ALMADEX MINERALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2017

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Almadex Minerals Limited ("Almadex" or the "Company") has been prepared based on information known to management as of November 15, 2017. This MD&A is intended to help the reader understand the condensed consolidated interim financial statements of Almadex.

Management is responsible for the preparation and integrity of the condensed consolidated interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the condensed consolidated interim financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the condensed consolidated interim financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the size and timing of future exploration on and the development of the Company's properties, are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Company's common share price and volume and other factors beyond the Company's control. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from management's expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents available under the Company's profile on SEDAR (www.sedar.com) and/or on the Company's website at www.almadexminerals.com.

HIGHLIGHTS

El Cobre

Almadex's technical work during this quarter continued to be focused on the El Cobre gold-copper porphyry project. Activities included drilling at the Norte target and the commencement of drilling at the Villa Rica (Raya Tembrillo) target, as well as the continued review of mapping and sampling data from other parts of the El Cobre property.

Two significant results of drilling this quarter included reporting the best hole to date at Norte – hole EC-17-029 – which intersected 534.90 meters grading 0.90 g/t gold and 0.30% copper (see press release dated August 15, 2017), and hole EC-17-030, which intersected 101.00 meters of 0.81 g/t gold and 0.32% copper, and succeeded in tracing higher grade mineralisation roughly 200 meters northwest from where previously known (see press release dated September 6, 2017).

Corporate

During the quarter, Almadex upgraded its OTC listing to the OTCQX from the OTCQB Venture Market, enabling even greater exposure and accessibility for U.S. and global shareholders. Almadex continues to trade under symbol "AXDDF" on the OTCQX.

OVERALL PERFORMANCE

Background

The Company is a mineral exploration and development company listed on the TSXV under the symbol "AMZ" and quoted on the OTCQX under the symbol "AXDDF". The Company was incorporated on April 10, 2015 under the laws of the Province of British Columbia in connection with the Plan of Arrangement. The Company's business activity is the acquisition and exploration of mineral properties in Canada, United States and Mexico.

Almadex's management team has been focused on exploration and discovery in Mexico, United States and Canada for the past 35 years either with Almadex or its predecessor company, Almaden Minerals Ltd. Traditionally, management has managed risk by forming joint ventures in which partner companies explore and develop projects in return for the right to earn an interest in them. This approach has exposed shareholders to discovery and capital gains without as much funding and consequent share dilution as would be required through sole development of exploration properties. In some cases projects were advanced further when they were considered of such merit that the risk/reward ratio favored that approach. In other cases, if a property was optioned out with unsatisfactory results and returned to management but considered by management to still have merit, the property rights were retained in order to demonstrate further potential. This is the fashion in which the El Cobre discovery was made by Almadex, as the underlying project was optioned to four different partners prior to Almadex drilling the higher grade areas at the Norte target in 2016.

Almadex's approach, described by some as prospect generation, is to more aggressively explore its projects before seeking partners for them. Because the Company has the technical capability to conduct its own geological and geochemical surveys and owns its own geophysical and drilling equipment, it is in a position to quickly eliminate and absorb the cost of projects that fail to show promise after initial testing and will be able to negotiate better deals for the few that deliver good results.

Company Mission and Focus

Almadex is an exploration company specializing in the discovery of new mineral prospects. The Company currently has an asset portfolio comprised of several exploration properties, numerous NSR royalties on projects managed by other companies, plus the gold bullion investment, marketable securities and cash and cash equivalents.

This portfolio of assets is the direct result of over 35 years of prospecting, discovery and deal-making by Almadex's predecessor company, Almaden. Almadex seeks to continue the discovery success of Almaden by combining its respected technical oversight with its seasoned team of Mexican geologists and drillers, 6 company-owned drills, and strong working capital position.

Qualified Person

Morgan Poliquin, Ph.D., P.Eng., a qualified person under the meaning of National Instrument 43-101 ("NI 43-101"), and the President, Chief Executive Officer and a director of Almadex, has reviewed and approved the technical content in this MD&A.

Use of the terms "Mineral Resources" and "Mineral Reserves"

All capitalized terms used in this section have the meaning given to them in NI 43-101.

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

MINERAL PROPERTIES

The following is a brief description of the more active mineral properties owned by the Company. Additional information can be obtained from Almadex's website www.almadexminerals.com.

El Cobre – Mexico

Historically, the El Cobre property formed part of Almaden's larger Caballo Blanco property. Pursuant to an agreement between Almaden and Goldgroup Mining Inc. ("Goldgroup") dated February 5, 2010, Goldgroup gained the right to acquire a 70% interest in Almaden's 100% owned Caballo Blanco project under the condition that a portion of the Caballo Blanco property, the El Cobre property, be transferred to a new entity, owned 60% by Almaden and 40% by Goldgroup. Subsequently, on October 17, 2011, Almaden closed an agreement with Goldgroup to sell its remaining 30% interest in the Caballo Blanco property and to acquire a 100% interest in the El Cobre property. This property was transferred to Almadex as detailed in the Plan of Arrangement on July 31, 2015. Almadex now owns a 100% interest in El Cobre, subject to a sliding-scale NSR equivalent to 0.5% in the event that production from the property exceeds 10,001 tonnes per day of ore. This NSR can be reduced to 0.25% at this production rate through the payment of US$3 million.

Location and Ownership

The 100% owned El Cobre Project has a total area of 7,456 hectares and is located adjacent to the Gulf of Mexico, about 75 kilometres northwest of the city of Veracruz, Mexico. Veracruz is a major port city and naval base with an international airport with numerous daily flights to and from Mexico City and other national and international destinations. The nearest supply centre to the Project is Cardel, a town of 20,000, located approximately 30 km south of the claim block, which is accessed via the Pan American Highway located roughly four kilometres by road from the claim boundary. Less than 10 km northeast of the Project sits Mexico's only nuclear power plant at Laguna Verde and the project is crossed by the electrical power grid. Water is relatively abundant in small creeks at elevations below 200 metres throughout most of the year.

Recent Updates

The four copper-gold porphyry targets currently known within the El Cobre Project, Villa Rica (Raya Tembrillo), Norte, Encinal, and El Porvenir, are defined by distinct Cu-Au soil anomalies, discrete, positive magnetic features and a large IP chargeability anomaly. The largest target area is the Villa Rica zone. Limited past RC and diamond drill testing at Encinal, El Porvenir, and Norte has returned wide intercepts of porphyry copper-gold and narrow zones of intermediate sulphidation epithermal gold-silver vein mineralisation, with selected intercepts as follows:

> El Porvenir Zone: The El Porvenir Zone is located roughly 1.5km east of the Raya Tembrillo showing within the Villa Rica zone. Drilling has demonstrated that the system persists at least to 400 m depth. Significant copper and gold grades were intersected such as 0.16% Cu and 0.39 g/t Au over 290 m in hole DDH04CB1. In addition, hole EC-13-004 intersected 0.23% Cu and 0.36 g/t Au over 106 m, to a depth of 504 m, again indicating potentially significant mineralisation at depth. No drilling has been conducted at El Porvenir since 2013.
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> Encinal Zone: The Encinal Zone is located roughly 2.5km southeast of the recently identified Raya Tembrillo Zone, and roughly 1km south of the El Porvenir zone. Hole CB5 intersected a highly altered breccia pipe containing fragments of stockwork veining and porphyry mineralisation across which 15 meters returned 1.63 g/t Au and 0.12% Cu. The breccia pipe occurs in a large alteration zone, IP chargeability high and magnetics low which has not been tested to depth. On June 19, 2017, Almadex announced that a new area of exposed stockwork quartz veining and gold mineralisation had been identified in the Encinal Zone. On June 29, 2017, Almadex announced the results of initial drilling on this exposed stockwork (Hole EC-17-025) which returned results including 34.47 metres grading 0.73 g/t Au and 0.20% Cu. Almadex is reviewing the data gathered to date at Encinal to prioritize further drill targets.
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> Norte Zone: The Norte Zone is located approximately 2.0km north of the Raya Tembrillo zone and approximately 3.5km north-northwest of the Encinal zone. Drilling at the Norte Zone in 2016 and 2017 has resulted in the highest grade intersections to date at the El Cobre project, including 114.6 metres grading 1.33 g/t Au and 0.48% Cu (Hole EC17-018, see press release of April 5, 2017), 80.5 metres grading 1.34 g/t Au and 0.46% Cu (Hole EC16-012, see press release of October 24, 2016), and 70.45 metres grading 2.32 g/t Au and 0.59% Cu (Hole EC17-026, see press release of July 25, 2017). Since the Norte Zone discovery, Almadex has been carrying out a systematic drill campaign to define this target. Future Norte drilling will focus on defining the high grade zone now emerging from the Norte drill program, as well as more detailed drilling with the objective of defining a resource.

In addition to the above, several anomalous areas either remain untested by drilling or have only seen drilling commence very recently, including the Villa Rica Zone, a roughly 2.5 kilometre by 1 kilometre area defined by a strong north-northwest trending magnetic-chargeability high, an associated copper-gold soil geochemical anomaly, and significant outcrop, float, and channel sample assays.

During the nine months ended September 30, 2017, the Company incurred a total of $463,217 (September 30, 2016 - $Nil) in acquisition cost and $2,291,171 (September 30, 2016 - $1,182,028) exploration costs respectively at the El Cobre property.

Upcoming / Outlook

Drilling is continuing at El Cobre target areas and results will be released as they are received and compiled.

Other properties

Other properties consist of a portfolio of early stage exploration projects located in Canada, United States and Mexico. During the nine months ended September 30, 2017, the Company incurred in acquisition and exploration costs of $536,355 on a care and maintenance basis and recorded a write-down of $536,355 (September 30, 2016 - $426,230) with respect to these properties.

RISK FACTORS

The Company is engaged in exploration for mineral deposits. These activities involve significant risks which, even with careful evaluation, experience and knowledge, may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry, metal price fluctuations and operating in foreign countries and currencies.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Market volatility for marketable securities and investments

The Company's marketable securities consist of shares of exploration companies which are historically very volatile. The Company's investments consist of gold bullion with fluctuating market prices. There is no assurance that the Company will be able to recover the current fair market value of those shares. The Company also may hold a large number of shares which may be difficult to sell in illiquid markets from time to time.

Industry

The Company is engaged in the exploration and development of mineral properties which is an inherently risky business. There is no assurance that a mineral deposit will ever be discovered, developed and economically produced. Few exploration projects result in the discovery of commercially mineable ore deposits. If market conditions make financings difficult, it may be difficult for the Company to find joint venture partners. The Company may be unsuccessful in identifying and acquiring projects of merit.

Mineral resource estimates

The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

Prices of gold, silver and other metals

The price of gold is affected by numerous factors including central bank sales or purchases, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities.

The price of silver is affected by similar factors and, in addition, is affected by having more industrial uses than gold, as well as sometimes being produced as a by-product of mining for other metals with its production thus being more dependent on demand for the main mine product than supply and demand for silver. The prices of other metals and mineral products, such as copper, that the Company may explore for have the same or similar price risk factors.

Cash flows and additional funding requirements

The Company currently has no revenue from operations. In order to continue to advance and develop its mineral properties, the Company will have to raise additional capital. The sources of funds currently available to the Company include equity capital, potential debt capital or the offering of an interest in its projects to another party. The Company currently has sufficient financial resources to undertake all of its currently planned exploration and development programs.

Exchange rate fluctuations

Fluctuations in currency exchange rates, principally the Canadian/U.S. Dollar and the Canadian/Mexican Peso exchange rates, can impact cash flows. The exchange rates have varied substantially over time. Fluctuations in exchange rates may give rise to foreign currency exposure, either favourable or unfavourable, which will impact financial results. The Company does not engage in currency hedging to offset any risk of exchange rates fluctuation.

Environmental

The Company’s exploration and development activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by NGOs opposed to mining has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

Laws, Regulations, and Permits

The Company’s exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety, waste disposal, protection of the environment, protection of historic and archeological sites, protection of endangered and protected species and other matters in all the jurisdictions in which it operates. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the

Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws and relies on its land men and legal counsel in Canada, Mexico and United States.

In Mexico, the Mining Law (Ley Minera) regulates all mining activities. Article 62 of this law requires full compliance with all the environmental laws and regulations.

Mining activities are regulated by the Ministry of Economy (Secretaría de Economía), through which the Undersecretary of Industry and Commerce (Subsecretaría de Industria y Comercio) coordinates the industrial and commercial sector. As part of the Undersecretary of Industry and Commerce, the General Mining Coordination (Coordinación General de Minería) and the General Mining Department (Dirección General de Minería) both regulate the mining sector in the country. These authorities require that all mining companies comply with all the Environmental and National Protection regulations. The country's federal government works toward sustainable development and environmental protection through the Ministry of Environment and Natural Resources 'Secretariat of Environment and Natural Resources (Spanish: Secretaría del Medio Ambiente y Recursos Naturales, SEMARNAT). Mining companies must obtain Environmental Impact Statement and Risk Assessment Permits (EIS) from SEMARNAT prior to any mining activities, and such activities are subsequently subject to several environmental permits from different offices with SEMARNAT and other governmental bodies, including permits for explosives, change of use of land applications, water usage and extraction, wastewater discharge and tailings disposal. Under the Mexican Mining Law, concessionaires must adhere to federal environmental regulations, and their activities are subject to an environmental review. All mining companies are required to prepare and file an EIS for all extractive operations as well as non-standard exploration work such as tunneling. It is also general practice to obtain an Archeological Release from the National Institute of Archeology and History ("INAH") at the time of the EIS application.

Surface exploration activities generally have a very low environmental impact. If an exploration project conforms to the NOM-120-SEMARNAT-1997 (Norma Oficial Mexicana NOM-120-SEMARNAT, 1997 [1998]), SEMARNAT does not require a permit to conduct low impact surface work such as drilling. In practice, although not required under the NOM-120, many companies submit an "Informe Preventivo", a report that states the measures that will be used by the company to minimize environmental impacts.

To its knowledge the Company has complied with all regulations in order to conduct its exploration activities. Exploration activities on the El Cobre project are low impact however the Company has filed several Informe Preventivo reports which have all been approved by SEMARNAT in Veracruz State. The Company's El Cobre project is located in a general region where Pre-Columbian archaeological sites are known. To date exploration programs on the project were conducted in consultation with the Federal Agency for Archeology, INAH, which resulted in the identification of several small areas for further study and classification. The outcome of this future work is unknown however these areas do not impact the Company's ability to conduct its current exploration activities. The Company will continue to consult with INAH as the project progresses.

Title to mineral properties

While the Company has investigated title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Possible dilution to present and prospective shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective shareholders. The Company has traditionally sought joint venture partners to fund in whole or in part exploration projects. Offering an interest in its projects to partners would dilute the Company's interest in the projects.

Material risk of dilution presented by large number of outstanding share purchase options and warrants

At November 15, 2017, there were 4,773,500 stock options and 1,292,400 warrants outstanding. Directors and officers hold 3,934,000 of the options and 839,500 options are held by employees and consultants of the Company.

Trading volume

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares.

Volatility of share price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

Competition

There is competition from other mining exploration companies with operations similar to Almadex. Many of the companies with which it competes have operations and financial strength greater than the Company.

Dependence on management

The Company depends heavily on the business and technical expertise of its management.

Conflict of interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. If a conflict arises, the Company may miss the opportunity to participate in certain transactions.

Impairment of Exploration and Evaluation Assets

The Company assesses its exploration and evaluation assets quarterly to determine whether any indication of impairment exists. Common indications of impairment, which is often judgemental, include, but are not limited to, that: the right to explore the assets has expired or will soon expire and is not expected to be renewed, substantive expenditure of further exploration is not planned, or the results are not compelling enough to warrant further exploration by the Company.

At September 30, 2017, the Company concluded that impairment indicators existed with respect to certain of its exploration and evaluation assets. An impairment of exploration and evaluation assets of $538,402 for the period ended September 30, 2017 (2016 - $426,230), has been recognized.

Material Financial and Operations Information

Summary of Quarterly Results

The following is a summary of the Company's financial results since becoming a reporting issuer for the quarters ending at the dates noted:

	Q3 Sep 2017 Quarter	Q2 Jun 2017 Quarter	Q1 Mar 2017 Quarter	Q4 Dec 2016 Quarter	Q3 Sep 2016 Quarter	Q2 Jun 2016 Quarter	Q1 Mar 2016 Quarter	Q4 Dec 31 2015 Quarter
	$	$	$	$	$	$	$	$
Total revenue	62,889	59,630	42,091	72,989	128,280	15,421	36,795	82,831
Net income (loss)	(958,974)	(613,883)	(715,085)	(667,037)	1,950,134	(117,924)	(1,645,198)	(627,459)
Income (loss) per share – basic	(0.02)	(0.01)	(0.02)	(0.01)	0.04	(0.00)	(0.04)	(0.03)
Income (loss) per share – diluted	(0.02)	(0.01)	(0.02)	(0.01)	0.04	(0.00)	(0.04)	(0.03)
Write-down of interests in exploration and evaluation assets	467,296	20,106	51,000	40,069	264,622	39,847	121,721	482,976
Administrative services fee	110,006	100,178	104,494	167,103	95,750	95,757	100,188	113,320
Share-based payments	201,000	396,440	809,074	120,250	53,730	214,630	-	21,377
Working capital	5,753,021	7,374,875	9,237,987	6,527,470	8,458,192	5,105,026	5,099,818	5,532,748
Total assets	15,271,458	15,915,180	16,468,130	13,322,562	14,136,885	10,326,468	9,843,208	11,269,910
Cash dividends declared	-	-	-	-	-	-	-	-

Results of Operations and Financial Results

<u>Results of Operations for the three months ended September 30, 2017 compared to the three months ended September 30, 2016</u>

For the three months ended September 30, 2017, the Company recorded a net loss of $958,974 (2016 gain - $1,950,134) or a basic and diluted net loss of $0.02 per share (2016 gain - $0.04). The Company has no revenues from mining operations as it only conducts exploration work. The revenue of $62,889 (2016- $128,280) during the three months ended September 30, 2017 consisted of interest income of $4,940 (2016 - $2,261) from cash balances. Other income of $57,949 (2016 - $126,019) consist of drilling equipment rental services to Almaden.

A significant portion of total expenses of $959,037 during the three months ended September 30, 2017 (2016 - $522,456) were related to general and administrative expenses such as share-based payments of $201,000 (2016 - $53,730), professional fees and office of $113,752 (2016 - $70,524), travel and promotion of $11,839 (2016 - $4,943) and various other expenses incurred by the Company to review business opportunities and to communicate with shareholders. An administrative services fee of $110,006 (2016 - $95,750) was paid to Almaden during the three months ended September 30, 2017 for providing office space, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the three months ended September 30, 2017 included impairment of exploration and evaluation assets of $467,296 (2016 - $264,662), share-based payments of $201,000 (2016 - $53,730), loss on investment in associates of $Nil (2016 - $1,866,607) and loss on fair value of contingent shares receivable of $7,800 (2016 gain - $3,900). Impairment of exploration and evaluation assets fluctuates period to period based on management's evaluation of the carrying value of each exploration and evaluation asset interest held at that time. The share-based payments are recognized on the grant of stock options. The loss on investment in associate relates to the recognition of the equity loss in Gold Mountain during the three months ended September 30, 2016. The contingent shares receivable is based on the fair value of the common shares of Goldgroup Mining Inc. ("Goldgroup") held by the Company as at September 30, 2017.

Results of Operations for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016

For the nine months ended September 30, 2017, the Company recorded a net loss of $2,287,942 (2016 – gain $187,012) or a basic and diluted net loss of $0.05 per share (2016 - $0.00). The Company has no revenues from mining operations as it only conducts exploration work. The revenue of $164,610 (2016 - $180,496) during the nine months ended September 30, 2017 consisted of interest income of $17,101 (2016 - $10,014) from cash balances. Other income of $147,509 (2016 - $170,482) consist of drilling equipment rental services to Almaden.

A significant portion of total expenses of $2,746,540 during the nine months ended September 30, 2017 (2016 - $1,345,502) were related to general and administrative expenses such as share-based payments of $1,406,514 (2016 - $268,360), professional fees and office of $278,816 (2016 - $233,780), travel and promotion of $47,709 (2016 - $30,733) and various other expenses incurred by the Company to review business opportunities and to communicate with shareholders. An administrative services fee of $314,678 (2016 - $291,695) was paid to Almaden during the nine months ended September 30, 2017 for providing office space, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the nine months ended September 30, 2017 included impairment of exploration and evaluation assets of $538,402 (2016 - $426,230), share-based payments of $1,406,514 (2016 - $268,360), loss on investment in associates of $Nil (2016 $501,660) and loss on fair value of contingent shares receivable of $23,400 (2016 gain - $69,600). Impairment of exploration and evaluation assets fluctuates period to period based on management's evaluation of the carrying value of each exploration and evaluation asset interest held at that time. The share-based payments are recognized on the grant of stock options. The loss on investment in associate relates to the recognition of the equity loss in Gold Mountain during the nine months ended September 30, 2016. The contingent shares receivable is based on the fair value of the common shares of Goldgroup Mining Inc. ("Goldgroup") held by the Company as at September 30, 2017.

Liquidity and Capital Resources

At September 30, 2017, the Company had working capital of $5,753,021, including cash and cash equivalents of $2,180,505.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for its next fiscal year as these expenditures are considered discretionary by management. The Company has no material commitments for the next fiscal year. Management has a proven track record to be able to raise money even in a very challenging financial marketplace.

Three months ended September 30, 2017

Net cash used in operations during the three months ended September 30, 2017 was $108,019 (2016 - $239,520), after adjusting for non-cash activities.

Net cash used in investing activities of $1,456,054 (2016 - $1,580,920) during the three months ended September 30, 2017 relates to property and equipment purchase of $27,734 (2016 - $109,156) as the Company acquired field equipment for its drilling program at the El Cobre project. Cash used in investing activities relates to expenditures on exploration and evaluation assets of $1,428,320 (2016 - $808,978) mainly on the El Cobre project.

Net cash from financing activities during the three months ended September 30, 2017 was $159,000 (2016 - $93,912), as a result of stock options exercised.

Nine months ended September 30, 2017

Net cash used in operations during the nine months ended September 30, 2017 was $678,244 (2016 - $477,992), after adjusting for non-cash activities.

Net cash used in investing activities of $3,500,811 (2016 - $1,082,990) during the nine months ended September 30, 2017 relates to net proceeds from sale of marketable securities of $36,613 (2016 - $577,608). Cash used in investing activities relates to expenditures on exploration and evaluation assets of $3,430,976 (2016 - $1,696,053) mainly at the El Cobre project.

Net cash from financing activities during the nine months ended September 30, 2017 was $3,680,425 (2016 - $106,002), as a result of a non-brokered private placement closed on February 27, 2017, and $448,640 (2016 - $89,130) from stock options exercised.

Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

	Number of Common Shares Issued & Outstanding	**Share Capital Amount**
December 31, 2015	43,938,969	$11,907,544
December 31, 2016	44,336,369	$12,093,447
November 15, 2017	48,362,869	$15,944,798

Share issuances during fiscal 2017

During the period ended September 30, 2017, the Company received $448,640 on the exercise of 1,418,000 options.

On February 27, 2017, the Company closed a non-brokered private placement by the issuance of 2,496,000 units at a price of $1.35 per unit for gross proceeds to the Company of $3,369,600. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of $2.00 per share until August 27, 2019. Share issue costs included a finders' fee of $106,650 in cash, and finders' warrants to purchase up to 44,400 common shares at a price of $1.35 per common share until August 27, 2019. The fair value of the finders' warrants was $34,188. In connection with the private placement, the Company also incurred $31,165 in other cash share issue costs. These amounts were recorded as reduction to share capital. The proceeds of the private placement were allocated entirely to share capital.

The following table summarizes information about warrants outstanding at November 15, 2017:

Expiry date	**Exercise Price**	**December 31, 2016**	**Granted**	**Exercised**	**Expired**	**November 15, 2017**
August 27, 2019	$ 2.00	-	1,248,000	-	-	1,248,000
August 27, 2019	$ 1.35	-	44,400	-	-	44,400
Warrants outstanding and exercisable		**-**	**1,292,400**	**-**	**-**	**1,292,400**
Weighted average exercise price		-	$ 1.98	-	-	$ 1.98

The Company grants directors, officers, employees and contractors options to purchase common shares under its Stock Option Plan. This plan and its terms are detailed in Note 11(d) to the consolidated financial statements for the period ended December 31, 2016, which are available on SEDAR at www.sedar.com.

The following table summarizes information about stock options outstanding at November 15, 2017:

Expiry date	Exercise price	December 31, 2016	Granted	Exercised	Expired/ cancelled	November 15, 2017
January 6, 2017	$ 0.23	708,000	-	(708,000)	-	-
May 4, 2017	$ 0.44	120,000	-	(120,000)	-	-
June 8, 2017	$ 0.46	45,000	-	(45,000)	-	-
September 11, 2017	$ 0.53	300,000	-	(300,000)	-	-
November 22, 2017	$ 0.51	60,000	-	-	-	60,000
April 4, 2018	$ 0.40	54,000	-	-	-	54,000
May 6, 2018	$ 0.37	39,000	-	-	-	39,000
May 6, 2018	$ 0.46	72,000	-	-	-	72,000
June 8, 2018	$ 0.38	1,300,000	-	(72,500)	-	1,227,500
June 18, 2018	$ 0.34	150,000	-	-	-	150,000
August 28, 2018	$ 0.16	834,200	-	(140,000)	-	694,200
August 28, 2018	$ 0.65	151,000	-	-	-	151,000
December 17, 2018	$ 0.15	90,000	-	(30,000)	-	60,000
December 17, 2018	$ 1.18	90,000	-	-	-	90,000
January 2, 2019	$ 0.24	225,000	-	(15,000)	-	210,000
February 27, 2019	$ 1.35	-	115,000	-	-	115,000
May 5, 2019	$ 1.10	-	583,000	-	-	583,000
July 2, 2019	$ 0.30	90,000	-	-	-	90,000
July 2, 2019	$ 0.98	40,000	-	-	(40,000)	-
July 2, 2019	$ 1.37	-	877,800	-	-	877,800
April 30, 2020	$ 1.04	-	300,000	-	-	300,000
Options outstanding and exercisable		**4,368,200**	**1,875,800**	**(1,430,500)**	**(40,000)**	**4,773,500**
Weighted average exercise price		$ 0.35	$ 1.23	$ 0.32	0.98	$ 0.70

As of date of this MD&A, there were 48,362,869 common shares issued and outstanding and 54,428,769 common shares outstanding on a diluted basis.

Environmental Provisions and Potential Environmental Contingency

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The Company estimates that future reclamation and site restoration costs based on the Company's exploration activities to date are not significant however the ultimate amount of reclamation and other future site restoration costs to be incurred in the future is uncertain.

Off-Balance Sheet Arrangements

None.

Contractual Commitments

None.

Proposed Transactions

None.

Transactions with Related Parties

(a) Compensation of key management personnel

Key management personnel include those persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The aggregate value of compensation to key management personnel was as follows:

Three months ended September 30, 2017	Fees	Share-based Payments	Total
	$	$	$
Chairman	18,000	-	18,000
President & CEO	22,875	201,000	223,875
CFO	15,263	-	15,263
VP Corporate Development	14,437	-	14,437
Directors	-	-	-
	70,575	201,000	271,575

Nine months ended September 30, 2017	Fees	Share-based Payments	Total
	$	$	$
Chairman	54,000	172,800	226,800
President & CEO	68,625	443,300	511,925
CFO	45,787	40,800	86,587
VP Corporate Development	43,313	34,000	77,313
Directors	-	367,720	367,720
	211,725	1,058,620	1,270,345

Three months ended September 30, 2016	Fees	Share-based Payments	Total
	$	$	$
Chairman	18,000	8,100	26,100
President & CEO	19,875	-	19,875
CFO	13,875	-	13,875
VP Corporate Development	13,125	10,800	23,925
Directors	-	16,200	16,200
	64,875	35,100	99,975

Nine months ended September 30, 2016	Fees	Share-based Payments	Total
	$	$	$
Chairman	54,000	56,100	110,100
President & CEO	59,625	62,400	122,025
CFO	41,625	14,400	56,025
VP Corporate Development	39,375	18,800	58,175
Directors	-	56,200	56,200
	194,625	207,900	402,525

Fees are paid to Almaden for services provided by key management pursuant to the Administrative Services Agreement between Almadex and Almaden, as further described below.

(b) Other related party transactions

Administrative Services Agreement

The Company paid administrative services fees to Almaden pursuant to an Administrative Services Agreement dated May 15, 2015, under which Almaden provides the Company with office space, executive management, marketing support, technical oversight, and financial/corporate secretary duties, amongst other administrative services.

At September 30, 2017, included in accounts payable is $72,265 (December 31, 2016 - $149,429) due to Almaden.

ATW Resources Ltd.

Almadex owns a 50% interest in ATW Resources Ltd. which holds title in trust for the ATW mineral property, situated at Mackay Lake in the Northwest Territories included in other properties.

Other

During the period ended September 30, 2017, the Company included in other income $147,210 (2016 - $160,317) paid by Almaden to the Company for drill equipment rental services in Mexico.

During the period ended September 30, 2017, the Company paid a company controlled by a Director of the Company $48,656 (2016 - $67,955) for geological services, capitalized to exploration and evaluation assets.

Financial Instruments

The fair values of the Company's cash and cash equivalents, accounts receivable and trade and other payables approximate their carrying values because of the short-term nature of these instruments. The Company's reclamation deposits approximate fair value as the expected proceeds on redemption approximate its carrying value. See Note 13(f) for fair values of contingent shares receivables, and marketable securities and investments.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and commodity and equity price risk.

(a) Currency risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. The Company does not invest in foreign currency contracts to mitigate the risks.

As at September 30, 2017, the Company was exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

All amounts in Canadian dollars	**US dollar**	**Mexican peso**
	$	**$**
Cash and cash equivalents	363,676	261,857
Account receivables and prepaid expenses	-	131,616
Total assets	**363,676**	**393,473**
Trade and other payables	28,794	19,452
Total liabilities	**28,794**	**19,452**
Net assets	**334,882**	**374,021**

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by $33,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's profit or loss by $37,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian and Mexican financial institutions. The Company's accounts receivable consists primarily of sales tax due from the federal government of Canada. The Company is exposed to credit risks through its accounts receivable.

To mitigate exposure to credit risk on cash and cash equivalents, the Company has established policies to limit the concentration of credit risk with any given banking institution where the funds are held, to ensure counterparties demonstrate minimum acceptable credit risk worthiness and ensure liquidity of available funds.

As at September 30, 2017, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents, and accounts receivable.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Trade and other payables are due within twelve months of the statement of financial position date.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to varying interest rates on cash and cash equivalents. The Company has no interest bearing debt.

A 1% change in the interest rate would change the Company's net loss by $5,000.

(e) Commodity and equity price risk

(i) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales of the quantities held in investments. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company.

A 1% change in the price of gold would affect the fair value of the Company's gold investment by $26,000.

(ii) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's operations due to movements in individual equity price or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(f) Classification of Financial instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Marketable securities and investments	3,575,136	-	-	3,575,136
Contingent shares receivable	-	27,300	-	27,300

Level 2 inputs used in determining the fair value of contingent shares receivable includes the use of quoted market prices for the underlying shares of public companies, as well as estimates regarding the likelihood of achieving certain milestones that would trigger the collection of the contingent shares receivable by the Company.

Management of Capital

The Company considers its capital to consist of components of equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period. There have been no changes to the Company`s capital management approach during the period.

Subsequent Event

On October 10, 2017, the Company received $4,750 on the exercise of 12,500 stock options with an exercise price of $0.38.

Information on the Board of Directors and Management

Directors:
Duane Poliquin, P.Eng
Morgan Poliquin, P.Eng, Ph.D.
Douglas McDonald, M.A.Sc, B.Com.
Jack McCleary, P.Geol
Larry Segerstrom, MBA, MSc
Mark T. Brown, CPA, CA
William J. Worrall, Q.C.

Audit Committee members:
Mark T. Brown, CPA, CA
Douglas McDonald, M.A.Sc, B.Com.
Jack McCleary, P.Geol

Compensation Committee members:
Jack McCleary, P.Geol
Duane Poliquin, P.Eng.
William J. Worrall, Q.C.

Nominating & Corporate Governance Committee members:
Mark T. Brown, CPA, CA
Morgan Poliquin, P.Eng, Ph.D.
William J. Worrall, Q.C.

Management:
Duane Poliquin, P.Eng – Chairman
Morgan Poliquin, Ph.D., P.Eng – Chief Executive Officer, President
Korm Trieu, CPA, CA – Chief Financial Officer
Douglas McDonald, M.A.Sc, B.Com. – Vice President, Corporate Development