 2020		70,946,394	13,883,611	1,459,604	1,535,400	(36,772)	(14,767,303)	2,074,540
Net loss and comprehensive loss		-	-	-	-	-	(966,437)	(966,437)
Warrants exercised		8,399,556	4,506,143	(726,343)	-	-	-	3,779,800
Balance at March 31, 2020		79,345,950	18,389,754	733,261	1,535,400	(36,772)	(15,733,740)	4,887,903
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

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,	
		2021	2020
		\$	\$
Operating activities			
Net loss for the period		(3,289,052)	(966,437)
Adjustments for:			
Depreciation	4	71,862	57,158
Finance costs		-	2,190
Foreign exchange loss (gain)		504,799	(25,246)
		(2,712,391)	(932,335)
Changes in non-cash working capital items:			
Sales tax receivable		(5,004)	(15,520)
Prepaid expenses and others		23,580	80,424
Trade and other payables		96,077	90,348
		114,653	155,252
Cash flow used in operating activities		(2,597,738)	(777,083)
Investing activities			
Acquisition of mineral properties	3	-	(978)
Acquisition of capital assets	4	(594,722)	-
Deposit on order	4	(3,306,586)	-
Cash flow used in investing activities		(3,901,308)	(978)
Financing activities			
Principal repayment – lease liabilities	5	(16,168)	-
Exercise of warrants		-	3,779,800
Deferred share issuance costs		-	(153,423)
Cash flow from financing activities		(16,168)	3,626,377
Net change in cash before effects of exchange rate changes on cash during the period		(6,515,214)	2,848,316
Effects of exchange rate changes on cash		(346,875)	3,051
Net change in cash during the period		(6,862,089)	2,851,367
Cash, beginning of period		61,874,999	1,515,406
Cash, end of period		55,012,910	4,366,773
Supplemental cash flow information			
Interest received		44,070	5,042
Acquisition of mineral properties included in trade and other payables		-	6,370
Exercise of warrants credited to capital stock		-	726,343
Deferred share issuance costs included in trade and other payables		-	506,967

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, 2021 and 2020

(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, 2021 ("Financial Statements") were approved by the Board of Directors on May 26, 2021.

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, 2020 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, 2020.

During the 2020 year, an outbreak of a new strain of coronavirus (COVID-19) resulted in a major global health crisis which continues to have impacts on the global economy and the financial markets at the date of completion of the Financial Statements. These events may cause significant changes on the Corporation's ability to complete planned exploration and evaluation activities in the future, meet its other obligations and existing commitments for the exploration and evaluation programs or our ability to obtain debt and equity financing. Following these events, the Corporation has taken and will continue to take action to minimize the impact of the COVID-19 pandemic. However, it is impossible to ultimately determine the financial implications of these events.

2. CRITICAL ACCOUNTING JUDGMENTS AND ASSUMPTIONS

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

In preparing the Financial Statements, the significant judgements made by Management in applying the Corporation accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended December 31, 2020. 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, 2021 and 2020

(Unaudited, in Canadian Dollars)

3. MINERAL PROPERTIES

	As at December 31, 2020	Additions	As at March 31, 2021
	\$	\$	\$
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
Kangerluarsuk	6,562	-	6,562
Total mineral properties	62,244	-	62,244

	As at December 31, 2019	Additions	As at December 31, 2020
	\$	\$	\$
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
Kangerluarsuk	-	6,562	6,562
Total mineral properties	41,945	20,299	62,244

4. CAPITAL ASSETS

	Field equipment and infrastruc- ture	Vehicles and rolling stock	Equipment (including intangible)	Construc- tion In Progress	Right-of- use assets	Total
	\$	\$	\$	\$	\$	\$
Three months ended						
March 31, 2021						
Opening net book value	146,203	256,865	177,052	-	820,894	1,401,014
Additions	-	-	-	594,722	-	594,722
Depreciation	(30,611)	(15,805)	(5,260)	-	(20,186)	(71,862)
Closing net book value	115,592	241,060	171,792	594,722	800,708	1,923,874
As at March 31, 2021						
Cost	387,323	533,800	185,878	594,722	841,080	2,542,803
Accumulated depreciation	(271,731)	(292,740)	(14,086)	-	(40,372)	(618,929)
Closing net book value	115,592	241,060	171,792	594,722	800,708	1,923,874

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2021 and 2020

(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 \$49,316 (\$57,158 for the three months ended March 31, 2020) was expensed as exploration and evaluation expenses during the three months ended March 31, 2021.

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

5. LEASE LIABILITIES

	As at March 31 2021
	\$
Balance beginning	829,813
Principal repayment	(16,168)
Balance ending	813,645
Non-current portion – lease liabilities	(764,677)
Current portion – lease liabilities	48,968

6. STOCK OPTIONS

An incentive stock option plan (the “Plan”) was approved initially in 2017 and renewed by shareholders on June 17, 2020. 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.

Changes in stock options are as follows:

	Three months ended March 31, 2021		Year ended December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance, beginning	7,745,000	0.51	5,650,000	0.43
Granted	-	-	2,195,000	0.70
Exercised	-	-	(100,000)	0.38
Balance, end	7,745,000	0.51	7,745,000	0.51

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2021 and 2020

(Unaudited, in Canadian Dollars)

6. STOCK OPTIONS (CONT'D)

Stock options outstanding and exercisable as at March 31, 2021 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry date
	\$	
1,360,000	0.50	July 13, 2022
1,660,000	0.45	August 22, 2023
2,530,000	0.38	December 31, 2025
2,195,000	0.70	December 31, 2026
7,745,000		

7. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2021	2020
	\$	\$
Geology	143,538	270,561
Underground works	-	22,807
Drilling	-	(635)
Analysis	79,219	23,863
Transport	957	60,733
Logistic support	21,202	78,487
Insurance	8,663	1,226
Maintenance infrastructure	931,866	84,854
Government fees	12,386	12,721
Depreciation	49,316	57,158
Exploration and evaluation expenses	1,247,147	611,775

8. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2021	2020
	\$	\$
Salaries and benefits	387,508	-
Management and consulting fees	-	116,072
Director's fees	119,500	25,000
Professional fees	556,355	123,755
Marketing and industry involvement	165,723	86,375
Insurance	117,965	10,561
Travel and other expenses	130,209	14,574
Regulatory fees	85,265	6,574
Depreciation	22,546	-
General and administration	1,585,071	382,911