

Condensed Consolidated Interim Financial Statements of

**Almadex Minerals Limited**

For the three and nine months ended September 30, 2017  
(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Almadex Minerals Limited (“the Company”) for the three and nine months ended September 30, 2017 have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed consolidated interim financial statements by an entity’s auditor.

## Almadex Minerals Limited

Condensed consolidated interim statements of financial position  
(Unaudited - Expressed in Canadian dollars)

	September 30, 2017	December 31, 2016
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 12)	2,180,505	2,679,135
Accounts receivable and prepaid expenses (Note 4)	229,587	221,410
Marketable securities and investments (Note 5)	3,575,136	3,960,064
	<b>5,985,228</b>	<b>6,860,609</b>
<b>Non-current assets</b>		
Reclamation deposits	25,808	27,576
Contingent shares receivable (Note 6)	27,300	50,700
Property and equipment (Note 7)	909,927	963,900
Exploration and evaluation assets (Note 8)	8,323,195	5,419,777
	<b>9,286,230</b>	<b>6,461,953</b>
<b>TOTAL ASSETS</b>	<b>15,271,458</b>	<b>13,322,562</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 10(b))	232,207	333,139
<b>Total liabilities</b>	<b>232,207</b>	<b>333,139</b>
<b>EQUITY</b>		
Share capital (Note 9)	15,806,923	12,093,447
Reserves (Note 9)	3,084,696	2,460,402
Deficit	(3,852,368)	(1,564,426)
<b>Total equity</b>	<b>15,039,251</b>	<b>12,989,423</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,271,458</b>	<b>13,322,562</b>
Commitments (Note 8(b))		
Subsequent Events (Note 8(b), 16)		

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 15, 2017.

They are signed on the Company's behalf by:

/s/Duane Poliquin  
Director

/s/Mark T. Brown  
Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## Almadex Minerals Limited

Condensed consolidated interim statements of comprehensive income (loss)

(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Revenue</b>				
Interest income	4,940	2,261	17,101	10,014
Other income (Note 10(b))	57,949	126,019	147,509	170,482
	<b>62,889</b>	128,280	<b>164,610</b>	180,496
<b>Expenses</b>				
Administrative services fee (Note 10(a)(b))	110,006	95,750	314,678	291,695
Depreciation (Note 7)	55,144	32,847	160,421	94,704
Impairment of exploration and evaluation assets (Note 8)	467,296	264,662	538,402	426,230
Professional fees and office	113,752	70,524	278,816	233,780
Travel and promotion	11,839	4,943	47,709	30,733
Share-based payments (Note 9(c))	201,000	53,730	1,406,514	268,360
	<b>959,037</b>	522,456	<b>2,746,540</b>	1,345,502
<b>Operating loss</b>	<b>(896,148)</b>	(394,176)	<b>(2,581,930)</b>	(1,165,006)
<b>Other income (loss)</b>				
Gain on investment in associate	-	1,866,607	-	501,660
Gain on sale of exploration and evaluation assets	-	-	89,054	314,977
Gain on sale of marketable securities (Note 5)	-	468,912	271,855	506,815
Gain on sale of property and equipment	-	10,348	-	14,909
Gain (loss) on fair value of contingent shares receivable (Note 6)	(7,800)	3,900	(23,400)	69,600
Foreign exchange loss	(55,026)	(5,457)	(43,521)	(55,943)
<b>Net income (loss) for the period</b>	<b>(958,974)</b>	1,950,134	<b>(2,287,942)</b>	187,012
<b>Other comprehensive income (loss)</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net change in fair value of available-for-sale financial assets, net of tax of \$Nil (Note 5)	(80,257)	1,721,775	(500,202)	2,247,884
Reclassification adjustment relating to available-for-sale financial assets included in net loss, net of tax of \$Nil	-	(1,250)	(248,967)	(4,800)
<b>Other comprehensive income (loss) for the period</b>	<b>(80,257)</b>	1,720,525	<b>(749,169)</b>	2,243,084
<b>Total comprehensive income (loss) for the period</b>	<b>(1,039,231)</b>	3,670,659	<b>(3,037,111)</b>	2,430,096
<b>Basic and diluted net loss per share (Note 11)</b>	<b>(0.02)</b>	0.04	<b>(0.05)</b>	(0.00)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## Almadex Minerals Limited

Condensed consolidated interim statements of cash flows  
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Operating activities</b>				
Net loss for the period	(958,974)	1,950,134	(2,287,942)	187,012
Items not affecting cash				
Loss on investment in associate	-	(1,866,607)	-	(501,660)
Depreciation	55,144	32,847	160,421	94,704
Gain (loss) on fair value of contingent shares receivable	7,800	(3,900)	23,400	(69,600)
Gain on sale of marketable securities	-	(468,912)	(271,855)	(506,815)
Impairment of exploration and evaluation assets	467,296	264,662	538,402	426,230
Unrealized foreign exchange on reclamation deposit	928	(373)	1,768	1,351
Gain on sale of property and equipment	-	(10,348)	-	(14,909)
Gain on sale of exploration and evaluation assets	-	-	(89,054)	(314,977)
Share-based payments	201,000	53,730	1,406,514	268,360
Changes in non-cash working capital components				
Accounts receivable and prepaid expenses	101,015	(163,308)	(30,676)	(63,140)
Trade and other payables	17,772	(27,445)	(129,222)	15,452
Net cash used in operating activities	(108,019)	(239,520)	(678,244)	(477,992)
<b>Investing activities</b>				
Exploration and evaluation assets - costs	(1,428,320)	(808,978)	(3,430,976)	(1,696,053)
Net proceeds from sale of exploration and evaluation	-	-	-	314,978
Property and equipment – purchase	(27,734)	(109,156)	(106,448)	(144,183)
Net proceeds from sale of property and equipment	-	14,749	-	25,640
Net proceeds from sale of marketable securities	-	484,305	36,613	577,608
Net proceeds from sale of investment in associates	-	2,000,000	-	2,000,000
Reclamation deposit	-	-	-	5,000
Net cash used in investing activities	(1,456,054)	1,580,920	(3,500,811)	1,082,990
<b>Financing activities</b>				
Issuance of shares, net of share issue costs	-	-	3,231,785	-
Options exercised	159,000	77,040	448,640	89,130
Warrants exercised	-	16,872	-	16,872
Net cash from financing activities	159,000	93,912	3,680,425	106,002
Change in cash and cash equivalents	(1,405,073)	1,435,312	(498,630)	711,000
Cash and cash equivalents, beginning of period	3,585,578	2,172,389	2,679,135	2,896,701
Cash and cash equivalents, end of period	2,180,505	3,607,701	2,180,505	3,607,701

Supplemental cash flow information – Note 12

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

## Almadex Minerals Limited

Condensed consolidated interim statement of changes in equity  
(Unaudited - Expressed in Canadian dollars)

	Share Capital		Reserves				Deficit	Total
	Number of shares	Amount	Share-based payments	Warrants	Available-for-sale financial assets	Total Reserves		
		\$	\$	\$	\$	\$	\$	
<b>Balance, January 1, 2016</b>	<b>43,938,969</b>	<b>11,907,544</b>	<b>213,262</b>	<b>-</b>	<b>45,912</b>	<b>259,174</b>	<b>(1,084,401)</b>	<b>11,082,317</b>
Share-based payments	-	-	268,360	-	-	268,360	-	268,360
Options exercised	201,000	89,130	-	-	-	-	-	89,130
Fair value of options transferred to share capital	-	6,767	(6,767)	-	-	(6,767)	-	-
Warrants exercised	45,600	16,872	-	-	-	-	-	16,872
Income and other comprehensive income for the period	-	-	-	-	2,243,084	2,243,084	187,012	2,430,096
<b>Balance, September 30, 2016</b>	<b>44,185,569</b>	<b>12,020,313</b>	<b>474,855</b>	<b>-</b>	<b>2,288,996</b>	<b>2,763,851</b>	<b>(897,389)</b>	<b>13,886,775</b>
Share-based payments	-	-	120,250	-	-	120,250	-	120,250
Options exercised	100,800	26,928	-	-	-	-	-	26,928
Fair value of options transferred to share capital	-	4,206	(4,206)	-	-	(4,206)	-	-
Shares issued for exploration and evaluation Assets	50,000	42,000	-	-	-	-	-	42,000
Income and other comprehensive income for the period	-	-	-	-	(419,493)	(419,493)	(667,037)	(1,086,530)
<b>Balance, December 31, 2016</b>	<b>44,336,369</b>	<b>12,093,447</b>	<b>590,899</b>	<b>-</b>	<b>1,869,503</b>	<b>2,460,402</b>	<b>(1,564,426)</b>	<b>12,989,423</b>
Share-based payments	-	-	1,406,514	-	-	1,406,514	-	1,406,514
Private placement, net	2,496,000	3,231,785	-	-	-	-	-	3,231,785
Fair value of finders' warrants	-	(34,188)	-	34,188	-	34,188	-	-
Options exercised	1,418,000	448,640	-	-	-	-	-	448,640
Fair value of options transferred to share capital	-	67,239	(67,239)	-	-	(67,239)	-	-
Loss and other comprehensive loss for the period	-	-	-	-	(749,169)	(749,169)	(2,287,942)	(3,037,111)
<b>Balance, September 30, 2017</b>	<b>48,250,369</b>	<b>15,806,923</b>	<b>1,930,174</b>	<b>34,188</b>	<b>1,120,334</b>	<b>3,084,696</b>	<b>(3,852,368)</b>	<b>15,039,251</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

# Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

## 1. Nature of Operations

Almadex Minerals Limited (the “Company” or “Almadex”) was incorporated on April 10, 2015 under the laws of the Province of British Columbia pursuant to a Plan of Arrangement to reorganize Almaden Minerals Ltd. (“Almaden”) which was completed on July 31, 2015. The Company’s business activity is the acquisition and exploration of mineral properties in Canada, the United States and Mexico. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage. The address of the Company’s registered and records office is Suite 1710 –1177 West Hastings Street, Vancouver, BC, Canada V6E 2L3.

## 2. Basis of Presentation

### (a) *Statement of Compliance with International Financial Reporting Standards*

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “*Interim Financial Reporting*” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

### (b) *Basis of preparation*

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes the Company will continue its operations for a reasonable period of time. The Company’s ability to continue its operations is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

### *New standards and interpretations not yet adopted*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

### 3. Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB.

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three and nine months period ended September 30, 2017 are not necessarily indicative of the results that may be expected for the period ending December 31, 2017.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and/or liabilities within the next financial year and are disclosed in Note 3 (d) of the Company's annual audited consolidated financial statements for the year ended December 31, 2016. There have been no changes to the Company's critical accounting estimates and judgments during the nine months ended September 30, 2017.

### 4. Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses consist of the following:

	<b>September 30, 2017</b>	December 31, 2016
	\$	\$
Accounts receivable	<b>190,763</b>	184,723
Allowance for doubtful account	<b>(4,455)</b>	(4,455)
Prepaid expenses	<b>43,279</b>	41,142
	<b>229,587</b>	221,410

### 5. Marketable Securities and Investments

- a) Marketable securities consist of common shares in publicly traded companies over which the Company does not have control or significant influence. Marketable securities are designated as available-for-sale and valued at fair value of \$1,017,846 as at September 30, 2017 (December 31, 2016 - \$1,502,920). Unrealized gains and losses due to period end revaluation to fair value, other than those determined to be other than significant or prolonged losses are recorded as other comprehensive income (loss). The valuation of the common shares has been determined in whole by reference to the closing price traded on the exchange at each reporting date.
- b) Investments consist of 1,597 ounces of gold bullion which is recorded at the fair value of \$2,557,290 as at September 30, 2017 (December 31, 2016 - \$2,457,144). The investments are designated as available-for-sale and valued at fair value. Unrealized gains and losses due to year end revaluation to fair value, other than those determined to be other than significant or prolonged losses are recorded as other comprehensive income (loss). The valuation of the gold bullion investment is determined in whole by reference to the closing price of gold at each reporting period.



## **Almadex Minerals Limited**

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

### **6. Contingent Shares Receivable**

#### **(a) Gold Mountain Mining Corporation**

As part of the Plan of Arrangement, the Company held a right to receive an additional 2,000,000 common shares of Gold Mountain in escrow subject to the following release conditions:

- i. 1,000,000 common shares will be released upon the establishment of one million ounces of measured or indicated resource of gold on the Gold Mountain's Elk Gold Project; and
- ii. 1,000,000 common shares will be released upon the establishment of an additional one million ounces of measured and indicated resource of gold on the Gold Mountain's Elk Gold Project.

On July 26, 2016, the 2,000,000 escrow shares of Gold Mountain were cancelled, therefore the Company has recorded a contingent share receivable of \$Nil (December 31, 2016 - \$Nil) as at September 30, 2017, and a loss of \$Nil (September 30, 2016 - \$10,500) on fair value adjustment in the statement of comprehensive loss during the period ended September 30, 2017.

#### **(b) Goldgroup Mining Inc.**

As part of the Plan of Arrangement, the Company obtained a right to receive of 7,000,000 common shares of Goldgroup Mining Inc. ("Goldgroup") which may be obtained upon satisfaction of the following conditions:

- i. 1,000,000 common shares will be received upon commencement of commercial production on the Caballo Blanco project ("Caballo Blanco");
- ii. 2,000,000 common shares will be received upon measured and indicated resources including cumulative production for Caballo Blanco reaching 2,000,000 ounces of gold;
- iii. 2,000,000 common shares will be received upon measured, indicated and inferred resources including cumulative production for Caballo Blanco reaching 5,000,000 ounces of gold; and
- iv. 2,000,000 common shares will be received upon measured, indicated and inferred resources including cumulative production for Caballo Blanco reaching 10,000,000 ounces of gold.

On December 24, 2014, Goldgroup sold Caballo Blanco to Timmins Gold Corp ("Timmins"). On July 22, 2016, Timmins Gold Corp ("Timmins") sold Caballo Blanco to Candelaria Mining Corp ("Candelaria"). If Candelaria achieves the above conditions, management believes that the bonus common shares will continue to be payable from Goldgroup.

The Company has recorded a contingent share receivable of \$27,300 (December 31, 2016 - \$50,700) based on management's best estimate of the fair value of the Goldgroup common shares as at September 30, 2017, and a loss of \$23,400 (September 30, 2016 gain - \$80,100) on fair value adjustment in the statement of comprehensive loss during the period ended September 30, 2017.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

### 7. Property and Equipment

	<b>Automotive equipment</b>	<b>Geological library</b>	<b>Field equipment</b>	<b>Drill equipment</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Cost</b>					
<b>December 31, 2016</b>	<b>178,997</b>	<b>200</b>	<b>94,163</b>	<b>845,564</b>	<b>1,118,924</b>
Additions	69,398	-	33,134	3,916	106,448
<b>September 30, 2017</b>	<b>248,395</b>	<b>200</b>	<b>127,297</b>	<b>849,480</b>	<b>1,225,372</b>
<b>Accumulated depreciation</b>					
<b>December 31, 2016</b>	<b>23,697</b>	<b>46</b>	<b>13,803</b>	<b>117,478</b>	<b>155,024</b>
Depreciation	38,771	23	12,668	108,959	160,421
<b>September 30, 2017</b>	<b>62,468</b>	<b>69</b>	<b>26,471</b>	<b>226,437</b>	<b>315,445</b>
<b>Carrying amounts</b>					
December 31, 2016	155,300	154	80,360	728,086	963,900
<b>September 30, 2017</b>	<b>185,927</b>	<b>131</b>	<b>100,826</b>	<b>623,043</b>	<b>909,927</b>

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

### 8. Exploration and Evaluation Assets

	El Cobre	Los Venados	El Chato	Willow	Other Properties	Total
	\$	\$	\$	\$	\$	\$
<b>Exploration and evaluation assets</b>						
<b>Acquisition costs:</b>						
<b>Opening balance – December 31, 2016</b>	<b>47,261</b>	<b>49,663</b>	<b>1</b>	<b>1</b>	<b>21</b>	<b>96,947</b>
Proceeds on disposition	-	-	-	(22,500)	(84,000)	(106,500)
Additions	463,217	-	-	17,443	211,445	692,105
Gain on disposition	-	-	-	5,057	83,997	89,054
Impairment of acquisitions costs	-	-	-	-	(211,445)	(211,445)
<b>Closing balance – September 30, 2017</b>	<b>510,478</b>	<b>49,663</b>	<b>1</b>	<b>1</b>	<b>18</b>	<b>560,161</b>
<b>Deferred exploration costs:</b>						
<b>Opening balance - December 31, 2016</b>	<b>5,085,538</b>	<b>174,836</b>	<b>62,456</b>	<b>-</b>	<b>-</b>	<b>5,322,830</b>
Costs incurred during the period:						
Drilling and related costs	644,696	-	-	-	-	644,696
Professional/technical fees	8,631	959	543	5,822	12,530	28,485
Claim maintenance/lease costs	58,677	-	29,570	-	269,144	357,391
Geochemical, metallurgy	295,476	-	31,004	-	642	327,122
Travel and accommodation	102,495	-	4,768	-	628	107,891
Geology, geophysics, exploration	909,213	603	62,727	12,491	4,174	989,208
Supplies and miscellaneous	65,131	-	1,263	-	366	66,760
Reclamation, environmental	24,120	-	5,383	-	2,599	32,102
Value-added tax	182,732	97	12,116	-	34,827	229,772
Recovery of exploration costs	-	-	-	(16,266)	-	(16,266)
Impairment of deferred exploration costs	-	-	-	(2,047)	(324,910)	(326,957)
<b>Total deferred exploration costs during the period</b>	<b>2,291,171</b>	<b>1,659</b>	<b>147,374</b>	<b>-</b>	<b>-</b>	<b>2,440,204</b>
<b>Closing balance – September 30, 2017</b>	<b>7,376,709</b>	<b>176,495</b>	<b>209,830</b>	<b>-</b>	<b>-</b>	<b>7,763,034</b>
<b>Total exploration and evaluation assets</b>	<b>7,887,187</b>	<b>226,158</b>	<b>209,831</b>	<b>1</b>	<b>18</b>	<b>8,323,195</b>

The following is a description of the Company's most significant property interest and related spending commitments:

(a) *El Cobre*

During 2011, Almadex completed the sale of its 30% interest in the Caballo Blanco property located in the state of Veracruz, Mexico to Goldgroup. As part of the sale, Goldgroup transferred to Almadex its 40% interest in the El Cobre property also located in the state of Veracruz, Mexico. The Company owns a 100% interest in the El Cobre property.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

---

### 8. Exploration and Evaluation Assets (*Continued*)

#### (b) *Los Venados*

On October 6, 2015, the Company entered into an option to purchase a 100% interest in the Los Venados project in Sonora State Mexico. The Company's commitments to pay cash and issue common shares are as follows:

October 6, 2015:	\$10,000 cash and 50,000 shares of Almadex (Paid and issued)
October 14, 2016:	\$10,000 cash and 50,000 shares of Almadex (Paid and issued)
October 14, 2017:	\$10,000 cash and 100,000 shares of Almadex (Paid and issued subsequent to September 30, 2017)
October 14, 2018:	\$20,000 cash and 100,000 shares of Almadex
October 14, 2019:	\$50,000 cash and 100,000 shares of Almadex
October 14, 2020:	\$50,000 cash and 100,000 shares of Almadex

Almadex will meet minimum assessment requirements and pay claim taxes. Almadex will also make a one-time \$500,000 payment due when a National Instrument 43-101 compliant resource greater than 500,000 ounces of gold has been identified. The vendor will have a 2% NSR on the project, 100% of which can be purchased by the Company at any time for \$1,000,000.

On November 29, 2016, the Company signed a definitive agreement to option all of its interest in the Los Venados project to Wolverine Minerals Corp. ("Wolverine") in exchange for the following:

November 29, 2016:	\$30,000 cash (Received) and 250,000 shares of Wolverine (Received at fair value of \$22,500)
February 9, 2018:	250,000 shares of Wolverine
February 9, 2019:	500,000 shares of Wolverine
February 9, 2020:	1,000,000 shares of Wolverine

The Company will retain a 2% NSR royalty. In addition, Wolverine has agreed to drill a minimum 1,000 meters by February 9, 2019, as part of the total required project expenditures of a minimum of US\$500,000 by February 9, 2020.

#### (c) *El Chato*

El Chato is a 100% owned project acquired by staking.

#### (d) *Willow*

On February 14, 2017, the Company and its wholly-owned U.S. subsidiary, Almadex Americas Inc. signed a definitive agreement to option up to 75% of its interest in the Willow project, Nevada, to Abacus Mining and Exploration Corp. ("Abacus").

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

### 8. Exploration and Evaluation Assets (Continued)

#### (d) Willow (Continued)

Abacus can earn an initial 60% interest in the Willow project by incurring work expenditures on the project totaling US\$3,000,000 and issuing a total of 416,668 shares to the Company over a five year period.

	No. of Common Shares in Abacus <sup>(1)</sup>	Fair value on receipt (CAD)	Cumulative Amount of Exploration Expenditures (\$US)
February 22, 2017	41,667	22,500	Nil
February 22, 2018	41,667	-	100,000
February 22, 2019	41,667	-	400,000
February 22, 2020	41,667	-	1,000,000
February 22, 2021	83,333	-	1,800,000
February 22, 2022	166,667	-	3,000,000
<b>Total</b>	<b>416,668</b>	<b>22,500</b>	<b>3,000,000</b>

<sup>(1)</sup> On April 26, 2017, Abacus consolidated its common shares on the basis of one post-consolidated common shares for every six pre-consolidated common shares.

Upon having earned this initial interest, Abacus will be required to incur minimum annual exploration expenditures of US\$500,000 on the property and, by February 22, 2027, deliver a Feasibility Study in respect of the Willow project to Almadex, subject to certain rights of extension. Should Abacus fail to incur the minimum annual expenditures for two consecutive years, Almadex may elect to become operator of the project, and the parties will enter into a 60:40 joint venture agreement with standard dilution provisions.

Abacus will earn an additional 15% interest in the project upon delivery of a Feasibility Study to Almadex, at which point a 75:25 joint venture will be formed, with pro-rata funding of ongoing work in proportion to the respective interests held at that time. Until such time as a joint venture is formed pursuant to the agreement, Almadex's interest is a carried interest.

On March 27, 2017, the Company received 41,667 shares of Abacus at a fair value of \$22,500.

#### (d) Other Properties

On May 24, 2017, the Company signed an agreement with Westhaven Ventures Inc. ("Westhaven") and Strongbow Exploration Ltd. ("Strongbow"), pursuant to which Westhaven acquired the Skoonka Creek gold property (the "Property"), which had been held by Strongbow and Almadex pursuant to a 65.74%/34.26% joint venture. In exchange for its interest in the Property, Almadex received 700,000 shares of Westhaven on May 25, 2017, at a fair value of \$84,000 and a 2% net smelter return royalty on the Property.

Other properties consist of a portfolio of early stage exploration projects located in Canada, the United States and Mexico. During the nine months ended September 30, 2017, the Company recorded a write-down of capitalized costs incurred of \$536,355 (September 30, 2016 - \$426,230) with respect to such properties. Each remaining property is carried at \$1 as at September 30, 2017.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

### 9. Share Capital and Reserves

#### (a) Authorized share capital

At September 30, 2017, the Company's authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

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

#### (b) Warrants

The continuity of warrants for the period ended September 30, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired	September 30, 2017
August 27, 2019	\$ 2.00	-	1,248,000	-	-	1,248,000
August 27, 2019	\$ 1.35	-	44,400	-	-	44,400
Warrants outstanding and exercisable		-	<b>1,292,400</b>	-	-	<b>1,292,400</b>
Weighted average exercise price		-	\$ 1.98	-	-	\$ 1.98

The fair value of the finders' warrants granted during the period ended September 30, 2017, was estimated on the grant date using the Black-Scholes model with the following weighted average assumptions:

Risk-free interest rate	0.76%
Expected life	2.50 years
Expected volatility	103%
Expected dividend yield	Nil
Weighted average fair value per warrant	\$0.76

#### (c) Stock option plan

The Company's stock option plan permits the issuance of options to acquire up to a maximum of 10% of the Company's issued common shares. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At September 30, 2017, the Company may reserve up to 39,037 shares that may be granted as stock options. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is five years. The Board of Directors determines the term of the option and the time during which any options may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period. All options granted during the nine months ended September 30, 2017 vested on the grant date.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

### 9. Share Capital and Reserves (Continued)

#### (c) Stock option plan (Continued)

The continuity of stock options for the period ended September 30, 2017 is as follows:

Expiry date	Exercise price	December 31, 2016	Granted	Exercised	Expired/cancelled	September 30, 2017
January 6, 2017	\$ 0.23	708,000	-	(708,000)	-	-
May 4, 2017	\$ 0.44	120,000	-	(120,000)	-	-
June 8, 2017	\$ 0.46	45,000	-	(45,000)	-	-
September 11, 2017	\$ 0.53	300,000	-	(300,000)	-	-
November 22, 2017	\$ 0.51	60,000	-	-	-	60,000
April 4, 2018	\$ 0.40	54,000	-	-	-	54,000
May 6, 2018	\$ 0.37	39,000	-	-	-	39,000
May 6, 2018	\$ 0.46	72,000	-	-	-	72,000
June 8, 2018	\$ 0.38 (i)	1,300,000	-	(60,000)	-	1,240,000
June 18, 2018	\$ 0.34	150,000	-	-	-	150,000
August 28, 2018	\$ 0.16	834,200	-	(140,000)	-	694,200
August 28, 2018	\$ 0.65	151,000	-	-	-	151,000
December 17, 2018	\$ 0.15	90,000	-	(30,000)	-	60,000
December 17, 2018	\$ 1.18	90,000	-	-	-	90,000
January 2, 2019	\$ 0.24	225,000	-	(15,000)	-	210,000
February 27, 2019	\$ 1.35	-	115,000	-	-	115,000
May 5, 2019	\$ 1.10	-	583,000	-	-	583,000
July 2, 2019	\$ 0.30	90,000	-	-	-	90,000
July 2, 2019	\$ 0.98	40,000	-	-	(40,000)	-
July 2, 2019	\$ 1.37	-	877,800	-	-	877,800
April 30, 2020	\$ 1.04	-	300,000	-	-	300,000
Options outstanding and exercisable		<b>4,368,200</b>	<b>1,875,800</b>	<b>(1,418,000)</b>	<b>(40,000)</b>	<b>4,786,000</b>
Weighted average exercise price		\$ 0.35	\$ 1.23	\$ 0.32	\$ 0.98	\$ 0.70

(i) 12,500 options were exercised subsequent to September 30, 2017.

Total share-based payments as a result of options granted during the nine months ended September 30, 2017 was \$1,406,514 (September 30, 2016 - \$268,360)

The fair value of the options granted during the period ended September 30, 2017, was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.87%
Expected life	2.23 years
Expected volatility	101.12%
Expected dividend yield	Nil
Weighted average fair value per option	\$0.75

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

---

### 10. Related Party Transactions and Balances

#### (a) Compensation of key management personnel

Key management personnel include these persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management includes members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the Vice President. These amounts are included within administrative services fee expense. The aggregate value of compensation to key management personnel was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Management fees	70,575	64,875	211,725	194,625
Share-based payments	201,000	35,100	1,058,620	207,900
	<u>271,575</u>	<u>99,975</u>	<u>1,270,345</u>	<u>402,525</u>

#### (b) Other related party transactions

##### Administrative Services Agreement

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

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

##### ATW Resources Ltd.

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

##### Other

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

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



## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2017  
(Unaudited - Expressed in Canadian dollars)

---

### 11. Net Income (Loss) per Share

#### *Basic and diluted net loss per share*

The calculation of basic net loss per share for the three months ended September 30, 2017 was based on the net loss attributable to common shareholders of \$958,974 (2016 – net income of \$1,950,134) and a weighted average number of common shares outstanding of 48,012,326 (2016 – 44,128,269).

The calculation of basic net loss per share for the nine months ended September 30, 2017 was based on the net loss attributable to common shareholders of \$2,287,942 (2016 – net income of \$187,012) and a weighted average number of common shares outstanding of 47,360,483 (2016 – 44,010,073).

The calculation of diluted net income per share for the three months ended September 30, 2016 includes the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential common shares, which comprise of 600,883 stock options and nil warrants. The calculation of diluted net income per share for the nine months period ended September 30, 2016 includes the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential common shares, which comprise of 1,518,474 stock options and nil warrants.

The calculation of diluted net loss per share for the three and nine period ended September 30, 2017 did not include the effect of stock options and warrants as they are anti-dilutive.

### 12. Supplemental Cash Flow Information

Supplemental information regarding the split between cash and cash equivalents is as follows:

	<b>September 30, 2017</b>	December 31, 2016
	\$	\$
Cash	<b>1,680,505</b>	1,379,135
Term Deposits	<b>500,000</b>	1,300,000
	<b>2,180,505</b>	2,679,135

Supplemental information regarding non-cash transactions for the nine months ended September 30, 2016 and 2017 is as follows:

<b>Investing and financing activities</b>	<b>2017</b>	2016
	\$	\$
Fair value of shares received on disposal of exploration and evaluation assets	129,000	-
Fair value of finders' warrants – share issue costs	34,188	-
Fair value of options reclassified to share capital on exercise	67,239	6,767

As at September 30, 2017, \$68,607 (December 31, 2016 - \$40,317) of exploration and evaluation asset costs is included in trade and other payables.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

### 13. Financial Instruments

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

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

#### (a) Currency risk

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

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

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

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

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

#### (b) Credit risk

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

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

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

### 13. Financial Instruments (Continued)

#### (b) Credit risk (Continued)

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

#### (c) Liquidity risk

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

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

#### (d) Interest rate risk

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

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

#### (e) Price risk

##### (i) Commodity price risk

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

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

##### (ii) Equity price risk

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

#### (f) Classification of Financial instruments

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

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

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

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

### 13. Financial Instruments (Continued)

#### (f) Classification of Financial instruments (continued)

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

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

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

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

### 14. 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 for the foreseeable future. There have been no changes to the Company's capital management approach during the period.

## Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

---

### 15. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties.

Geographic information is as follows:

	<b>All other non-current assets</b>	<b>Property and equipment</b>	<b>Exploration and evaluation assets</b>	<b>September 30, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Canada	53,108	14,514	5	67,627
United States	-	-	4	4
Mexico	-	895,413	8,323,186	9,218,599
	<b>53,108</b>	<b>909,927</b>	<b>8,323,195</b>	<b>9,286,230</b>

The Company's revenue from interest income on corporate cash reserves was earned in Canada. Other income from drill equipment rental services was earned in Mexico.

### 16. Subsequent Events

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