

Condensed Consolidated Interim Financial Statements of

Almadex Minerals Limited

For the three and six months ended June 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 six months ended June 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)

	June 30, 2017	December 31, 2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents (Note 12)	3,585,578	2,679,135
Accounts receivable and prepaid expenses (Note 4)	330,601	221,410
Marketable securities and investments (Note 5)	3,655,394	3,960,064
	7,571,573	6,860,609
Non-current assets		
Reclamation deposits	26,736	27,576
Contingent shares receivable (Note 6)	35,100	50,700
Property and equipment (Note 7)	937,337	963,900
Exploration and evaluation assets (Note 8)	7,344,434	5,419,777
	8,343,607	6,461,953
TOTAL ASSETS	15,915,180	13,322,562
LIABILITIES		
Current liabilities		
Trade and other payables	196,698	333,139
Total liabilities	196,698	333,139
EQUITY		
Share capital (Note 9)	15,637,824	12,093,447
Reserves (Note 9)	2,974,052	2,460,402
Deficit	(2,893,394)	(1,564,426)
Total equity	15,718,482	12,989,423
TOTAL EQUITY AND LIABILITIES	15,915,180	13,322,562
Commitments (Note 8(b))		

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 16, 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 loss

(Unaudited - Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Revenue				
Interest income	9,973	4,562	12,161	7,753
Other income (Note 10(b))	49,657	10,859	89,560	44,463
	59,630	15,421	101,721	52,216
Expenses				
Administrative services fee (Note 10(a)(b))	100,178	95,757	204,672	195,945
Depreciation (Note 7)	53,424	30,806	105,277	61,857
Impairment of exploration and evaluation assets (Note 8(d))	20,106	39,847	71,106	161,568
Professional fees and office	136,341	125,913	165,064	163,256
Travel and promotion	25,640	3,088	35,870	25,790
Share-based payments (Note 9(c))	396,440	214,630	1,205,514	214,630
	732,129	510,041	1,787,503	823,046
Operating loss	(672,499)	(494,620)	(1,685,782)	(770,830)
Other income (loss)				
Loss on investment in associate	-	(38,047)	-	(1,364,947)
Gain on sale of exploration and evaluation assets	89,054	314,977	89,054	314,977
Gain on sale of marketable securities (Note 5)	-	41,003	271,855	37,903
Gain on sale of property and equipment	-	2,895	-	4,561
Gain (loss) on fair value of contingent shares receivable (Note 6)	(11,700)	67,500	(15,600)	65,700
Foreign exchange gain (loss)	(18,738)	(11,632)	11,505	(50,486)
Net loss for the period	(613,883)	(117,924)	(1,328,968)	(1,763,122)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss				
Net change in fair value of available-for-sale financial assets, net of tax of \$Nil (Note 5)	(407,363)	355,414	(419,945)	526,109
Reclassification adjustment relating to available-for-sale financial assets included in net loss, net of tax of \$Nil	-	(3,550)	(248,967)	(3,550)
Other comprehensive income (loss) for the period	(407,363)	351,864	(668,912)	522,559
Total comprehensive income(loss) for the period	(1,021,246)	233,940	(1,997,880)	(1,240,563)
Basic and diluted net loss per share (Note 11)	(0.01)	0.00	(0.03)	(0.04)

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 June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(613,883)	(117,924)	(1,328,968)	(1,763,122)
Items not affecting cash				
Loss on investment in associate	-	38,047	-	1,364,947
Depreciation	53,424	30,806	105,277	61,857
Loss on fair value of contingent shares receivable	11,700	(67,500)	15,600	(65,700)
Gain on sale of marketable securities	-	(41,003)	(271,855)	(37,903)
Impairment of exploration and evaluation assets	20,106	39,847	71,106	161,568
Unrealized foreign exchange on reclamation deposit	601	131	840	1,724
Gain on sale of property and equipment	-	(2,895)	-	(4,561)
Gain on sale of exploration and evaluation assets	(89,054)	(314,977)	(89,054)	(314,977)
Share-based payments	396,440	214,630	1,205,514	214,630
Changes in non-cash working capital components				
Accounts receivable and prepaid expenses	(87,904)	11,328	(131,691)	100,168
Trade and other payables	24,762	20,045	(146,994)	42,897
Net cash used in operating activities	(283,808)	(189,465)	(570,225)	(238,472)
Investing activities				
Exploration and evaluation assets - costs	(1,309,991)	(471,702)	(2,002,656)	(887,075)
Net proceeds from sale of exploration and evaluation	-	314,978	-	314,978
Property and equipment – purchase	(69,398)	(30,996)	(78,714)	(35,027)
Net proceeds from sale of property and equipment	-	6,364	-	10,891
Net proceeds from sale of marketable securities	-	69,403	36,613	93,303
Reclamation deposit	-	5,000	-	5,000
Net cash used in investing activities	(1,379,389)	(106,953)	(2,044,757)	(497,930)
Financing activities				
Issuance of shares, net of share issue costs	-	-	3,231,785	-
Options exercised	53,700	12,090	289,640	12,090
Net cash from financing activities	53,700	12,090	3,521,425	12,090
Change in cash and cash equivalents	(1,609,497)	(284,328)	906,443	(724,312)
Cash and cash equivalents, beginning of period	5,195,075	2,456,717	2,679,135	2,896,701
Cash and cash equivalents, end of period	3,585,578	2,172,389	3,585,578	2,172,389

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		
Balance, January 1, 2016	43,938,969	11,907,544	213,262	-	45,912	259,174	(1,084,401)	11,082,317
Share-based payments	-	-	214,630	-	-	214,630	-	214,630
Options exercised	39,000	12,090	-	-	-	-	-	12,090
Fair value of options transferred to share capital	-	1,313	(1,313)	-	-	(1,313)	-	-
Loss and other comprehensive income for the period	-	-	-	-	522,559	522,559	(1,763,122)	(1,240,563)
Balance, June 30, 2016	43,977,969	11,920,947	426,579	-	568,471	995,050	(2,847,523)	10,068,474
Share-based payments	-	-	173,980	-	-	173,980	-	173,980
Options exercised	262,800	103,968	-	-	-	-	-	103,968
Fair value of options transferred to share capital	-	9,660	(9,660)	-	-	(9,660)	-	-
Warrants exercised	45,600	16,872	-	-	-	-	-	16,872
Shares issued for exploration and evaluation Assets	50,000	42,000	-	-	-	-	-	42,000
Income and other comprehensive income for the period	-	-	-	-	1,301,032	1,301,032	1,283,097	2,584,129
Balance, December 31, 2016	44,336,369	12,093,447	590,899	-	1,869,503	2,460,402	(1,564,426)	12,989,423
Share-based payments	-	-	1,205,514	-	-	1,205,514	-	1,205,514
Private placement, net	2,496,000	3,231,785	-	-	-	-	-	3,231,785
Finders’ warrants - private placement	-	(34,188)	-	34,188	-	34,188	-	-
Options exercised	1,118,000	289,640	-	-	-	-	-	289,640
Fair value of options transferred to share capital	-	57,140	(57,140)	-	-	(57,140)	-	-
Loss and other comprehensive loss for the period	-	-	-	-	(668,912)	(668,912)	(1,328,968)	(1,997,880)
Balance, June 30, 2017	47,950,369	15,637,824	1,739,273	34,188	1,200,591	2,974,052	(2,893,394)	15,718,482

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 six months ended June 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 exploration and evaluation 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 six months ended June 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 period ended June 30, 2017 are not necessarily indicative of the results that may be expected for the period ending December 31, 2017.

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

4. Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses consist of the following:

	June 30, 2017	December 31, 2016
	\$	\$
Accounts receivable	300,112	184,723
Allowance for doubtful account	(4,455)	(4,455)
Prepaid expenses	34,944	41,142
	330,601	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 \$1,080,922 as at June 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 \$2,574,472 as at June 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 six months ended June 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 June 30, 2017, and a loss of \$Nil (June 30, 2016 - \$10,500) on fair value adjustment in the statement of comprehensive loss during the period ended June 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 \$35,100 (December 31, 2016 - \$50,700) based on management's best estimate of the fair value of the Goldgroup common shares as at June 30, 2017, and a loss of \$15,600 (June 30, 2016 gain - \$76,200) on fair value adjustment in the statement of comprehensive loss during the period ended June 30, 2017.

Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2017

(Unaudited - Expressed in Canadian dollars)

7. Property and Equipment

	Automotive equipment	Geological library	Field equipment	Drill equipment	Total
	\$	\$	\$	\$	\$
Cost					
December 31, 2016	178,997	200	94,163	845,564	1,118,924
Additions	69,398	-	5,400	3,916	78,714
June 30, 2017	248,395	200	99,563	849,480	1,197,638
Accumulated depreciation					
December 31, 2016	23,697	46	13,803	117,478	155,024
Depreciation	24,521	15	8,171	72,570	105,277
June 30, 2017	48,218	61	21,974	190,048	260,301
Carrying amounts					
December 31, 2016	155,300	154	80,360	728,086	963,900
June 30, 2017	200,177	139	77,589	659,432	937,337

Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2017

(Unaudited - Expressed in Canadian dollars)

8. Exploration and Evaluation Assets

	El Cobre	Los Venados	El Chato	Willow	Other Properties	Total
	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets						
Acquisition costs:						
Opening balance – December 31, 2016	47,261	49,663	1	1	21	96,947
Proceeds on disposition	-	-	-	(22,500)	(84,000)	(106,500)
Additions	424,030	-	-	17,443	-	441,473
Gain on disposition	-	-	-	5,057	83,997	89,054
Closing balance – June 30, 2017	471,291	49,663	1	1	18	520,974
Deferred exploration costs:						
Opening balance - December 31, 2016	5,085,538	174,836	62,456	-	-	5,322,830
Costs incurred during the period:						
Drilling and related costs	360,734	-	-	-	-	360,734
Professional/technical fees	7,327	959	496	5,822	3,835	18,439
Claim maintenance/lease costs	27,309	-	13,762	-	56,448	97,519
Geochemical, metallurgy	140,303	-	28,586	-	642	169,531
Travel and accommodation	72,763	-	4,768	-	-	77,531
Geology, geophysics, exploration	605,119	603	62,727	12,491	4,174	685,114
Supplies and miscellaneous	32,136	-	1,263	-	366	33,765
Reclamation, environmental	13,029	-	3,525	-	2,599	19,153
Value-added tax	113,305	97	11,819	-	995	126,216
Recovery of exploration costs	-	-	-	(16,266)	-	(16,266)
Impairment of deferred exploration costs	-	-	-	(2,047)	(69,059)	(71,106)
Total deferred exploration costs during the period	1,372,025	1,659	126,946	-	-	1,500,630
Closing balance – June 30, 2017	6,457,563	176,495	189,402	-	-	6,823,460
Total exploration and evaluation assets	6,928,854	226,158	189,403	1	18	7,344,434

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

(a) *El Cobre*

During 2011, Almaden 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 Almaden 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 six months ended June 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
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 six months ended June 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 2,500,000 shares to the Company over a five year period.

	No. of Common Shares in Abacus	Fair value on receipt (CAD)	Cumulative Amount of Exploration Expenditures (\$US)
February 22, 2017	250,000	22,500	Nil
February 22, 2018	250,000	-	100,000
February 22, 2019	250,000	-	400,000
February 22, 2020	250,000	-	1,000,000
February 22, 2021	500,000	-	1,800,000
February 22, 2022	1,000,000	-	3,000,000
Total	2,500,000	22,500	3,000,000

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 250,000 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 will acquire the Skoonka Creek gold property (the "Property"), which is currently held by Strongbow and Almadex pursuant to a 65.74%/34.26% joint venture. In exchange for its interest in the Property, Almadex 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 six months ended June 30, 2017, the Company recorded a write-down of capitalized costs incurred of \$71,106 (June 30, 2016 - \$161,568) with respect to such properties. Each remaining property is carried at \$1 as at June 30, 2017.

Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2017

(Unaudited - Expressed in Canadian dollars)

9. Share Capital and Reserves

(a) Authorized share capital

At June 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 June 30, 2017 is as follows:

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

The fair value of the finders' warrants granted during the period ended June 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 option	\$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 June 30, 2017, the Company may reserve up to 9,037 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 six months ended June 30, 2017 vested on the grant date.

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Notes to the condensed consolidated interim financial statements

For the three and six months ended June 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 June 30, 2017 is as follows:

Expiry date	Exercise price	December 31, 2016	Granted	Exercised	Expired/cancelled	June 30, 2017
January 6, 2017	\$ 0.23	708,000	-	(708,000)	-	-
May 4, 2017	\$ 0.44	120,000	-	(120,000)	-	-
June 8, 2017	\$ 0.46	45,000	-	(45,000)	-	-
September 11, 2017	\$ 0.53	300,000	-	-	-	300,000
November 22, 2017	\$ 0.51	60,000	-	-	-	60,000
April 4, 2018	\$ 0.40	54,000	-	-	-	54,000
May 6, 2018	\$ 0.37	39,000	-	-	-	39,000
May 6, 2018	\$ 0.46	72,000	-	-	-	72,000
June 8, 2018	\$ 0.38	1,300,000	-	(60,000)	-	1,240,000
June 18, 2018	\$ 0.34	150,000	-	-	-	150,000
August 28, 2018	\$ 0.16	834,200	-	(140,000)	-	694,200
August 28, 2018	\$ 0.65	151,000	-	-	-	151,000
December 17, 2018	\$ 0.15	90,000	-	(30,000)	-	60,000
December 17, 2018	\$ 1.18	90,000	-	-	-	90,000
January 2, 2019	\$ 0.24	225,000	-	(15,000)	-	210,000
February 27, 2019	\$ 1.35	-	115,000	-	-	115,000
May 5, 2019	\$ 1.10	-	583,000	-	-	583,000
July 2, 2019	\$ 0.30	90,000	-	-	-	90,000
July 2, 2019	\$ 0.98	40,000	-	-	(40,000)	-
July 2, 2019	\$ 1.37	-	877,800	-	-	877,800
Options outstanding and exercisable		4,368,200	1,575,800	(1,118,000)	(40,000)	4,786,000
Weighted average exercise price		\$ 0.35	\$ 1.27	\$ 0.26	\$ 0.98	\$ 0.66

Total share-based payments as a result of options granted during the six months ended June 30, 2017 was \$1,205,514 (June 30, 2016 - \$214,630)

The fair value of the options granted during the period ended June 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	0.74%
Expected life	2.28 years
Expected volatility	104%
Expected dividend yield	Nil
Weighted average fair value per option	\$0.77

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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 June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Management fees	70,575	64,875	141,150	129,750
Share-based payments	348,840	183,600	857,620	183,600
	419,415	248,475	998,770	313,350

(b) Other related party transactions

Administrative Services Agreement

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

ATW Resources Ltd.

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

Other

During the period ended June 30, 2017, the Company included in other income \$89,560 (2016 - \$33,604) paid by Almaden to the Company for drill equipment rental services in Mexico.

During the period ended June 30, 2017, the Company paid a company controlled by a Director of the Company \$48,656 (2016 - \$37,104) for geological services.

Almadex Minerals Limited

Notes to the condensed consolidated interim financial statements

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(Unaudited - Expressed in Canadian dollars)

11. Net Loss per Share

Basic and diluted net loss per share

The calculation of basic net loss per share for the three months ended June 30, 2017 was based on the net loss attributable to common shareholders of \$613,883 (2016 - \$117,924) and a weighted average number of common shares outstanding of 47,908,006 (2016 - 43,961,683).

The calculation of basic net loss per share for the six months ended June 30, 2017 was based on the net loss attributable to common shareholders of \$1,328,968 (2016 - \$1,763,122) and a weighted average number of common shares outstanding of 47,029,159 (2016 - 43,950,326).

The calculation of diluted net loss per share for the three and six period ended June 30, 2017 and 2016 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:

	June 30, 2017	December 31, 2016
	\$	\$
Cash	2,085,578	1,379,135
Term Deposits	1,500,000	1,300,000
	3,585,578	2,679,135

Supplemental information regarding non-cash transactions is as follows:

Investing and financing activities	Six months ended June 30, 2017	2016
	\$	\$
Fair value of shares received on disposal of exploration and evaluation assets	106,500	-
Fair value of finders' warrants - share issue costs	34,188	-
Fair value of options reclassified to share capital on exercise	57,140	1,313

As at June 30, 2017, \$50,870 (December 31, 2016 - \$40,317) of exploration and evaluation asset costs is included in trade and other payables.

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For the three and six months ended June 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.

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 June 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	605,323	551,554
Accounts receivable and prepaid expenses	-	216,214
Total assets	605,323	767,768
Trade and other payables	48,728	74,174
Total liabilities	48,728	74,174
Net assets	556,595	693,594

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$56,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's profit or loss by \$69,000.

(b) Credit risk

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

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

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

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Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2017

(Unaudited - Expressed in Canadian dollars)

13. Financial Instruments (Continued)

(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 \$15,000.

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

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

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

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

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

Almadex Minerals Limited

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(Unaudited - Expressed in Canadian dollars)

13. Financial Instruments (Continued)

(f) Classification of Financial instruments (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Marketable securities and investments	3,655,394	-	-	3,655,394
Contingent shares receivable	-	35,100	-	35,100

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.

15. Segmented Information

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

Geographic information is as follows:

	All other non-current assets	Property and equipment	Exploration and evaluation assets	June 30, 2017
	\$	\$	\$	\$
Canada	61,836	15,368	5	77,209
United States	-	-	4	4
Mexico	-	921,969	7,344,425	8,266,394
	61,836	937,337	7,344,434	8,343,607

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.