

ALMADEX MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2023

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Almadex Minerals Ltd. ("Almadex" or the "Company") has been prepared based on information known to management as of November 21, 2023. 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, management's belief that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for its next fiscal year, the Company's expectations that it will make expenditures to comply with environmental laws and regulations, the Company's expectations regarding the Decree and responses to it, the Company's objectives and expectations regarding its capital resources 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.

Third-Party Technical Information

Except where otherwise stated, technical disclosure herein relating to Almadex's royalty interests is based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at the date hereof and none of this information has been independently verified by Almadex. Additionally, as a royalty holder, Almadex has limited, if any, access to the properties subject to the royalties. Although Almadex does not have any knowledge that such publicly disclosed information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Almadex expressly disclaims any responsibility for the accuracy, completeness or fairness of any such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties. Some information publicly reported by the operator may relate to a larger property than the area covered by Almadex's royalty interests. Almadex's royalty interests may cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of a property. Unless otherwise indicated, the technical and scientific disclosure contained or referenced in this press release, including any references to mineral resources or mineral reserves, was prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101"), which differs significantly from the requirements of the U.S. Securities and Exchange Commission (the "SEC") applicable to U.S. domestic issuers. Accordingly, the scientific and technical information contained or referenced in this press release may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. "Inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Historical results or feasibility models presented herein are not guarantees or expectations of future performance.

HIGHLIGHTS

During the quarter, Almadex continued with its grassroots prospect generation activity in the U.S as well as the technical review of its existing projects in Canada, U.S. and Mexico.

On July 11, 2023, Almadex announced that it had acquired five target areas in western and southwestern USA through staking. On August 10, 2023, Almadex provided further detail on one of these properties, the New Hope property located near Safford, Arizona.

The 950 hectare New Hope project covers a roughly 3.5 by 1.5 kilometre area of intense hydrothermal alteration developed in volcanic rocks and crosscutting intrusive dykes. The observed hydrothermal alteration is characteristic of the upper levels of a porphyry system. Almadex has completed a surface alteration and geologic mapping program. Remnants of an advanced argillic altered lithocap with Na-alunite, pyrophyllite and dickite along with a phyllic alteration signature including high crystallinity muscovite at surface have been mapped with a Terraspec mineral spectrometer. Complete results from this work are being compiled presently as additional analyses are being carried out. Almadex looks forward to reporting on these and its exploration plans for the New Hope project moving forward.

Subsequent to identifying the New Hope target, Almadex research identified reports describing some of the past work in the area from the 1950s to the 1970s. These summary reports mention shallow drilling, some geophysics and a description of two diamond drill holes with uncertain collar locations. One of these was a deep hole believed to have been drilled adjacent to the argillic alteration zone. Drill logs for this hole obtained by Almadex describe propylitic epidote-chlorite alteration and weak copper mineralisation, consistent with the periphery environment of a porphyry copper system.

On May 8, 2023, the Mexican Government enacted a decree amending several provisions of the Mining Law, the Law on National Waters, the Law on Ecological Equilibrium and Environmental Protection and the General Law for the Prevention and Integral Management of Waste (the "Decree"), which became effective on May 9, 2023.

The Decree amends the mining and water laws, including: i) the duration of the mining concession titles, ii) the process to obtain new mining concessions (through a public tender), iii) imposing conditions on water use and availability for the mining concessions, iv) the elimination of "free land and first applicant" scheme; iv) new social and environmental requirements in order to obtain and keep mining concessions, v) the authorization by the Ministry of Economy of any mining concession's transfer, vi) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws, vii) the automatic dismissal of any application for new concessions, viii) new financial instruments or collaterals that should be provided to guarantee the preventive, mitigation and compensation plans resulting from the social impact assessments, among other amendments.

The process of enactment of the Decree came very quickly. Given that the Decree is substantial, and associated regulations have not yet been enacted to give effect to the more general provisions of the Decree for the purpose of interpretation and clarification on operating parameters, it is too early to assess how the Decree will be interpreted and applied. However, it is anticipated that the amendments will impact our current and future activities in Mexico but the extent of such impact is yet to be determined and could be material for the Company.

On June 7, 2023, the Senators of the opposition parties (PRI, PAN and PRD) filed a legal action against the Decree, which is pending to be decided by Plenary of the Supreme Court of Justice. Additionally, during the second quarter of 2023, the Company filed amparo lawsuits challenging the Decree. These lawsuits are awaiting judgement by the District Courts.

OVERALL PERFORMANCE

Background

The Company was incorporated on February 26, 2018 under the laws of the Province of British Columbia. The Company's business activity is the acquisition and exploration of mineral properties in Canada, the United States and Mexico.

Almadex's management team has been focused on exploration and discovery in Mexico, the United States and Canada for the past 35 years. 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 Ixtaca and El Cobre discoveries were made by Almadex's management team, as the underlying projects were optioned to several different partners prior to discovery. Ixtaca and El Cobre are currently held in separate public

companies, Almaden Minerals Ltd. (“Almaden”) and Azucar Minerals Ltd (“Azucar”), respectively, although Almadex retains an NSR royalty on both projects.

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 numerous exploration properties, NSR royalties, gold loan, equities and cash.

This portfolio of assets is the direct result of over 35 years of prospecting, discovery and deal making by Almadex’s management team. Almadex seeks to continue the legacy of discovery by its respected technical team through responsible and cost-effective idea generation and exploration using its seasoned staff of Mexican geologists and drillers, company-owned drills, and strong working capital position.

Qualified Person

Unless noted otherwise, 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 disclosure in this MD&A.

MINERAL PROPERTIES

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.

Davis/Paradise Project - Nevada

Almadex consolidated the Davis/Paradise Valley area during 2019 by optioning the Davis property which lies directly north of and adjoins the Paradise Valley property which had previously been staked by Almadex’s predecessor company. Almadex holds the rights to earn 100% of this combined 358 claim (approximately 2,800 hectare) project, subject to an underlying royalty regarding the Davis property as disclosed in the Company’s press release of August 11, 2021.

The Paradise-Davis property is located approximately 22 kilometres by road southeast of Gabbs, Nevada and around five kilometres east of the historic Paradise Peak gold mine and seven kilometres southeast of the Gabbs copper-gold porphyry project currently owned by P2 Gold. The Paradise-Davis project was identified by Almadex’s exploration team during a regional exploration program targeting high sulphidation alteration for gold and potential underlying porphyry copper mineralization in the region. The property has seen several episodes of exploration including historic mining and exploration drilling. The project is located within the Walker Lane structural trend, a complex zone of mostly northwest trending faults in central Nevada. The nearby Paradise Peak mine was operated by FMC mining and was active from 1984 to 1994. Reported production at Paradise Peak was 1.6 MOz gold and 24.1 MOz silver. The Paradise Peak deposit is a high sulphidation system.

The principal target of the project is located in the southern central part of the claim block. This is a broad area of high sulphidation alteration interpreted to represent the upper parts of a porphyry lithocap. Strong replacement with vuggy silica texture stands in the center of this large alteration area. This alteration mapping has resolved clear alteration vectors/temperature gradients and defined alteration zoning interpreted to represent a well preserved lithocap with alunite core zones haloed by pyrophyllite, dickite then hypogene kaolinite to dominant muscovite alteration and finally to an outer peripheral propylitic alteration halo. High temperature diaspore was detected indicating the presence of a potential feeder structure.

This new mapping further confirms that the southern Paradise area represents a large lithocap with potential for both gold-silver high sulphidation mineralisation and porphyry copper

mineralisation at depth, similar to that seen at the adjacent Paradise Peak gold deposit where both styles of mineralisation were observed.

The Sinter Zone is located on the northern edge of the claim block and trends to the southwest where the Peppercorn historic workings are located. Alteration exposed here represents the high-level expression of the low sulfidation epithermal environment preserving elements of the paleowater table. These include the boulders of laminated silica sinter and the fragments of opaline silica occurring in a broad area of polymict breccia outcrops. The polymict breccia has clasts of hydrothermally altered volcanic and massive cryptocrystalline silica. The breccia is silicified, and narrow wavy epigenetic colloform banded veins. Epithermal quartz veins have been observed in place in the sinter zone. Lattice textures were observed in one outcrop and as float at the northeast end of the Sinter Zone.

The northern Davis portion of the property covers multiple quartz vein and sheeted vein zones hosted in the Greenstone unit as well as the lower andesite sometimes associated with cross cutting rhyolite dykes. The main veins are Davis, Butler and Butler East and Tom's Cabin. These mines were part of the Attwood district which had active mining from 1905 to 1940 at the Davis and Butler mines.

Historic shallow drilling was carried out by USSRAM and Kennecott, designed to test for near surface oxide gold mineralisation. A report by USSRAM describes the drilling of 11 holes on the Davis vein which blocked out a small non-NI 43-101 historic gold resource and recommended extensive further exploration.

In 2022, Almadex drilled six holes on different targets, before planned drilling was curtailed owing to difficult weather conditions (see Almadex news releases of July 15, 2022, and November 22, 2022). In order to prove the concept of more substantial vein mineralisation at Davis, Almadex drilled two holes in 2022 (see Almadex release of July 15, 2022) and conducted surface mapping and rock chip sampling (see Almadex release of September 22, 2022). The other four holes of this initial program were located on different targets on the northern half of the property. Three holes were drilled within the sinter zone area and one hole targeted another separate vein with historic mine workings called Butler in the Northern.

Recent Updates

Almadex is currently reviewing and compiling the results of past mapping and sampling in order to prioritise future exploration and possible drilling.

Logan – Yukon Territory, Canada

Almadex announced that it had acquired 100% ownership of the Logan Zinc, Silver project ("Logan", or the "Project") on May 26, 2022. Logan is located 108 km northwest of Watson Lake in south central Yukon. The Project consists of 156 contiguous quartz mining claims located in the Watson Lake Mining District, covering over 3,200 hectares. The Project is located on the traditional territory of the Ross River Dena Council and Liard First Nation, 38 km north of the Alaska Highway. Access for past major work programs was facilitated with a 52 km long winter road from the Alaska Highway. In 1987, a 700 m long by 20 m wide gravel airstrip was established on the Property; future use of the airstrip would require surface re-levelling, but small, short runway aircraft may be able to land at this time. The winter road permit was not renewed past 2009 and re-opening the road would require further permitting. Currently, the Project can be accessed via helicopter.

On September 13, 2022, Almadex reported the completion of a site visit to Logan by an independent geological team.

The historic drill core was identified on site, select intervals were re-sampled, and a suite of samples for specific gravity (density) determination were collected to verify the historic drilling results with the aim of producing a current mineral resource estimate.

In total, 232 verification samples were collected from representative mineralized intercepts geographically separated across the deposit (including 15% QA/QC duplicate, standard and blank samples) comprising 231 metres of half drill core from three separate holes from the 1986, 1987 and 1998 historical drill campaigns.

On March 13, 2023, the Company filed a NI 43-101 technical report (the “Report”) with Canadian securities regulators to support an updated mineral resource estimate (“MRE”) with respect to Logan.

The Logan deposit consists of fracture and vein hosted zinc-silver mineralization within a granitic intrusion. The Main Zone occurs along an 8,000m long NE-trending fault-related structure. The Main Zone is tabular, dips 70 degrees to the NW, extends for 1,100m along strike, varies from 50m to 150m in width, and has been traced to depths of 275m and remains open. The mineralization is up to 90 metres thick in relatively gentle terrain and minimal overburden, making it potentially attractive for open pit mining. Recent drill core re-analysis indicated potentially economically significant values of the critical metal indium (In), not historically assayed for, averaging 35 parts-per-million (ppm) In and up to 273 ppm In. Indium is integral to solar panel manufacturing and a key input in semiconductors and many materials needed for advanced vehicle manufacturing.

The Mineral Resource Estimate (MRE) is presented in Table 1.

Table 1 – Logan Project Open Pit Constrained Mineral Resource Estimate

Classification	Zn Cutoff (%)	Tonnes	Zn (%)	Ag (g/t)	Zn (Mlb)	Ag (Moz)
Indicated	1.6	2,620,000	5.1	23.1	294	1.94
Inferred	1.6	16,930,000	4.3	18.2	1622	9.98

Notes:

1. Mr. Mike Dufresne, P.Geol., P.Geo. of APEX Geoscience Ltd., who is deemed a qualified person as defined by NI 43-101 is responsible for the completion of the updated mineral resource estimation, with an effective date of January 17, 2023.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
4. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could potentially be upgraded to an Indicated Mineral Resource with continued exploration.
5. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
6. The cut-off grade of 1.6% Zn is based on metal prices of US\$1.30/lb Zn and US\$19/oz Ag and 0.77 US\$ per C\$, with process recoveries of 95% Zn and 80% Ag.
7. The constraining pit optimization parameters assumed C\$3.50/t mineralized and waste material mining cost, 45° pit slopes and a process + G&A cost of C\$35/t, using a 1.5 revenue factor that equates with metal price assumptions of US\$1.95/lb Zn, US\$28.50/Oz Ag and 0.77 US\$ per C\$.
8. The effective date of the Mineral Resources Estimate is January 17, 2023.

Mineral Resource Estimation Methodology

Modeling was conducted in the Universal Transverse Mercator (UTM) coordinate space relative to the North American Datum (NAD) 1983, and UTM zone 9N. The mineral resource block model utilized a block size of 6 m (X) x 6 m (Y) x 6 m (Z) to honour the mineralization wireframes. The percentage of the volume of each block below the bare earth surface, below the modelled waste

overburden surface and within each mineralization domain was calculated using the 3D geological models and a 3D surface model. For the open pit optimisation, block values were diluted. The MRE is reported as undiluted with an effective date of January 17, 2023.

The Logan Property drillhole database consists of 58 drill holes that intersected the interpreted mineralization wireframes. The zinc and silver assays were composited to 2-meter composites lengths and the estimation utilized 2,651 composited samples. A total of 1.2% of the total drilled meters inside the interpreted mineralization wireframes were not sampled, assumed to be waste, and assigned a nominal waste value of half the detection limit of modern assay methods (0.0005 % Zn, 0.3429 g/t Ag).

Zinc and silver estimation was completed using Ordinary Kriging. The search ellipsoid size used to estimate the Zn and Ag grades was defined by the modelled variograms. Block grade estimation employed locally varying anisotropy, which uses different rotation angles to define the principal directions of the variogram model and search ellipsoid on a per-block basis. Blocks within estimation domains are assigned rotation angles using a modelled 3D mineralization trend surface wireframe, which allows structural complexities to be reproduced in the estimated block model. The number of variogram structures, contributions of each structure, and their ranges are set per estimation domain and do not vary within the estimation domain.

A total of 201 bulk density samples are available from the Logan Property drillhole database. APEX personnel performed exploratory data analysis of the bulk density samples available and the density was assigned for each domain in the Logan Property. The density of the deposits ranged from 2.63 g/cm³ to 2.66 g/cm³. The non-mineralized zones were assigned density based on lithological unit. The modelled overburden was assigned a density of 1.8 g/cm and the remaining country rock was assigned a density of 2.57 g/cm³.

The unconstrained resource block model was subjected to several open pit optimization scenarios to establish that the Logan Project has the potential for future economic extraction. Blocks partially outside the mineralized wireframes were diluted with a nominal waste value of 0.0005 % Zn and 0.3429 g/t Ag based on the volume of the block outside of the mineralized wireframes. The process + G&A cost of C\$NSR cutoff of \$35/t is used to determine potential mill feed and is approximately equivalent to a 1.6 % Zn cutoff grade. Mr. Dufresne considers the parameters reasonable to constrain the mineral resource estimate and establish that the Logan Project has the potential for future economic extraction. The overall strip ratio for the Logan Property Open Pit is approximately 5.3:1.

There are no other known factors or issues known by the QP that materially affect the MRE other than normal risks faced by mining projects. The Logan Project is subject to the same types of risks that large base metal projects experience at an early stage of development in Canada. The nature of the risks relating to the Project will change as the Project evolves and more information becomes available. The Company has engaged experienced management and specialized consultants to identify, manage and mitigate those risks.

QAQC

The historical zinc and lead analyses which underpin the MRE were carried out at Bondar Clegg and ALS Chemex Laboratories at North Vancouver, British Columbia. Preparation of samples for assaying is assumed to have involved standard crushing, grinding and pulverization to produce pulps for assaying via hot aqua-regia and analysis via atomic absorption.

The QP's conducted re-assaying of select mineralized intervals (approximately 5% of the drill database) and collected a suite of samples for specific gravity (density) determination to verify the historic drilling results. In total 232 verification samples were collected from representative mineralized intercepts geographically separated across the deposit (including 15% QA/QC duplicate, standard and blank samples) comprising 231 metres of half drill core from three

separate holes from the 1986, 1987 and 1998 historical drill campaigns. Replicate samples were submitted for analysis to ALS Canada Ltd. (“ALS”) at their Whitehorse, YT (sample preparation) and Vancouver (ICP-MS), B.C. facilities. ALS is an ISO-IEC 17025:2017 and ISO 9001:2015 accredited geoanalytical laboratory and is independent of the Almadex and the QP. Drill core samples were subject to crushing at a minimum of 70% passing 2 mm, followed by pulverizing of a 250-gram split to 85% passing 75 microns. A 0.1-gram sample pulp was then subject to multi-element ICP-MS analysis via four acid digestion to determine individual metal content (ME-MS61). Zinc and silver values greater the 1% and 100 ppm, respectively were subject to overlimit analysis via four-acid ICP-AES (ME-OG62). The QP followed industry standard procedures for the work carried out on the Logan Project, with a quality assurance/quality control (“QA/QC”) program. Blank, duplicate, and standard samples were inserted into the sample sequence sent to the laboratory for analysis. The QP detected no significant QA/QC issues during review of the data. Almadex and the QP’s are not aware of any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to herein.

The scientific and technical information relating to the above MRE on Logan has been reviewed and approved by Michael Dufresne, M.Sc., P.Geol., P.Geo. (AB-BC), Kristopher J. Raffle, P.Geo. (BC) and Alfonso Rodriguez, M.Sc. P.Geo. (BC), President, Principal and Consultant, and Senior Geologist, of APEX Geoscience Ltd. of Edmonton, AB, who are independent “Qualified Persons” as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Dufresne, Mr. Raffle and Mr. Rodriguez verified the data disclosed which includes a review of the analytical and test data underlying the information and opinions contained therein.

The Report is available on SEDAR and on Almadex’s website.

San Pedro – Mexico

The project is prospective for epithermal style gold and silver deposits. Past work by Almadex and previous operators includes surface sampling, geophysics, and drilling.

Location and Ownership

The 100% owned San Pedro Property has a total area of 990 hectares and is located in Jalisco State, Mexico. It is accessed from Guadalajara, 115 km along a paved highway. The San Pedro mining claim is registered to Almadex’s Mexican subsidiary, Minera Gavilán.

Recent Updates

In 2022, the Company drilled four holes, the results from which were announced December 6th, 2022, December 12th, 2022, January 9th, 2022, and January 18th 2022. No additional work was conducted in the past quarter. The Company is considering next steps.

Upcoming / Outlook

The Company anticipates further work at projects in the Company portfolio, as well as continued regional exploration and generative work in North America.

Other Properties

Other properties consist of a portfolio of early-stage exploration projects located in Canada, United States and Mexico. During the period ended September 30, 2023, the Company acquired seven new projects in United States and incurred acquisition costs of \$155,514 (2022 - \$Nil) and exploration costs of \$150,733 (2022 - \$Nil). The Company also disposed five properties in Mexico for no proceeds and recorded a \$5 loss on sale of exploration and evaluation assets in the statements of income and comprehensive income.

For the remaining ten properties during the nine months ended September 30, 2023, the Company incurred only exploration costs of \$399,142 (2022 - \$133,720) on mainly a care-and-maintenance basis before recovery of \$32,813 (2022 - \$30,644) and recorded as a write-down of \$936,893 (2022 - \$103,076) 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. In addition to the risks described herein, readers of this MD&A are encouraged to read the "Risk Factors" contained in the Company's annual management discussion and analysis filed on and available under the Company's SEDAR profile on www.sedar.com. Important risk factors to consider among others are:

- inherent risks within the mining industry;
- market volatility for marketable securities and investments;
- mineral resource estimates;
- prices of gold, silver and other metals;
- cash flows and additional funding requirements;
- exchange rate fluctuations;
- Impact of COVID-19 Pandemic
- environmental;
- laws, regulations and permits;
- political, economic and social environment;
- title to mineral properties;
- possible dilution to present and prospective shareholders;
- material risk of dilution presented by large number of outstanding share purchase options and warrants;
- trading volume;
- volatility of share price;
- competition;
- dependence on management; and
- conflict of interest.

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, 2023, the Company concluded that impairment indicators existed with respect to certain of its exploration and evaluation assets. An impairment of deferred exploration costs of \$936,893 for the nine months ended September 30, 2023 (2022 - \$103,076) has been recognized.

Material Financial and Operations Information

Summary of Quarterly Results

The following is a summary of the Company's financial results for the Company's eight most recently completed fiscal quarters stated in Canadian dollars in accordance with IFRS:

	Q3 September 2023 Quarter	Q2 June 2023 Quarter	Q1 March 2023 Quarter	Q4 December 2022 Quarter
	\$	\$	\$	\$
Total revenue	594,839	496,254	252,180	1,727,299
Net (loss) income and comprehensive (loss) income	(462,007)	(1,422,299)	253,147	247,768
Income (loss) per share – basic	(0.01)	(0.02)	0.00	0.01
Income (loss) per share – diluted	(0.01)	(0.02)	0.00	0.01
Total assets	26,924,674	27,358,768	28,685,677	28,438,939
Cash dividends declared	-	-	-	-

	Q3 September 2022 Quarter	Q2 June 2022 Quarter	Q1 March 2022 Quarter	Q4 December 2021 Quarter
	\$	\$	\$	\$
Total revenue	2,703,508	1,534,906	1,489,651	2,000,568
Net income and comprehensive income	1,806,915	661,939	503,523	764,241
Income per share – basic	0.03	0.01	0.01	0.01
Income per share – diluted	0.03	0.01	0.01	0.01
Total assets	28,661,486	26,453,112	26,340,751	25,917,277
Cash dividends declared	-	-	-	-

Quarterly variances in total revenue are dependent on the interest income earned from various levels of cash balances, exploration and drilling services to various mining companies and financing fees from the gold loan to Almaden. The main causes of change in net income (loss) from quarter to quarter are dependent on revenue earned during the quarter; operating expenses for general and administration and other income (loss) from various sources as discussed in Review of Operations and Financial Results section below.

Results of Operations and Financial Results

Results of Operations for the three months ended September 30, 2023 compared to the three months ended September 30, 2022

For the three months ended September 30, 2023, the Company recorded a net loss and comprehensive loss of \$462,007 (2022 – net income of \$1,806,915) or a basic and diluted net loss of \$0.01 (2022 – basic and diluted net income of \$0.03) per share mainly due to the decrease in revenue from exploration and drilling services in Mexico and USA. The revenue of \$594,839 (2022 - \$2,703,508) during the three months ended September 30, 2023, is much lower than the revenue generated the same time last year due to the lack of contract exploration and drilling services performed. Total revenue also consists of interest income of \$143,502 (2022 - \$65,504) from higher yields on cash balances; and financing fees of \$92,906 (2022 - \$84,991) earned from the gold loan to Almaden.

A significant portion of total expenses of \$860,610 (2022 - \$1,599,561) during the three months ended September 30, 2023 were related to general and administrative expenses incurred by the Company to review business opportunities and to administer the on-going business activities. An increase in administrative services fee of \$267,400 compared to \$174,225 during 2023 is due to an increase in oversight of the exploration and prospecting services. The administration service

fees were paid to Almaden during the three months ended September 30, 2023 for providing office rent, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the three months ended September 30, 2023 included impairment of exploration and evaluation assets of \$754,871 (2022 - \$53,095), unrealized loss on marketable securities and investments of \$9,227 (2022 - \$311,967) and unrealized loss on gold loan receivable of \$68,978 (2022 - \$308,291). 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. Unrealized loss on marketable securities relates to share price fluctuations in the capital markets. The unrealized loss on gold loan receivable relates to the fluctuation in spot gold price in the commodities market at September 30, 2023.

Results of Operations for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

For the nine months ended September 30, 2023, the Company recorded a net loss and comprehensive loss of \$1,631,159 (2022 - net income of \$2,972,377) or a basic and diluted net loss of \$0.03 (2022 - basic and diluted net income of \$0.05) per share mainly due to the decrease in revenue from exploration and drilling services in Mexico and USA. The revenue of \$1,343,273 (2022 - \$5,728,065) during the nine months ended September 30, 2023, is much lower than the revenue generated the same time last year due to the lack of contract exploration and drilling services performed. Total revenue also consists of interest income of \$425,446 (2022 - \$81,636) from higher yields on cash balances; and financing fees of \$270,314 (2022 - \$237,151) earned from the gold loan to Almaden.

A significant portion of total expenses of \$2,525,739 (2022 - \$3,415,631) during the nine months ended September 30, 2023 were related to general and administrative expenses incurred by the Company to review business opportunities and to administer the on-going business activities. An increase in administrative services fee of \$781,573 compared to \$520,537 during 2023 is due to an increase in oversight of the exploration and prospecting services. The administration service fees were paid to Almaden during the nine months ended September 30, 2023 for providing office rent, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the nine months ended September 30, 2023 included impairment of exploration and evaluation assets of \$936,893 (2022 - \$103,076), unrealized loss on marketable securities and investments of \$50,031 (2022 - \$676,871) and unrealized gain on gold loan receivable of \$131,626 (2022 - loss of \$328,142). 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. Unrealized loss on marketable securities relates to share price fluctuations in the capital markets. The unrealized loss on gold loan receivable relates to the fluctuation in spot gold price in the commodities market at September 30, 2023.

Liquidity and Capital Resources

At September 30, 2023, the Company had working capital of \$18,248,346, including cash and cash equivalents of \$16,948,255.

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 and monetize non-core assets.

Three months ended September 30, 2023

Net cash from operations during the three months ended September 30, 2023 was \$449,294 (2022 – \$1,519,484), after adjusting for non-cash activities.

Net cash used in investing activities during the three months ended September 30, 2023 was \$327,698 (2022 - \$654,888) relates to expenditures on exploration and evaluation assets of \$353,877 (2022 - \$500,920), reclamation deposits of \$26,179 (2022 – \$ Nil) and property and equipment purchases of \$Nil (2022- \$153,968).

Net cash used in financing activities during the three months ended September 30, 2023 was \$Nil (2022 – \$Nil).

Nine months ended September 30, 2023

Net cash used in operations during the nine months ended September 30, 2023 was \$414,664 (2022 – Net cash from operations of \$2,311,408), after adjusting for non-cash activities.

Net cash used in investing activities during the nine months ended September 30, 2023 was \$991,506 (2022 - \$1,445,969) relates to expenditures on exploration and evaluation assets of \$984,447 (2022 - \$1,130,443), net proceeds from sale of property and equipment of \$Nil (2022 - \$45,786), reclamation deposits of \$26 (2022 – \$Nil) and property and equipment purchases of \$7,085 (2022- \$361,312).

Net cash used in financing activities during the nine months ended September 30, 2023 was \$41,747 (2022 – Net cash from financing activities of \$4,750).

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, 2021	60,584,969	\$23,307,146
December 31, 2022	60,702,521	\$23,322,121
November 21, 2023	61,007,944	\$23,564,858

Share issuances during fiscal 2023

During the period ended September 30, 2023, the Company issued 305,423 common shares.

The following table summarizes information about warrants outstanding at November 21, 2023:

Expiry date	Exercise Price	December 31, 2022	Issued	Exercised	Expired	November 21, 2023
October 16, 2023 ⁽¹⁾	\$ 0.40	5,400,000	-	-	(5,400,000)	-
Warrants outstanding and exercisable		5,400,000	-	-	(5,400,000)	-
Weighted average exercise price		\$ 0.40	-	-	-	-

⁽¹⁾ On September 23, 2022, warrants with an expiry date of October 16, 2022 were extended to October 16, 2023.

The table in Note 9(c) to the consolidated financial statements summarizes information about warrants outstanding at December 31, 2022.

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 9(d) to the consolidated financial statements for the period ended December 31, 2022, which are available on SEDAR at www.sedar.com.

The following table summarizes information about stock options outstanding at November 21, 2023

Expiry date	Exercise price	December 31, 2022	Granted	Exercised	Expired/ cancelled	November 21, 2023
May 11, 2023	\$ 0.26	2,579,200	-	(2,118,200) ⁽ⁱ⁾	(461,000)	-
June 14, 2023	\$ 0.27	353,000	-	(303,000) ⁽ⁱ⁾	(50,000)	-
July 8, 2023	\$ 0.30	757,800	-	-	(757,800)	-
December 5, 2023	\$ 0.31	1,075,000	-	-	-	1,075,000
January 26, 2024	\$ 0.31	50,000	-	-	-	50,000
May 31, 2027	\$ 0.28	425,000	-	-	-	425,000
December 17, 2027	\$ 0.34	-	330,000	-	-	330,000
May 12, 2028	\$ 0.31	-	2,693,200	-	-	2,693,200
July 10, 2028	\$ 0.28	-	1,110,800	-	-	1,110,800
Options outstanding and exercisable		5,240,000	4,134,000	(2,421,200)	(1,268,800)	5,684,000
Weighted average exercise price		\$ 0.28	\$ 0.30	\$ 0.26	\$ 0.28	\$ 0.30

⁽ⁱ⁾ In accordance with the Company's stock option plan, options holders exercised 2,118,200 and 303,000 stock options on a cashless basis at an exercise price of \$0.26 and \$0.27 respectively. The total number of shares issued in connection with the cashless exercise of options was 305,423.

As of the date of this MD&A, there were 61,007,944 common shares issued and outstanding and 66,691,944 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, 2023	Fees ⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chair	28,800	18,000	46,800
President & CEO	73,313	32,000	105,313
CFO	40,625	4,800	45,425
EVP	21,875	4,000	25,875
Directors	-	4,000	4,000
	164,613	62,800	227,413

Nine months ended September 30, 2023	Fees ⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chair	75,600	78,000	153,600
President & CEO	185,438	156,200	341,638
CFO	121,875	60,600	182,475
EVP	103,125	45,400	148,525
Directors	-	28,000	28,000
	486,038	368,200	854,238

Three months ended September 30, 2022	Fees ⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chairman	16,200	-	16,200
President & CEO	38,813	-	38,813
CFO	28,125	-	28,125
EVP	28,125	-	28,125
	111,263	-	111,263

Nine months ended September 30, 2022	Fees ⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chairman	48,600	-	48,600
President & CEO	116,438	36,000	152,438
CFO	84,375	-	84,375
EVP	84,375	-	84,375
	333,788	36,000	369,788

⁽¹⁾ Management fees are recorded within the administrative services fee.

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 18, 2018, 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, 2023, included in trade and other payables is \$99,270 (December 31, 2022 - \$117,044) due to Almaden. Amounts owing to related parties are unsecured, non-interest bearing and due on demand.

Other

Recorded in accounts receivable as at September 30, 2023 are \$90,230 (December 31, 2022 - \$80,727) and \$101,711 (December 31, 2022 - \$90,999) due from Almaden and Azucar with respect to 2021 mining exploration services rendered in Mexico.

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 fair value of the gold loan receivable is based on the gold market price as at each reporting date.

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.

As at September 30, 2023, the Company is exposed to foreign exchange risk through the following financial 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	14,354,447	1,002,590
Accounts receivable and prepaid expenses	12,210	193,039
Gold loan receivable	5,277,303	-
Reclamation deposits	14,531	-
Total assets	19,658,491	1,195,629
Trade and other payables	22,013	7,993
Total liabilities	22,013	7,993
Net assets	19,636,478	1,187,636

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$2,000,000.

A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$120,000.

(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 receivables on drilling services charged to third parties, Almaden and Azucar. The Company also has a gold loan receivable from Almaden. The Company is exposed to credit risks through its accounts receivable and gold loan 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.

To mitigate exposure to credit risk on the gold loan receivable, the Company has secured the gold loan receivable with certain equipment related to Almaden's Rock Creek Mill, and also has been monitoring the share price of Almaden to ensure the loan can be settled with Almaden's common shares according to the terms of the loan agreement.

As at September 30, 2023, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents, accounts receivable and gold loan 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 and cash flow from exploration and drilling services.

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 does not have a significant impact on the Company's net loss.

(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 is exposed to the commodity price risk on fluctuation of gold prices on its gold loan receivable. 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 loan receivable by \$53,000.

(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	1,143,342	-	-	1,143,342
Gold loan receivable	5,277,303	-	-	5,277,303

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. The Company is not subject to externally imposed capital requirements.

Information on the Board of Directors and Management

Directors:

Duane Poliquin, P.Eng.
Morgan Poliquin, P.Eng., PhD.
Douglas McDonald, M.A.Sc., B.Com.
Lawrence Segerstrom, MBA, MSc.
Darcy Marud, P.Geo.
Tracey Meintjes, P.Eng.

Audit Committee members:

Lawrence Segerstrom, MBA, MSc.
Darcy Marud, P.Geo.
Douglas McDonald, M.A.Sc., B.Com.

Compensation Committee members:

Duane Poliquin, P.Eng.
Lawrence Segerstrom, MBA, MSc.
Darcy Marud, P.Geo.

Nominating & Corporate Governance Committee members:

Morgan Poliquin, P.Eng., PhD.
Lawrence Segerstrom, MBA, MSc.
Tracey Meintjes, P.Eng.

Management:

Duane Poliquin, P.Eng. – Chair of the Board
Morgan Poliquin, P.Eng., PhD. – Chief Executive Officer, President
Korm Trieu, CPA, CA – Chief Financial Officer, Corporate Secretary
Douglas McDonald, M.A.Sc., B.Com. – Executive Vice President