



Alopex Gold Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

Three months ended March 31, 2018

Alopex Gold Inc.

Management Discussion & Analysis – Quarterly Highlights

Three months ended March 31, 2018

The following quarterly highlights management discussion and analysis (the “MD&A”) should be read in conjunction with the unaudited condensed interim consolidated financial statements of Alopex Gold Inc. (the “Corporation” or “Alopex”) for the three months ended March 31, 2018 prepared in accordance with the International Financial Reporting Standards (“IFRS”) as well as with the MD&A for the year ended December 31, 2017. All figures are in Canadian dollars unless otherwise noted. This MD&A is current as of May 24, 2018.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Q1-17	January 1, 2017 to March 31, 2017
Q2-17	April 1, 2017 to June 30, 2017
Q3-17	July 1, 2017 to September 30, 2017
Q4-17	October 1, 2017 to December 31, 2017
2017	January 1, 2017 to December 31, 2017
Q1-18	January 1, 2018 to March 31, 2018
Q2-18	April 1, 2018 to June 30, 2018
Q3-18	July 1, 2018 to September 30, 2018
Q4-18	October 1, 2018 to December 31, 2018
2018	January 1, 2018 to December 31, 2018

1. NATURE OF ACTIVITIES

Alopex 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. Since July 2017, the Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the AEX ticker.

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 Exchange completed on July 13, 2017. 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. The financial statements of the Corporation 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.

2. CORPORATE UPDATE

2.1 Financing

A preliminary short form prospectus was filed on February 14, 2018 pursuant to which the Corporation proposed to complete, on a best efforts basis, a public offering of common shares upon terms to be determined in the context of the market. On April 12, 2018, the Corporation announced that it withdrew the preliminary prospectus and will be completing a private placement financing in the alternative. For the Q1-18, the Corporation incurred professional fees and expenses related to this preliminary short form prospectus for an amount of \$311,611 and are included in the consolidated statement of comprehensive loss.

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2. CORPORATE UPDATE (CONT'D)

On May 14, 2018, the Corporation has completed a non-brokered private placement by issuing 5,564,422 common shares at a price of \$0.45 per share, for gross proceeds to the Corporation of \$2,503,990, subject to Exchange approval.

In connection with the private placement, \$32,901 finders fees were paid and 184,227 finders warrants were issued. The finder's warrants are exercisable at any time up to 24 months following the closing of the private placement at \$0.45 per share. Insiders of the Corporation purchased an aggregate of 986,111 common shares for \$443,750.

2.2 Use of proceeds of the private placement

The Corporation shall use the aggregate net proceeds from the private placement for exploration and drilling (4,000 metres) activities on the Nalunaq Project, for updating the Nalunaq technical reports, for initiation of a preliminary economic assessment with respect to the Nalunaq Project and for general corporate purposes.

2.3 Financial Highlights

The Corporation reported a net loss of \$831,177 in Q1-18 compared to \$220,053 for Q1-17. The main variations are as follow:

- Exploration and evaluation expenses of \$102,319 (\$46,346 in Q1-17) (see section exploration and evaluation expenses for details).
- General and administrative of \$429,847 (\$172,171 in Q1-17).
 - Management and consulting fees of \$105,115 (\$60,161 in Q1-17). Since May 1, 2017, a public company management team and board of directors was appointed.
 - Professional fees of \$153,638 (\$92,359 in Q1-17). The Corporation incurred audit fees in Q1-18 for the 2017 financial statement.
 - Marketing and industry involvement of \$74,858 (\$2,006 in Q1-17). Since the Corporation became public in July 2017, it has incurred costs related to investor relations, strategic communications and conferences.
 - Travel and other expenses of \$46,794 (\$13,261 in Q1-17). Since the Corporation became public in July 2017, it has incurred more costs related to the travel and a new rent was committed for the head office.
- The cost incurred for the preliminary short form prospectus filed on February 14, 2018 and withdrawn in April 2018 was \$311,611 in Q1-18 (nil in Q1-17).

The Corporation has a working capital of \$416,247 as of March 31, 2018 (\$1,250,542 as of December 31, 2017).

As at March 31, 2018, Nalunaq A/S had a payable of \$16,102 to FBC Mining BA Ltd. ("FBC BA"), a subsidiary of FBC Mining (Holdings) Ltd. (75%) and Artic Resources Capital S.à r.l. (25%).

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2. CORPORATE UPDATE (CONT'D)

2.4 Use of funds following the initial public offering

Following is a table summarizing the use of the IPO's \$6,796,250 gross proceeds:

	Assuming completion of the minimum concurrent financing	Assuming completion of the maximum concurrent financing	Up to March 31, 2018
	\$	\$	\$
Underground exploration program	-	4,395,000	-
Surface exploration program	1,807,000	1,433,000	2,793,863
Nalunaq Infrastructure (property and equipment)	396,000	796,000	192,129
General and administrative expenses for 18 months	1,339,000	1,339,000	1,398,275
Working capital deficiency	360,000	360,000	313,941
Costs to complete the IPO	530,000	530,000	928,428
Financing costs (commission)	325,000	650,000	441,756
Short form prospectus expenses	-	-	311,611
Unallocated, including contingencies	243,000	497,000	-
	5,000,000	10,000,000	6,380,003

3. PROPERTY ACQUISITION

Property acquisitions are capitalized in the statement of financial position.

Vagar Licence

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 became effective upon the Greenland authorities executing the document on January 18, 2018.

Land Adjacent to Existing Tartoq Licence

The Corporation has acquired the right to conduct exploration activities on approximately 170km² of land in an area adjacent to the Tartoq Licence. The exploration rights have been granted to the Corporation under a new separate Exploration Licence 2018/17 Naalagaaffiup Portornga. The licence application has been approved and all required documentation was signed by the Corporation on January 16, 2018 and the licence became effective on February 19, 2018 when it was signed by the Government of Greenland.

4. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses are included in the operating loss in the consolidated statement of comprehensive loss.

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4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The Corporation incurred the following exploration and evaluation expenses:

	Q1-18	Q1-17
	\$	\$
Nalunaq		
Geology	83,152	20,670
Analysis	1,756	489
Depreciation	16,011	-
	100,919	21,159
Tartoq		
Geology	-	25,002
Analysis	-	185
	-	25,187
Vagar		
Analysis	1,400	-
	1,400	-
Total		
Geology	83,152	45,672
Analysis	3,156	674
Depreciation	16,011	-
Total exploration and evaluation expenses	102,319	46,346

James Gilbertson C-Geol, who is a full-time employee and Managing Director of SRK Exploration Services Limited and a Chartered Geologist with the Geological Society of London and as such a qualified persons as defined in NI 43-101 supervised the preparation of the technical information in this section.

4.1 Nalunaq

No field work has been conducted in this period so all work carried out has been in the form of desk based studies. The mandatory Geology Field Report summarizing all work conducted in the Licence during the 2017 field season was submitted to the MLSA as required by April 1, 2018. This report contained all results received and procedures and protocols used in its collection.

A great deal of planning has been conducted as this Licence will form the focus of work for the forthcoming 2018 field season. This planning was done in conjunction with the recent fund-raising efforts and a number of scenarios were produced which matched funds with projected sums. At this stage work will focus on a surface in-fill drilling programme centered around extending resources down dip and along strike from the South Block mining area of the Nalunaq mine. It is envisaged that an updated Mineral Resource Estimate (MRE), to accompany a new NI 43-101 Technical Report, will be completed based on the results of this drilling.

The recruitment of a technical team to conduct the 2018 work was carried out in April 2018 in the UK.

4.2 Tartoq

No field work has been conducted in this period so all work carried out has been in the form of desk based studies. The mandatory Geology Field Report summarizing all work conducted in the Licence during the 2017 field season was submitted to the MLSA as required by April 1, 2018. This report contained all results received and procedures and protocols used in its collection.

No field work is currently planned for the 2018 field season in this licence.

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4. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

4.3 Vagar

No field work has been conducted in this period so all work carried out has been in the form of desk based studies. The mandatory Geology Field Report summarizing all work conducted in the Licence during the 2017 field season was submitted to the MLSA as required by April 1, 2018. This report contained all results received and procedures and protocols used in its collection.

Although no field work is planned in this Licence for the 2018 field season desk based work will continue as a great deal of historic data, both in hardcopy and digital format, has been inherited with this newly acquired Licence. This data is currently being assessed and collated with a view to putting it all into a digital format. This will form the basis for a new NI 43-101 Technical Report covering the whole Licence. This process will dictate the future exploration planning for 2019 and beyond.

5. ENVIRONMENTAL MONITORING EXPENSES

When Nalunaq A/S purchased the Nalunaq Property on October 15, 2015, it came with an escrow account for environmental monitoring and an environmental monitoring provision. This escrow account was set up in favour of the Government of Greenland as security for fulfilling the environmental monitoring expenses following the closure of the Nalunaq Gold Mine.

For the three months ended March 31, 2018, Nalunaq A/S incurred \$85,015 in environmental monitoring expenses. All incurred amount are funded from the escrow account.

May 24, 2018

(s) "Eldur Ólafsson"

Eldur Ólafsson
President, CEO and Director

(s) "Ingrid Martin"

Ingrid Martin
CFO