ALMADEX MINERALS LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 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 May 30, 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 as well as mapping and sampling of new outcropping mineralization in the Villa Rica zone as described later in this report.

Other projects

On February 14, 2017, Almadex announced that it had signed a definitive agreement to option up to 75% of its interest in the Willow project, Nevada, to Abacus Mining and Exploration Corp. ("Abacus") (TSX-V: AME).

Abacus can earn an initial 60% interest in the Willow project by incurring work expenditures on the project totaling US$3,000,000 and issuing a total of 2,500,000 shares to the Company over a five year period. Upon having earned this initial interest, Abacus will be required to incur minimum annual exploration expenditures of US$500,000 on the property and, by February 22, 2027, deliver a Feasibility Study in respect of the Willow project to Almadex, subject to certain rights of extension. Should Abacus fail to incur the minimum annual expenditures for two consecutive years, Almadex may elect to become operator of the project, and the parties will enter into a 60:40 joint venture agreement with standard dilution provisions. Abacus will earn an additional 15% interest in the project upon delivery of a Feasibility Study to Almadex, at which point a 75:25 joint venture will be formed, with pro-rata funding of ongoing work in proportion to the respective interests held at that time. Until such time as a joint venture is formed pursuant to the agreement, Almadex's interest is a carried interest.

Financial Activities

On February 27, 2017, Almadex announced the closing of a non-brokered private placement raising gross proceeds of approximately $3.3 million through the issuance of 2,496,000 units ("Units") at a price of $1.35 per Unit. Each Unit consisted of one common share and one-half of one common share purchase warrant (each such whole share purchase warrant, a "Warrant"). Each Warrant allows the holder to purchase one common share of the Company at a price of $2.00 per share until August 27, 2019. Fees consisting of $106,650.00 in cash and warrants to purchase 44,400 common shares at a price of $1.35 per common share until August 27, 2019 were paid to arms-length finders on a portion of the placement.

OVERALL PERFORMANCE

Background

The Company is a mineral exploration and development company listed on the TSXV under the symbol "AMZ" and quoted on the OTCQB 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, the United States and Mexico.

Almadex uses the same management team as Almaden Minerals Ltd. (“Almaden”), which has been focused on exploration and discovery in Mexico, the United States and Canada for the past 35 years. Traditionally, this approach has involved managing risk by forming joint ventures in which partner companies explore and develop such 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 Almaden but considered by Almaden management to still have merit, the property rights were retained in order to demonstrate further potential. This is the fashion in which the Ixtaca discovery was made by Almaden, as the underlying project was optioned to three different partners prior to Almaden making the discovery in 2010.

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 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, 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 which has not been drill tested. 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: 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.

> Deep IP Zone: To the north of the El Porvenir Zone a large area of high chargeability responses located at depth. This zone is interpreted to be a possible core to the entire El Cobre porphyry system.

Encinal 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 July 1, 2016, Almadex reported results of drilling at Encinal, which were consistent with the interpretation that the drilling was located in a zone marginal to a potential copper-rich portion of the porphyry system.

Norte Zone: All five holes drilled in the Norte Zone prior to 2016 intersected porphyry-style mineralisation. Hole 08-CBCN-022, one of the deepest holes drilled at Norte in 2008, returned values of 0.14% Cu with 0.19 g/t Au over 259 m and 08-CBCN-19 intersected 41.15 meters averaging 0.42 g/t gold and 0.27% copper to the end of the hole at 187.45 meters. Drilling in 2016 and 2017 has been designed to test this zone to the south and at depth, with previously-announced highlights including hole EC-16-010 which intersected 163.5 metres grading 0.68 g/t Au and 0.29% Cu (see press release of August 8, 2016), hole EC-16-012 which intersected 218.0 metres grading 0.70 g/t Au and 0.28% Cu (see press release of October 24, 2016), and hole EC-17-018 which intersected 342.0 metres grading 0.60 g/t Au and 0.27% Cu (including 193.3 metres grading 0.93 g/t Au and 0.38% Cu, see press release of April 5, 2017).

In addition to the above, several anomalous areas remain untested by drilling, 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 three months ended March 31, 2017, the Company incurred a total of $530,397 exploration costs with respect to the El Cobre property.

Upcoming / Outlook

Drilling is continuing in the Norte Zone and results will be released as they are received and compiled. Recent mapping and sampling in an area approximately 2 kilometres south of the Norte Zone, referred to as Raya Tembrillo, has generating encouraging results. Results of initial grab samples from this area were announced on March 19, 2017, and were followed up by eight channel samples, the results of which were announced on April 10, 2017. The exposed mineralisation is oxidised so any copper that had been present has likely been removed through the weathering process. The mineralisation is comprised of quartz stockwork zones developed in a diorite. The sampling returned the following results:

Channel 1: 14.0 meters @ 1.22 g/t gold and 0.02% copper
Channel 2: 9.0 meters @ 1.22 g/t gold and 0.04% copper
Channel 3: 1.0 meter @ 0.75 g/t gold and 0.02% copper
Channel 4: 22.0 meters @ 0.18 g/t gold and 0.03% copper
Channel 5: 4.0 meters @ 0.23 g/t gold and 0.02% copper
Channel 6: 6.0 meters @ 1.91 g/t gold and 0.02% copper
Channel 7: 14.0 meters @ 1.57 g/t gold and 0.03% copper
Channel 8: 2.0 meters @ 1.93 g/t gold and 0.04% copper

Other properties

Other properties consist of a portfolio of early stage exploration projects located in Canada, the United States and Mexico. During the three months ended March 31, 2017, the Company incurred exploration costs of $68,548 on a care and maintenance basis and recorded a write-down of $51,000 (March 31, 2016 - $121,721) 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 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 the El Cobre project, 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 and regulations

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 and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. 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 the United States.

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 May 30, 2017, there were 4,786,000 stock options and 1,292,400 warrants outstanding. Directors and officers hold 3,934,000 of the options and 852,000 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 March 31, 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 $51,000 for the period ended March 31, 2017 (2016 - $121,721), 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:

	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	Q3 Sep 2015 Quarter	Q2 Jun 2015 Quarter
	$	$	$	$	$	$	$	$
Total revenue	42,091	72,989	128,280	15,421	36,795	82,831	3,831	-
Net income (loss)	(715,085)	(667,037)	1,950,134	(117,924)	(1,645,198)	(627,459)	(456,942)	-
Income (loss) per share – basic	(0.02)	(0.01)	0.04	(0.00)	(0.04)	(0.03)	(0.02)	-
Income (loss) per share – diluted	(0.02)	(0.01)	0.04	(0.00)	(0.04)	(0.03)	(0.02)	-
Write-down of interests in exploration and evaluation assets	51,000	40,069	264,662	39,847	121,721	482,976	61,478	-
Administrative services fee	104,494	167,103	95,750	95,757	100,188	113,320	68,085	-
Share-based payments	809,074	120,250	53,730	214,630	-	21,377	76,050	-
Working capital	9,237,987	6,527,470	8,458,192	5,105,026	5,099,818	5,532,748	5,832,989	100
Total assets	16,468,130	13,322,562	14,136,885	10,326,468	9,843,208	11,269,910	11,951,635	100
Cash dividends declared	-	-	-	-	-	-	-	-

Results of Operations and Financial Results

<u>Results of Operations for the three months ended March 31, 2017 compared to the three months ended March 31, 2016</u>

For the three months ended March 31, 2017, the Company recorded a net loss of $715,085 (2016 - $1,645,198) or a basic and diluted net loss of $0.02 per share (2016 - $0.04). The Company has no revenues from mining operations as it only conducts exploration work. The revenue of $42,091 during the three months ended March 31, 2017 consisted of interest income of $2,188 (2016 - $3,191) from cash balances. Other income of $39,903 (2016 - $33,604) consist of drilling equipment rental services to Almaden.

A significant portion of total expenses of $1,055,374 during the three months ended March 31, 2017 (2016 - $313,005) were related to general and administrative expenses such as share-based payments of $809,074 (2016 - $Nil), professional fees and office of $28,723 (2016 - $37,343), travel and promotion of $10,230 (2016 - $22,702) and various other expenses incurred by the Company to review business opportunities and to communicate with shareholders. An administrative services fee of $104,494 (2016 - $100,188) was paid to Almaden during the three months ended March 31, 2017 for providing office space, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the three months ended March 31, 2017 included impairment of exploration and evaluation assets of $51,000 (2016 - $121,721), share-based payments of $809,074 (2016 - $Nil), loss on investment in associates of $Nil (2016 $1,326,900) and loss on fair value of contingent shares receivable of $3,900 (2016 - $1,800). 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 March 31, 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 March 31, 2017.

Liquidity and Capital Resources

At March 31, 2017, the Company had working capital of $9,237,987, including cash and cash equivalents of $5,195,075.

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 March 31, 2017

Net cash used in operations during the three months ended March 31, 2017 was $286,417 (2016 - $49,007), after adjusting for non-cash activities.

Net cash from investing activities of $665,368 (2016 - $390,977) during the three months ended March 31, 2017 relates to net proceeds from sale of marketable securities of $36,613 (2016 - $23,900). Cash used in investing activities relates to expenditures on exploration and evaluation assets of $692,665 (2016 - $415,373) mainly on the El Cobre project.

Net cash from financing activities during the three months ended March 31, 2017 was $3,467,725 (2016 - $Nil), as a result of a non-brokered private placement closed on February 27, 2017, and $235,940 (2016 - $Nil) from 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
May 30, 2017	47,950,369	$15,637,824

Share issuances during fiscal 2017

During the period ended March 31, 2017, the Company received $235,940 on the exercise of 998,000 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 finder’s 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 May 30, 2017:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired	May 30, 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 table in Note 11(c) to the consolidated financial statements summarizes information about warrants outstanding at December 31, 2016.

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 table in Note 11(d) to the consolidated financial statements summarizes information about stock options outstanding at December 31, 2016.

The following table summarizes information about stock options outstanding at May 30, 2017:

Expiry date	Exercise price	December 31, 2016	Granted	Exercised	Expired/ cancelled	May 30, 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	-	(60,000)	-	1,240,000
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
Options outstanding and exercisable		**4,368,200**	**1,575,800**	**(1,118,000)**	**(40,000)**	**4,786,000**
Weighted average exercise price		$ 0.35	$ 1.27	$ 0.26	0.98	$ 0.66

As of date of this MD&A, there were 47,950,369 common shares issued and outstanding and 54,028,769 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 March 31, 2017	Fees	Share-based Payments	Total
	$	$	$
Chairman	18,000	109,560	127,560
President & CEO	22,875	174,300	197,175
CFO	15,263	-	15,263
VP Corporate Development	14,437	-	14,437
Directors	-	224,920	224,920
	70,575	508,780	579,355

Three months ended March 31, 2016	Fees	Share-based Payments	Total
	$	$	$
Chairman	18,000	-	18,000
President & CEO	19,875	-	19,875
CFO	13,875	-	13,875
VP Corporate Development	13,125	-	13,125
Directors	-	-	-
	64,875	-	64,875

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.

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

At March 31, 2017, the Company included in other income $39,903 (2016 - $33,604) paid by Almaden to the Company for drill equipment rental services in Mexico.

At March 31, 2017, the Company paid a company controlled by a Director of the Company $24,569 (2016 - $3,971) for geological services.

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 approximates fair value as the expected proceeds on redemption approximate its carrying value.

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 March 31, 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	450,979	471,951
Account receivables and prepaid expenses	24,837	109,770
Total assets	**475,816**	**581,721**
Trade and other payables	35,283	1,164
Total liabilities	**35,283**	**1,164**
Net assets	**440,533**	**580,557**

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by $44,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's profit or loss by $58,000.

(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 March 31, 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 $31,000.

(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 7 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	3,978,757	-	-	3,978,757
Contingent shares receivable	-	46,800	-	46,800

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 May 3, 2017 and May 4, 2017, the Company received $53,700 on the exercise of 75,000 and 45,000 stock options with exercise prices of $0.44 to $0.46 respectively.

On May 5, 2017, the Company granted to employees, officers and directors, pursuant to its stock option plan, 583,000 stock options at exercise prices of $1.10 per share expiring on May 5, 2019.

On May 24, 2017, the Company signed an agreement with Westhaven Ventures Inc. ("Westhaven") and Strongbow Exploration Ltd. ("Strongbow"), pursuant to which Westhaven will acquire the Skoonka Creek gold property (the "Property"), which is currently held by Strongbow and Almadex pursuant to a 65.74%/34.26% joint venture. In exchange for its interest in the Property, Almadex will receive, on closing of the transaction, 700,000 shares of Westhaven and a 2.0% net smelter return royalty on the Property. Closing of the transaction is subject to acceptance for filing of the agreement by the TSX Venture Exchange.

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