



AEX Gold Inc.

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2020

*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, 2020 \$	As at December 31, 2019 \$
ASSETS			
Current assets			
Cash		4,366,773	1,515,406
Escrow account for environmental monitoring		189,027	174,864
Sales tax receivable		33,312	17,792
Prepaid expenses and others		14,616	94,883
Total current assets		4,603,728	1,802,945
Non-current assets			
Deferred share issuance costs	5	706,007	166,348
Escrow account for environmental monitoring		363,368	342,132
Mineral properties	3	49,293	41,945
Property and equipment	4	309,945	367,103
Total non-current assets		1,428,613	917,528
TOTAL ASSETS		6,032,341	2,720,473
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		955,411	471,069
Environmental monitoring provision		189,027	174,864
Total liabilities		1,144,438	645,933
Equity			
Capital stock		18,389,754	13,883,611
Warrants	6	733,261	1,459,604
Contributed surplus		1,535,400	1,535,400
Accumulated other comprehensive loss		(36,772)	(36,772)
Deficit		(15,733,740)	(14,767,303)
Total equity		4,887,903	2,074,540
TOTAL LIABILITIES AND EQUITY		6,032,341	2,720,473
Going concern	1		

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	2020	2019
		\$	\$
Expenses			
Exploration and evaluation expenses	8	611,775	168,602
General and administrative	9	382,911	216,461
Foreign exchange gain		(25,397)	16,162
Operating loss		969,289	401,225
Other expenses (income)			
Interest income		(5,042)	(2,300)
Finance costs		2,190	2,480
Net loss and comprehensive loss		(966,437)	(401,405)

Weighted average number of common shares outstanding - basic and diluted	73,438,570	57,788,499
Basic and diluted loss per common share	(0.01)	(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, 2019		57,788,499	10,058,355	321,788	956,800	(36,772)	(9,665,197)	1,634,974
Net loss and comprehensive loss		-	-	-	-	-	(401,405)	(401,405)
Balance at March 31, 2019		57,788,499	10,058,355	321,788	956,800	(36,772)	(10,066,602)	1,233,569
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	6.1	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

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,	
		2020	2019
		\$	\$
Operating activities			
Net loss for the period		(966,437)	(401,405)
Adjustments for:			
Depreciation	4	57,158	41,286
Finance costs		2,190	2,480
Payment from cash held in escrow account for environmental monitoring		-	(28,846)
Escrow account for environmental monitoring		-	28,846
Foreign exchange loss (gain)		(25,246)	16,799
		(932,335)	(340,840)
Changes in non-cash working capital items:			
Sales tax receivable		(15,520)	(8,774)
Prepaid expenses and others		80,424	(13,337)
Trade and other payables		90,348	82,039
Payables to shareholders		-	11,701
		155,252	71,629
Cash flow used in operating activities		(777,083)	(269,211)
Investing activities			
Acquisition of mineral properties	3	(978)	-
Cash flow used in investing activities		(978)	-
Financing activities			
Exercise of warrants	6.1	3,779,800	-
Deferred share issuance costs	5	(153,423)	-
Cash flow from financing activities		3,626,377	-
Net change in cash before effects of exchange rate changes on cash during the period		2,848,316	(269,211)
Effects of exchange rate changes on cash		3,051	(2,873)
Net change in cash during the period		2,851,367	(272,084)
Cash, beginning of period		1,515,406	963,788
Cash, end of period		4,366,773	691,704
Supplemental cash flow information			
Interest received		5,042	2,300
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, 2020 and 2019

(Unaudited, in Canadian Dollars)

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

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 "Exchange") under the AEX ticker.

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 ("Financial Statements") were approved by the Board of Directors on May 20, 2020.

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, 2019 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, 2019.

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 \$966,437 for the three months ended March 31, 2020 and has an accumulated deficit of \$15,733,740 as at March 31, 2020. 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 March 31, 2020, the Corporation had a working capital of \$3,459,290. 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.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. 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.

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited, in Canadian Dollars)

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

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's 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.

During this first quarter, 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 in the future significant changes on the Corporation's ability to complete planned exploration and evaluation activities, 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. However, it is impossible to determine the financial implications of these events for the moment.

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, 2019. 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

	As at December 31, 2019	Additions	As at March 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
Genex	-	7,348	7,348
Total mineral properties	41,945	7,348	49,293

	As at December 31, 2018	Additions	As at December 31, 2019
	\$	\$	\$
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
Total mineral properties	35,869	6,076	41,945

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited, in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Exploration and evaluation			
	Field equipment and infrastructure	Vehicles and rolling stock	Equipment	Total
	\$	\$	\$	\$
Three months ended March 31, 2020				
Opening net book value	271,977	86,656	8,470	367,103
Additions	-	-	-	-
Depreciation	(32,277)	(24,005)	(876)	(57,158)
Closing net book value	239,700	62,651	7,594	309,945
As at March 31, 2020				
Cost	387,323	288,066	10,514	685,903
Accumulated depreciation	(147,623)	(225,415)	(2,920)	(375,958)
Closing net book value	239,700	62,651	7,594	309,945

Depreciation of property and equipment 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 \$57,158 was expensed as exploration and evaluation expenses during the three months ended March 31, 2020.

5. POTENTIAL AIM LISTING

The Corporation is in the preliminary stages of considering an additional listing on the AIM market of the London Stock Exchange plc ("AIM"), alongside its current listing on the Exchange. As at March 31, 2020, the Corporation has incurred in this process, deferred share issuance costs of \$706,007.

6. WARRANTS

6.1 Warrants

Changes in the Corporation's warrants are as follow:

	Three months ended March 31, 2020			2019		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	13,157,895	1,137,816	0.45	-	-	-
Issued	-	-	-	13,157,895	1,137,816	0.45
Exercised	(8,399,556)	(726,343)	0.45	-	-	-
Balance, end	4,758,339	411,473	0.45	13,157,895	1,137,816	0.45

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited, in Canadian Dollars)

6. WARRANTS (CONT'D)

Warrants outstanding and exercisable as at March 31, 2020 are as follows:

Number of warrants outstanding and exercisable	Exercise price	Expiry date
	\$	
4,758,339	0.45	June 28, 2022 (accelerated expiry date April 20, 2020 ⁽¹⁾)

(1) The Corporation has accelerated the expiry of certain common share purchase warrants ("Warrants"), bearing an expiration date of June 28, 2022. The certificate evidencing the Warrants ("Warrant Certificate") provided for acceleration in certain circumstances, which circumstances have now been met. From the period February 6, 2020 to March 5, 2020, the daily volume weighted average price of the Corporation's common shares on the Exchange was equal to or greater than \$0.50, thus satisfying the acceleration requirements under the Warrants. Accordingly, Warrant holders have been provided with notification that any Warrants that are not exercised before April 20, 2020, being the 30th trading day following the occurrence of the acceleration event, will expire and be cancelled. After March 31, 2020, certain Warrant holders have exercised 2,872,715 Warrants, each entitling the holder to receive one common share of the Corporation, at an exercise price per warrant of \$0.45, representing gross proceeds of \$1,292,722.

6.2 Agent warrants

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

	Three months ended March 31, 2020			2019		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$	\$	\$	\$
Balance beginning, end	1,067,739	321,788	0.49	1,067,739	321,788	0.49

Agent and finders warrants outstanding and exercisable as at March 31, 2020 are as follows:

Number of warrants outstanding and exercisable	Exercise price	Expiry date
	\$	
184,227	0.45	May 14, 2020
883,512	0.50	July 13, 2020
1,067,739		

7. STOCK OPTIONS

An incentive stock option plan (the "Plan") was approved initially in 2017 and renewed by shareholders on June 5, 2019. 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.

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited, in Canadian Dollars)

7. STOCK OPTIONS (CONT'D)

Changes in stock options are as follow:

	Three months ended March 31, 2020		2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning	5,650,000	\$ 0.43	3,020,000	\$ 0.47
Granted	-	-	2,630,000	0.38
Balance, end	5,650,000	0.43	5,650,000	0.43

Stock options outstanding and exercisable as at March 31, 2020 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
2,630,000	0.38	December 31, 2025
5,650,000		

8. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2020	2019
	\$	\$
Geology	270,561	99,614
Underground works	22,807	-
Drilling	(635)	-
Analysis	23,863	2,492
Transport	60,733	-
Logistic support	78,487	18,950
Insurance	1,226	-
Maintenance infrastructure	84,854	-
Government fees	12,721	6,260
Depreciation	57,158	41,286
Exploration and evaluation expenses	611,775	168,602

AEX Gold Inc.

Condensed Notes to the interim Consolidated Financial Statements

Three months ended March 31, 2020 and 2019

(Unaudited, in Canadian Dollars)

9. GENERAL AND ADMINISTRATION

	Three months ended March 31,	
	2020	2019
	\$	\$
Management and consulting fees	116,072	69,373
Director's fees	25,000	-
Professional fees	123,755	82,300
Marketing and industry involvement	86,375	28,318
Insurance	10,561	10,092
Travel and other expenses	14,574	17,425
Regulatory fees	6,574	8,953
General and administration	382,911	216,461