

ALMADEX MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 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 April 25, 2024. This MD&A is intended to help the reader understand the consolidated financial statements of Almadex.

Management is responsible for the preparation and integrity of the consolidated 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 consolidated 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 consolidated 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 timing, outcome, impact, and procedures relating to consultations under the CPTPP and the possible initiation of legal proceedings under the CPTPP, 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.

Since early 2023, the Company has acquired by staking fourteen new target areas in Arizona, Nevada, and New Mexico. One of these prospects – New Hope in Arizona – has been advanced to the "project" stage and the Company is moving towards a first phase drill program in 2024.

New Hope, Arizona

The 100% owned New Hope project comprises 958.7 hectares and 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 (see Almadex New Release of August 10th, 2023). The work underway includes geochemical sampling and mapping of the geology and alteration to follow-up work carried out earlier in 2023 which identified remnants of an advanced argillic altered lithocap. The lithocap alteration includes zones with Na-alunite, pyrophyllite and dickite along with a phyllic alteration signature including high crystallinity muscovite at surface, which have been mapped with a Terraspec mineral spectrometer. Fluid inclusion petrography carried out on a vein sample from

the New Hope alteration zone identified the presence of vapour rich fluid inclusions with banded distribution in the veinlet. Such veins are commonly found above porphyry systems. This finding helps confirm the target of a buried porphyry at New Hope.

BP, Nevada

The Company also announced on December 14, 2023 that it had reacquired a 100% interest in the BP gold property, Nevada by paying \$C5,000 cash and covering the property maintenance fees for 2023 (approximately US\$9,500).

The BP property is located in Elko County, 57 km south of Carlin, Nevada and 41 km northwest of the Bald Mountain Mine. The property has had little previous gold exploration prior to a reconnaissance program in 2010 carried out by Almadex's predecessor that identified gold-bearing jasperoid and anomalous gold and pathfinder geochemistry on surface. Almadex is reviewing the data it has acquired with the purchase of the project prior to making definitive exploration plans.

Radio, Nevada

On February 22, 2024 Almadex announced results from its recently-staked Radio porphyry copper-molybdenum-gold exploration target in Mineral County Nevada, USA.

The 100% owned Radio project covers a roughly 2.8 by 1.3 kilometre area of hydrothermal alteration developed in volcanic and intrusive rocks and crosscut by mafic intrusive dykes. The observed hydrothermal alteration and zoning is characteristic of porphyry copper systems.

Almadex recently completed a preliminary surface alteration and geologic mapping program along with surface outcrop rock sampling. First pass surface rock chip sampling returned important values of copper, molybdenum and gold. A total of 32 samples were collected and assayed during this field campaign, including 31 outcrop samples and 1 talus sample. Of 31 outcrop samples, a total of 5 samples returned greater than 0.05% Cu, and up to 0.59% Cu and 0.18 g/t Au, and three samples returned higher than 100 ppm Mo, and up to 276 ppm Mo. The base and precious metal values occur within malachite-stained mafic dykes and magnetite veined intrusive rocks. Fluid inclusion petrography was carried out on select samples of vein material. This work confirmed the fluid inclusion signature of a porphyry system with one sample displaying the distinctive characteristics of A-type porphyry veins.

Alteration mapping at the Radio property identified minor zones of pyrophyllite and kaolinite alteration considered representative of an advanced argillic altered zone interpreted to be the remnants of an eroded lithocap. Importantly a 2.8 km phyllic alteration trend was also defined which is characterised by high crystallinity muscovite and paragonite. The phyllic zone is bordered by propylitic chlorite and epidote alteration. These alteration minerals were identified using a Terraspec mineral spectrometer. This interpretation suggests that a potential porphyry deposit could be located at shallow depths from the current surface.

Paradise, Nevada

On February 27, 2024, Almadex provided an update regarding its fieldwork at the Paradise project, Nevada. The wholly owned 1,730 hectare Paradise area covers a roughly 4.5 by 1.8 kilometre area of exposed intense hydrothermal alteration developed in volcanic rocks.

This alteration zone which includes quartz-alunite, pyrophyllite and diaspore is typical of high-sulphidation environments forming above porphyry copper-gold systems. The alteration has been mapped by Almadex using a Terraspec infrared spectrometer. This work, using rock chip spectral data points has defined a well-preserved porphyry lithocap with alunite core zones (with increasing Na-composition) haloed by pyrophyllite, dickite then hypogene kaolinite. Surrounding the acid

sulphate zones are halos of sporadic paragonitic illite (grading to dominant muscovitic alteration) with chlorite in peripheral alteration halos (propylitic).

Within this broad area of lithocap alteration there is at least one high temperature core; a 1.2 km by 700 metre area of high temperature porphyry lithocap alteration with Na-alunite, pyrophyllite and diaspore called the Arena Hill Zone. The spectral mapping at Arena Hill resolved clear alteration vectors/temperature gradients representing potential fluid pathways to porphyry mineralisation at depth.

A recently completed soil sampling program over the Arena Hill zone has further augmented this target by defining a roughly 1 by 1 kilometre gold-molybdenum-arsenic-tellurium-vanadium high core zone with low manganese, lead and zinc but generally surrounded by elevated manganese, lead and zinc. This is a classic geochemical pattern seen in many porphyry districts. The core anomaly is spatially coincident with the area mapped as the high temperature mineral vector to a possible underlying porphyry system. Combined, the alteration mineral vector and soil geochemical anomaly define a high priority drill target for a hidden porphyry.

The Company is considering whether further exploration efforts such as geophysical surveys should be carried out prior to drilling to further refine the target.

The Paradise project can be accessed year-round by road and is located approximately eight miles southeast of Gabbs, Nevada and five miles northeast of the historic Paradise Peak gold mine.

Mexico

On December 14, 2023, the Company announced that it had delivered to Mexico a Request for Consultations in accordance with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (“CPTPP”) relating to an investment dispute with Mexico. This Request for Consultations arises out of certain acts and omissions of Mexico in breach of the CPTPP relating to the Company’s 2.0% net smelter return royalty on the Ixtaca Gold-Silver Project.

The filing of the Request for Consultations initiated a six-month consultation period between the parties, during which they are to attempt to amicably settle the dispute. If no settlement is reached in that six-month period, the Company may then initiate international arbitration proceedings against Mexico in accordance with the CPTPP after serving a notice of intent to submit claims to arbitration. On December 29, 2023, Mexico acknowledged receipt of the Request for Consultations and stated that it would propose dates for a consultation meeting in the near future, but never reverted with proposed dates, leaving the dispute unresolved.

Accordingly, on March 14, 2024, Almadex delivered to Mexico written notice of its intention to submit a claim (“Claim”) to arbitration against Mexico (the “Notice”) in accordance with Article 9.19.3 of the CPTPP. This Notice was delivered by Almadex together with Almaden Minerals Ltd. (“Almaden”), on behalf of themselves and their Mexican subsidiaries.

Amongst other things, the Notice sets out the factual background of the dispute as well as the legal basis of the resulting Claim, the provisions of the CPTPP that Mexico has breached, and the relief sought. The damages relating to the Almadex and Almaden Claim will be for no less than US\$200 million, in the aggregate. Almadex would be entitled to damages relating to its 2.0% NSR royalty on the Ixtaca project, if damages were to be awarded.

The Notice enables the Company to initiate arbitration should an amicable resolution of the dispute with the Mexican government not be reached. The filing of the Notice must precede initiation of arbitration by a minimum of 90 days.

The Company confirms that it is taking all necessary actions to preserve its rights and protect its investments in Mexico. The Company's desire is for all parties to reach a mutually acceptable outcome swiftly and amicably. If such an outcome is not achieved during consultations, the Company expects it will have no alternative but to pursue its claims before an arbitral tribunal and seek full compensation for damages the Company has suffered as a result of Mexico's acts and omissions. The Company retained international arbitration counsel at Boies Schiller Flexner LLP to advise and will consider any other actions necessary to ensure its rights are preserved.

Subsequent to the 2023 fiscal year end, the Company dropped its San Pedro property, located in Jalisco State, Mexico and its Victoria project, located in Puebla State.

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 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 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. Alfonso Rodriguez, M.Sc., P.Geol. (BC), Senior Geologist of APEX Geoscience Ltd. and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"), has reviewed, and approved the scientific and technical contents of this document relating to rock geochemical sampling at the Radio property.

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

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 majority of the Company’s recent work at this project has been on the southern 100% owned “Paradise” portion, which comprises 1,730 hectares. This area covers a roughly 4.5 by 1.8 kilometre area of exposed intense hydrothermal alteration developed in volcanic rocks.

This alteration zone which includes quartz-alunite, pyrophyllite and diaspore is typical of high-sulphidation environments forming above porphyry copper-gold systems. The alteration has been mapped by Almadex using a Terraspec infrared spectrometer. This work, using rock chip spectral data points has defined a well-preserved porphyry lithocap with alunite core zones (with increasing Na-composition) haloed by pyrophyllite, dickite then hypogene kaolinite. Surrounding the acid sulphate zones are halos of sporadic paragonitic illite (grading to dominant muscovitic alteration) with chlorite in peripheral alteration halos (propylitic).

Within this broad area of lithocap alteration there is at least one high temperature core; a 1.2 km by 700 metre area of high temperature porphyry lithocap alteration with Na-alunite, pyrophyllite

and diaspora called the Arena Hill Zone. The spectral mapping at Arena Hill resolved clear alteration vectors/temperature gradients representing potential fluid pathways to porphyry mineralisation at depth.

A recently completed soil sampling program over the Arena Hill zone has further augmented this target by defining a roughly 1 by 1 kilometre gold-molybdenum-arsenic-tellurium-vanadium high core zone with low manganese, lead and zinc but generally surrounded by elevated manganese, lead and zinc. This is a classic geochemical pattern seen in many porphyry districts. The core anomaly is spatially coincident with the area mapped as the high temperature mineral vector to a possible underlying porphyry system. Combined, the alteration mineral vector and soil geochemical anomaly define a high priority drill target for a hidden porphyry.

Recent Updates

Almadex is considering whether further exploration efforts such as geophysical surveys should be carried out prior to drilling to further refine the Arena Hill target.

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.

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 properties located in Canada, United States and Mexico. During the period ended December 31, 2023, the Company acquired through staking twelve new properties in United States and incurred acquisition costs of \$363,169 (2022 - \$Nil) and exploration costs of \$215,551 (2022 - \$Nil). The Company also disposed of six properties in Mexico for no proceeds and recorded a \$6 loss on sale of exploration and evaluation assets in the statements of income and comprehensive income.

For the remaining other properties during the year ended December 31, 2023, the Company incurred only exploration costs of \$437,244 (2022 - \$484,620) on mainly a care-and-maintenance basis before recovery of \$32,813 (2022 - \$41,974) and recorded as a write-down of \$1,002,769 (2022 - \$120,480) with respect to these properties.

RISK FACTORS

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

Inherent risks within the mining industry

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

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

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

Market volatility for marketable securities and investments

The Company's marketable securities consist of shares of exploration companies which are historically very volatile. The Company's investments consist of gold bullion with fluctuating market prices. There is no assurance that the Company will be able to recover the current fair market

value of those shares. The Company also may hold a large number of shares which may be difficult to sell in illiquid markets from time to time.

Industry

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

Mineral resource estimates

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

Prices of gold, silver and other metals

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

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

Cash flows and additional funding requirements

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

Exchange rate fluctuations

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

Environmental

The Company's exploration and development activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by NGOs

opposed to mining has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

Laws, Regulations, and Permits

The Company's exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety, waste disposal, protection of the environment, protection of historic and archeological sites, protection of endangered and protected species and other matters in all the jurisdictions in which it operates. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws and relies on its land men and legal counsel in Canada, Mexico and United States.

To its knowledge, the Company has complied with all regulations in order to conduct its exploration activities.

Political, economic and social environment

The Company may be adversely affected by political, economic and social uncertainties which could have a material adverse effect on the Company's results of operations and financial condition. Certain areas in which the Company will hold or may acquire properties have experienced and may continue to experience local political unrest and disruption which could potentially affect the Company's projects or interests. Changes in leadership, social or political disruption or unforeseen circumstances affecting political, economic and social structure could adversely affect the Company's property interests or restrict its operations. The Company's mineral exploration and development activities may be affected by changes in government regulations relating to the mining industry and may include regulations on production, price controls, labour, export controls, income taxes, expropriation of property, environmental legislation and safety factors.

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.

Risk related to potential proceedings under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP")

On December 13, 2023 the Company delivered to the United Mexican States ("**Mexico**") a Request for Consultations in accordance with the CPTPP relating to an investment dispute with

Mexico, and on March 14, 2024, the Company delivered to Mexico notice of its intention to submit a claim to arbitration against Mexico in accordance with Article 9.19.3 of the CPTPP. The Company notes its desire for all parties to reach a mutually acceptable outcome swiftly and amicably. If such an outcome is not achieved within the six months time frame for consultations, the Company expects it will have no alternative but to commence legal proceedings before an arbitral tribunal and seek full compensation for damages the Company has suffered as a result of Mexico's acts and omissions. In the event the Company commences legal proceedings and they are decided adversely to us, these legal proceedings, or others that could be brought against the Company in the future, could have a material adverse effect on our financial position or prospects. While the Company believes it has valid reasons to commence legal proceedings, litigation matters are inherently uncertain and there is no guarantee that if proceedings commence they will be successful, or that the likely outcome of this matter will be consistent with the ultimate resolution of the matter. Legal proceedings may require the Company to incur significant expense, devote significant resources, and may generate adverse publicity, which could materially, and possibly adversely, affect its business. The Company's inability to enforce its rights and the enforcement of rights on a prejudicial basis by foreign courts or international arbitral tribunals could have an adverse effect on the Company's outlook. Outcomes in any legal proceedings and the process for recovering funds even if there is a successful outcome in any legal proceedings can be lengthy and unpredictable. Furthermore, there is a risk that the Company will be unable to secure the necessary funding to advance any legal proceedings.

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 April 25, 2024, there were 5,634,000 stock options outstanding. Directors and officers hold 4,575,000 of the options and 1,059,000 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 December 31, 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 \$1,002,769 for the year ended December 31, 2023 (2022 - \$120,480) has been recognized.

Material Financial and Operations Information

The following table summarizes selected consolidated financial information for the Company's three most recently completed financial years. All amounts shown are stated in Canadian dollars, the Company's functional and reporting currency, in accordance with IFRS:

	December 31, 2023	December 31, 2022	December 31, 2021
	\$	\$	\$
Total revenues	1,694,158	7,455,364	4,092,134
Net income (loss) for the year	(2,944,897)	3,220,145	12,039,239
Net income (loss) per share - basic	(0.05)	0.06	0.19
Net income (loss) per share - diluted	(0.05)	0.06	0.19
Impairment of exploration and evaluation assets	1,002,769	120,480	545,060
Share-based payments	788,272	56,000	615,456
Working capital	16,885,169	19,694,684	18,615,903
Total assets	26,387,335	28,438,939	25,917,277
Cash dividends declared – per share	Nil	Nil	Nil

Annual variances in total revenues are highly dependent on the exploration and drilling services. In the fiscal year 2023, the Company continued contract drilling services to third parties only in USA compared to Mexico and USA during fiscal 2022. Prior to 2022, the Company exclusively performed exploration and drilling services to Almaden and Azucar. Total revenue also includes financing fees generated from the gold loan to Almaden.

Annual variances in net income are dependent on other income (loss) due to impairment of exploration and evaluation assets and other general overhead expenses. Further details are discussed in Review of Operations and Financial Results sections below.

Working capital fluctuation depends on cash balances and fair value of marketable securities and investment.

Total assets decreased in 2023 compared to 2022 due to cash usage to operate the exploration business. Total assets increased in fiscal year 2022 compared to fiscal year 2021 from proceeds earned by exploration and drilling services in Mexico and USA.

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:

	Q4 December 2023 Quarter	Q3 September 2023 Quarter	Q2 June 2023 Quarter	Q1 March 2023 Quarter
	\$	\$	\$	\$
Total revenue	350,885	594,839	496,254	252,180
Net (loss) income and comprehensive (loss) income	(1,313,738)	(462,007)	(1,422,299)	253,147
Income (loss) per share – basic	(0.02)	(0.01)	(0.02)	0.00
Income (loss) per share – diluted	(0.02)	(0.01)	(0.02)	0.00
Total assets	26,387,335	26,924,674	27,358,768	28,685,677
Cash dividends declared	-	-	-	-

	Q4 December 2022 Quarter	Q3 September 2022 Quarter	Q2 June 2022 Quarter	Q1 March 2022 Quarter
	\$	\$	\$	\$
Total revenue	1,727,299	2,703,508	1,534,906	1,489,651
Net income and comprehensive income	247,768	1,806,915	661,939	503,523
Income per share – basic	0.01	0.03	0.01	0.01
Income per share – diluted	0.01	0.03	0.01	0.01
Total assets	28,438,939	28,661,486	26,453,112	26,340,751
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 December 31, 2023 compared to the three months ended December 31, 2022

For the three months ended December 31, 2023, the Company recorded a net loss and comprehensive loss of \$1,313,738 (2022 – net income of \$247,768) or a basic and diluted net loss of \$0.02 (2022 – basic and diluted net income of \$0.01) per share mainly due to the decrease in revenue from exploration and drilling services in Mexico and USA. The revenue of \$350,885 (2022 - \$1,727,299) during the three months ended December 31, 2023, is much lower than the revenue generated the same time last year due to the absence of contract exploration and drilling services performed in Mexico. Total revenue also consists of interest income of \$257,450 (2022 -

\$124,887) from higher yields on cash balances; and financing fees of \$93,435 (2022 - \$86,289) earned from the gold loan to Almaden.

A significant portion of total expenses of \$1,343,629 (2022 - \$1,158,149) during the three months ended December 31, 2023 were related to general and administrative expenses incurred by the Company to review business opportunities and to administer the on-going business activities. A decrease in administrative services fee of \$564,921 compared to \$640,823 during 2023 is due to a decrease in oversight of the exploration and prospecting services. The administration service fees were paid to Almaden during the three months ended December 31, 2023 for providing office rent, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the three months ended December 31, 2023 included impairment of exploration and evaluation assets of \$65,876 (2022 - \$17,404), unrealized loss on marketable securities and investments of \$47,923 (2022 - \$81,817) and unrealized gain on gold loan receivable of \$402,966 (2022 - \$301,923). 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 December 31, 2023.

Results of Operations for the year ended December 31, 2023 compared to the year ended December 31, 2022

For the year ended December 31, 2023, the Company recorded a net loss and comprehensive loss of \$2,944,897 (2022 - net income of \$3,220,145) or a basic and diluted net loss of \$0.05 (2022 - basic and diluted net income of \$0.06) per share mainly due to the decrease in revenue from exploration and drilling services in Mexico and USA. The revenue of \$1,694,158 (2022 - \$7,455,364) during the year ended December 31, 2023, is much lower than the revenue generated the same time last year due to the lack of contract exploration and drilling services performed in Mexico and USA. Total revenue also consists of interest income of \$682,896 (2022 - \$206,523) from higher yields on cash balances; and financing fees of \$363,749 (2022 - \$323,440) earned from the gold loan to Almaden.

A significant portion of total expenses of \$3,869,368 (2022 - \$4,573,780) during the year ended December 31, 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 \$1,346,494 compared to \$1,161,360 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 year ended December 31, 2023 for providing office rent, executive management services, marketing support and technical oversight to Almadex.

Significant non-cash items during the year ended December 31, 2023 included impairment of exploration and evaluation assets of \$1,002,769 (2022 - \$120,480), unrealized loss on marketable securities and investments of \$97,954 (2022 - \$758,688) and unrealized gain on gold loan receivable of \$534,592 (2022 - loss of \$26,219). 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 December 31, 2023.

Liquidity and Capital Resources

At December 31, 2023, the Company had working capital of \$16,885,169, including cash and cash equivalents of \$16,224,532.

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 December 31, 2023

Net cash used in operations during the three months ended December 31, 2023 was \$458,841 (2022 – Net cash from operation activities of \$1,047,565), after adjusting for non-cash activities.

Net cash used in investing activities during the three months ended December 31, 2023 was \$264,882 (2022 - \$723,188) relates to expenditures on exploration and evaluation assets of \$265,198 (2022 - \$592,276), and property and equipment purchases of \$Nil (2022- \$90,912).

Net cash used in financing activities during the three months ended December 31, 2023 was \$Nil (2022 – \$14,875).

Year ended December 31, 2023

Net cash used in operations during the year ended December 31, 2023 was \$873,505 (2022 – Net cash from operations of \$3,358,973), after adjusting for non-cash activities.

Net cash used in investing activities during the year ended December 31, 2023 was \$1,256,388 (2022 - \$2,169,157) relates to expenditures on exploration and evaluation assets of \$1,249,645 (2022 - \$1,722,719), net proceeds from sale of property and equipment of \$Nil (2022 - \$45,786), and property and equipment purchases of \$7,085 (2022- \$452,224).

Net cash used in financing activities during the year ended December 31, 2023 was \$41,747 (2022 – \$10,125).

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, 2022	60,702,521	\$23,322,121
December 31, 2023	61,007,944	\$23,564,858
April 25, 2024	61,007,944	\$23,564,858

Share issuances during fiscal 2023

During the year ended December 31, 2023, the Company issued 305,423 common shares. 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 10(d) to the consolidated financial statements for the period ended December 31, 2023, which are available on SEDAR at www.sedar.com.

During the year ended December 31, 2023 and to the date of this MD&A, the Company granted the following stock options:

Number of Stock Options Granted	Price Per Share	Expiry Date
1,075,000	\$0.21	July 10, 2028
1,110,800	\$0.28	July 10, 2028
2,693,200	\$0.31	May 12, 2028

The following table summarizes information about stock options outstanding at April 25, 2024

Expiry date	Exercise price	December 31, 2023	Granted	Exercised	Expired/ cancelled	April 25, 2024
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
July 10, 2028	\$ 0.21	1,075,000	-	-	-	1,075,000
Options outstanding and exercisable		5,684,000	-	-	(50,000)	5,634,000
Weighted average exercise price		\$ 0.28	-	-	\$ 0.31	\$ 0.28

As of the date of this MD&A, there were 61,007,944 common shares issued and outstanding and 66,641,944 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:

2023	Fees⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chair	115,200	117,000	232,200
President & CEO	413,937	235,100	649,037
CFO	256,250	96,600	352,850
EVP	132,500	75,000	207,500
Directors	15,000	122,000	137,000
	932,887	645,700	1,578,587

2022	Fees⁽¹⁾	Share-based Payments	Total
	\$	\$	\$
Chair	75,200	-	75,200
President & CEO	303,188	36,000	339,188
CFO	247,875	-	247,875
EVP	221,875	-	221,875
Directors	30,000	-	30,000
	878,138	36,000	914,138

⁽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.

During 2023, the Company paid \$1,346,494 (2022 - \$1,161,360) to Almaden for administrative services of which, at December 31, 2023, included in trade and other payables is \$369,045 (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 December 31, 2023 are \$Nil (December 31, 2022 - \$80,727) and \$Nil (December 31, 2022 - \$90,999) due from Almaden and Azucar respectively for mining exploration services rendered in Mexico during 2021.

During the year ended December 31, 2023, the Company paid \$4,003 (2022 - \$Nil) to Western Exploration Inc., a publicly listed company whose President and CEO is also a Director of the Company for storage and office rental.

Financial Instruments

The fair values of the Company's cash and cash equivalents, accounts receivable, reclamation deposits, gold loan 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 December 31, 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	13,830,987	648,090
Accounts receivable and prepaid expenses	39,885	4,375
Gold loan receivable	5,659,118	-
Reclamation deposits	14,215	-
Total assets	19,544,205	652,465
Trade and other payables	104,601	9,232
Total liabilities	104,601	9,232
Net assets	19,439,604	643,233

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$1,940,000.

A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$64,000.

(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 December 31, 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 \$56,000.

(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	1,095,419	-	-	1,095,419
Gold loan receivable	5,659,118	-	-	5,659,118

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.

Subsequent events

On February 7, 2024, the Company received an additional payment of USD\$33,332 in cash from the sale of the 2% NSR royalty on its El Encuentro property. The payment is related to an advance annual royalty payment on certain concessions in the event that commercial production does not occur prior to April 25, 2021.

On March 12, 2024, Almaden provided notice to the Company of its intention to extend the maturity date from March 31, 2024 to March 31, 2026 on the Gold Loan.

On March 26, 2024, the Company provided notice to terminate an option agreement to acquire a claim at the Davis/Paradise Project in Nevada, USA.

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