MINERA ALAMOS INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED DECEMBER 31, 2019

The following discussion and analysis is management's assessment of the results and financial condition of Minera Alamos Inc. ("**Minera Alamos**" or the "**Company**") and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and 2018 and the notes thereto, that have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The Company's most recent filings are available on the SEDAR website. The date of this management's discussion and analysis is May 1, 2020.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

BUSINESS OF MINERA ALAMOS

Minera Alamos is a base and precious metals enterprise currently dedicated to acquiring, exploring and developing mining projects in Mexico.

The Company was incorporated pursuant to the laws of the Province of Ontario in January, 1934. Through various actions at the end of the 1990's up to 2006, the Company reorganized itself and amalgamated various subsidiaries to establish its current form. Subsequently, four subsidiaries were formed – Minera Alamos de Sonora S.A. de C.V.; Molibdeno Los Verdes S.A. de C.V.; Cobre 4H S.A. de C.V.; and Virgin Metals USA, Inc. On May 7, 2014, the Company changed its name from Virgin Metals Inc. to Minera Alamos Inc. as approved by the shareholders on April 16, 2014.

On May 4, 2016, the Company announced the completion of the acquisition of 100% of the mineral claims known as the "La Fortuna" gold project located in the State of Durango, Mexico from Argonaut Gold Inc. and its wholly owned subsidiary Durango Fern Mines, S.A. de C.V. The project is currently in development and it is expected that a construction decision, if deemed appropriate by management, can be made early in 2019.

On April 13, 2018, the Company acquired Corex Gold Corporation ("Corex") as approved by Corex shareholders pursuant to a special meeting held on April 4, 2018. Under the terms of the Agreement, each Corex shareholder received 0.95 common shares of Minera Alamos Inc. in exchange for each Corex share held. The business combination was completed by way of share exchange pursuant to a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) resulting in Corex becoming a wholly owned subsidiary of Minera Alamos Inc. Pursuant to the transaction, the Company issued 150,470,661 common shares valued at $0.14 to the former shareholders of Corex. In connection with this transaction, the Company also issued 22,985,725 warrants valued at $689,886 and issued 6,935,000 share purchase options valued at $798,000 in exchange for the cancelation of Corex warrants and options outstanding. The warrants were valued using the Black-Scholes valuation model using the following weighted assumptions: expected dividend yield 0%, expected volatility 77% risk free rate of return 2.0% and an expected life of 1.13 years. The options were valued using the Black-Scholes valuation model using the following weighted averaged assumptions: expected dividend yield 0%, expected volatility 123% risk free rate of return 2.0% and an expected life of 3.26 years

Corex is engaged in the acquisition and exploration of precious metal properties located in Mexico. To date, the Company has not earned significant revenues during a test mining program. The Company's primary focus is the exploration and development of its Santana Project in Sonora, Mexico. The Santana property is located about two and a half hours drive northeast of the City of Obregon, accessible via blacktop road. Obregon has regular air service nonstop to Hermosillo and Guadalajara. The project is 100% owned and is approximately 3,500 ha. A pre-commercial bulk sample was mined and processing is ongoing. A construction decision was made by management in Q1 2020 and initial preparation and preconstruction activities are ongoing at this time.

SELECTED QUARTERLY INFORMATION

The following selected information is derived from the audited year end consolidated financial statements and the unaudited quarterly consolidated financial statements:

	Quarter Ended December 31, 2020 $	Quarter Ended September 30, 2019 $	Quarter Ended June 30, 2019 $	Quarter Ended March 31, 2019 $
Net income (loss) gain (000's)	1,469	(2,228)	(2,017)	(1,106)
Basic (loss) gain per share	0.00	(0.01)	(0.01)	(0.00)
Total assets (000's)	7,345	5,550	6,656	6,993
Total liabilities (000's)	4,255	3,864	3,750	4,221
Shareholders' Equity (000's)	3,091	1,685	2,906,885	2,771

	Quarter Ended December 31, 2018 $	Quarter Ended September 30, 2018 $	Quarter Ended June 30, 2018	Quarter Ended March 31, 2018 $
Net (loss) gain (000's)	(1,417)	(1,400)	(1)(21,319)	(1,484)
Basic (loss) gain per share	(0.01)	(0.00)	(0.08)	(0.01)
Total assets (000's)	3,419	2,891	4,852	3,521
Total liabilities (000's)	4,233	2,516	3,104	2,381
Shareholders' Equity (000's)	(814)	375	1,749	1,140

1. Includes $20,001,249 the fair value assigned to the Corex exploration and evaluation asset that was expensed upon the acquisition of Corex in accordance with the Company's accounting policies.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019, the Company had working capital of $1,240,212 in comparison to December 31, 2018, working capital deficit of $1,163,299. The December 31, 2019, cash and cash equivalents balance of $1,761,667 will be used for the exploration and development of the Company's mineral properties and for general corporate purposes. All material cash balances are maintained in interest bearing accounts at the Company's bank in Canada.

The Company's net cash flows used in operations, after the inclusion of changes to non-cash operating accounts were $5,684,903 and $5,482,792 for the periods ended December 31, 2019 and 2018, respectively.

The Company's cash from financing activities was $6,862,939 for the year end December 31, 2019, as of the result of completing a non-brokered private placement offering of 49,947,500 common shares of the Company at a price of $0.10 per Common Share for aggregate gross proceeds of $4,994,750. In connection with the Offering, the Company paid cash finder's fees of $280,200 and issued 2,898,000 finder's warrants (the "Finder's Warrants"). There were also 22,447,425 warrants exercised in the second quarter for proceeds of $2,244,743 and 2,992,500 options exercised for proceeds of $486,675.

The Company's investing activities were the payment of $543,523 on the long term loan and the purchase of equipment for $53,786

The activities of the Company, which are primarily the acquisition, exploration and development of mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants as well as the issuance of debt. In light of current market conditions, the Company continues to explore various alternate methods to continue the advancement of its projects. There is no assurance that equity capital will be available to the Company in the required amounts, with acceptable terms or at the time required. Please refer to the "Risk Factors" section below.

RESULTS OF OPERATIONS

The Company's operations during the year ended December 31, 2019, resulted in a net loss of $3,891,752 as compared to a loss of $25,619,799 in the comparable prior period. The Company's primary operational activity continues to be the exploration and development of the Company's major projects. The December 31, 2018 loss includes $20,001,249 the fair value assigned to the Corex exploration and evaluation asset that was expensed upon the acquisition of Corex in accordance with the Company's accounting policies.

The expenditures and levels of activity relating to the Company's projects (rounded to the nearest thousand) are described in greater detail below followed by a brief discussion of significant line items in expenses.

Expenses	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 30, 2019	Twelve months ended December 31, 2018
	$	$	$	$
Exploration and evaluation	-2,510	785,000	(21,000)	22,813,000 (1)
Insurance	1,500	14,000	34,000	31,000
Interest	60,000	13,000	228,000	-
Investor relations	83,000	72,000	332,000	158,000
Office and administration	242,000	90,000	641,000	458,000
Professional fees	63,000	134,000	360,000	663,000
Salaries and compensation	382,000	183,000	1,667,000	950,000
Share base compensation	0	240,000	810,000	240,000
Transfer agent & Regulatory fees	43,000	5,000	71,000	53,000
Travel	12,000	12,000	206,000	144,000

Exploration and evaluation – The expenditures in the year reflect the ongoing costs related to the exploration development and maintenance of the Companies properties located in Mexico. Included in this years' expenditures is a credit of $3,136,500 representing the market value of 9,450,000 Prime Mining shares and estimated fair value of 3,350,000 Prime Mining warrants received as a result of assigning the GDR option agreement to Prime. The comparative period includes a one-time cost of $20,001,249, the fair value assigned to the Corex exploration and evaluation asset that was expensed upon the acquisition of Corex in accordance with the Company's accounting policies.

Interest – Interest expense incurred during the year is on the senior secured loan. This loan was not entered into until December 2018 and as a result there is less interest expense in the comparative year

Investor relations – There was an increase in these expenses during the year ended as a full investor relations program was put in place during the year this included several new initiatives such as the attendance at numerous industry events in Canada , USA and Europe. Investor relations for 2020 are expected to be comparable to 2019.

Office and administration – These expenses increased as a result of the Company ramping up in preparation of building the Santana mine beginning in 2020.

Professional fees – Professional fees for the prior year ended December 31, 2018, reflect additional audit and legal work incurred around the Corex acquisition. The December 31 2019 expenditures are more reflective of expected professional fees now and in the near future.

Salaries and compensation – Included in Salaries and compensation this quarter is a one-time termination fee amount of $600,000 related to former directors of Corex. The regular salaries and compensation expenditures for the year ended December 31, 2019, excluding the termination fee have increased slightly as compared to the prior year.

Transfer agent and regulatory fees – This expense has increase due to a higher level of activity. This fee also includes cost related to the annual general meeting and a one time special shareholder meeting held in December 2019.

Travel – The travel expenses for the year ended December 31, 2019, have increased by $62,000. Travel was incurred to monitor the activities at Santana, La Fortuna and GDR projects in Mexico, There was further travel costs incurred to Mexico to perform due diligence and evaluate prospective projects.

EXPLORATION AND DEVELOPMENT ACTIVITIES AND EXPENDITURES

	For the year ended December 31,	
	2019	**2018**
	$	$
Santana, Mexico(1)	1,618,026	20,062,515
La Fortuna, Mexico	337,934	2,339,567
Guadalupe de los Reyes, Mexico(2)	(2,799,338)	214,347
Los Verdes, Mexico	188,146	178,535
Other	159,724	18,222
Total	**(495,508)**	22,813,186

1. The 2018 amount includes $20,001,249 of expenditures related to the Santana Project from the Corex acquisition.
2. Includes a credit of $3,136,500 representing proceeds from the assignment of the GDR option to Prime Mining.

La Fortuna

On May 4, 2016, the Company announced the completion of the acquisition of 100% of the mineral claims known as the "La Fortuna" gold project located in the State of Durango, Mexico from Argonaut Gold Inc. and its wholly owned subsidiary Durango Fern Mines, S.A. de C.V. The La Fortuna Gold Project includes the historic La Fortuna mine together with the surrounding concessions, totaling 994 hectares. The property is located in the northwestern corner of the State of Durango, Mexico, about 70 kilometers northeast of the city of Culiacan, Sinaloa.

In August 2016, the Company announced that it had acquired more than 5,400 hectares in additional mineral concessions surrounding the La Fortuna gold project. The new claims were acquired directly from the federal mining authorities in Mexico (Dirección General de Minas) with no payments to any other third parties, increasing the Company's total land package to over 6,400 hectares.

In 2018 the Company announced the results of an independent Preliminary Economic Assessment ("PEA"). The PEA was prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") by CSA Global Geosciences Canada Ltd (CSA Global) of Toronto, Canada. (*Note to reader: Unless stated all currency references are in US dollars).* Please see the Company's news release dated August 16, 2018, as filed on SEDAR for completed details.

PEA Summary

	US$	**CDN$**
Pre-Tax NPV (7.5%)	$103,800,000	$134,800,000
Pre-Tax IRR	122%	122%
After-Tax NPV (7.5%)	$69,800,000	$90,600,000
After-Tax IRR	93%	93%
Pre-Tax Payback Period	9 months	
After-Tax Payback Period	11 months	
Average Annual Production	43,000 oz Gold, 220,000 oz Silver, 1,000 t Copper (50koz GEO[1])	
Preproduction Capital	$26,900,000	$34,900,000
LOM Average AISC [2]	$440/oz	$571/oz
Mine Life	5 years	
Mill Throughput (avg. tpd)	1,100	
Mill Grade & Recovery	3.68 g/t Au (90% recovery)	
Gold Price	$1,250/oz	
Silver Price	$16/oz	
Copper Price	$5,725/tonne	
FX Rate (CDN$/US$)	0.77	

Notes:

1. GEO – Gold Equivalent Ounces
2. "AISC per ounce" is a non-GAAP financial performance measures with no standardized definition under IFRS; additional reference info at bottom of release
3. Base case prices for gold, silver and copper were assessed at values approximately 2%-7% below the three-year trailing average prices for each of the metals and below the majority of the publicly available forward looking estimates available as of July 2018

PEA Cautionary Note:

Readers are cautioned that the PEA is preliminary in nature and there is no certainty that the PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Additional work is needed to upgrade these mineral resources to mineral reserves.

Capital & Operating Cost Estimates

Initial and Sustaining Capital Costs (CAPEX)

Area	Initial ($000)	Sustaining ($000)	Total ($000)
Mining (contractor mobilizations)	$1,000		$1,000
Site Development/Infrastructure	$3,500		$3,500
Mineral Processing	$15,000	$7,100	$22,100
Tailings Management	$2,000		$2,000
Closure		$3,000	$3,000
Salvage Value		($3,000)	($3,000)
Contingencies (incl. owner's costs)	$5,400		$5,400
TOTAL PROJECT	$26,900	$7,100	$34,000

*Note: Start-up working capital to be provided by concentrate purchasers on credit revolver basis.

Operating Costs (OPEX)

Area	$/tonne Mineralized Material*2	$/unit	
Open Pit Mining	$11.80	$2.15	per tonne mined
Processing	$15.95	$22.89	per tonne milled
Stockpile/Ore Sorting*1	$1.73	$4.00	per tonne sorted
G&A	$3.86	$5.54	per tonne milled
All-In OPEX	**$33.34**		

Notes:

1. "Ore Sorting" as used in the context of Table 4 is a commercial term referring to sensor-based rock sorting technology and is not related to project resources/reserves. Ore sorting equipment is implemented in Year 3 for upgrading of mid-grade stockpiles
2. "Mineralized Material" represents mined material in excess of 0.8 g/t Au cut-off (includes direct milling material + stockpiled material to be upgraded via ore sorting prior to milling)

Mineral Resources

This PEA is based on a new mineral resource estimate prepared for the La Fortuna project by Scott Zelligan, P.Geo., as part of the current report. The mineral resource estimate is based on the results from 125 core drill holes completed to date on the project. Wireframes were prepared using the drill hole information combined with geological interpretations of the deposit and validated through observations and sampling of accessible historical underground openings. Further details related to the current mineral resource estimate are presented in a later section. The table below outlines the total base case Mineral Resources, including those that were not included as part of the PEA mine plan.

Mineral Resource Estimates (1.0 g/t Au cut-off grade)

Resource Category	Au (g/t) Cut-off	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Au oz	Ag oz	Cu t
Measured	1.0	1,755,400	2.96	17.5	0.23	167,100	987,800	4,000
	1.5	1,309,700	3.55	19.5	0.25			
	2.0	1,012,100	4.09	21.0	0.28			
	2.5	795,300	4.59	22.4	0.30			
	3.0	639,400	5.04	23.5	0.32			
Indicated	1.0	1,714,300	2.59	15.5	0.21	142,800	854,400	3,600
	1.5	1,241,400	3.11	17.5	0.24			
	2.0	886,400	3.65	19.2	0.27			
	2.5	626,600	4.24	21.0	0.30			
	3.0	458,500	4.80	22.2	0.32			
Measured + Indicated	1.0	3,469,700	2.78	16.5	0.22	309,800	1,842,200	7,600
	1.5	2,551,100	3.34	18.5	0.24			
	2.0	1,898,500	3.88	20.2	0.27			
	2.5	1,421,900	4.44	21.8	0.30			
	3.0	1,097,900	4.94	23.0	0.32			
Inferred	1.0	156,300	1.72	8.5	0.09	8,600	42,700	100
	1.5	78,612	2.21	9.2	0.10			
	2.0	38,059	2.73	11.1	0.12			
	2.5	18,169	3.28	13.1	0.14			
	3.0	7,589	4.04	15.6	0.18			

Notes:

1. The effective date for this mineral resource estimate for La Fortuna project is July 13, 2018. All material tonnes and metal values are undiluted.
2. Mineral Resources are calculated assuming a cut-off grade of 1.0 g/t Au, which is considered reasonable and consistent for this type of deposit with open pit mining methods.
3. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues.
4. The mineral resources presented here were estimated using a block model with a parent block size of 5 m by 5 m by 5 m sub-blocked to a minimum block size of 0.6 m by 0.6 m by 0.6 m using ID3 methods for grade estimation as this method best represented the grade distribution in the sample data.

5. Due to the geometry of the deposit and the nature of the grade distribution, the estimation was divided between the upper and lower portions of the mineralized volume with search parameters optimized for each portion.
6. Individual composite assays were capped at the following values according to histogram/probability and decile analyses – 30 g/t gold, 60 g/t silver, 1% copper
7. A density of 2.65 t/m^3 was chosen for the tonnage estimate. Data available from dry bulk density studies indicated an average density of 2.72 t/m^3 for mineralized material, while the quartz monzonite material had an average density of 2.61 t/m^3. The value of 2.65 was chosen by averaging the two then rounding down to the nearest 0.05 interval to be conservative
8. The mineral resources presented here were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council May 10, 2014.
9. The mineral resource estimate was prepared by Scott Zelligan, B.Sc., P.Geo., and independent resource geologist of Coldwater, Ontario.
10. Gold price is US$1,250/ounce, silver price is US$16/ounce, and copper price is US$5,725/tonne.
11. The number of metric tonnes is rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects.

An initial review of the most recent exploration data from the La Fortuna gold project confirms potential for growth beyond the project's current Measured and Indicated Mineral Resources. Three distinct zones of mineralization were identified along parallel structures that correspond to the primary regional faulting in this region of Mexico (NW-SE). In addition to the Fortuna Main Zone (and extensions) where the Company's current resource is located, these also include the Ramada Zone and the PN Zone. All three areas contain numerous historical mine workings and have been sampled and mapped at surface. Defining the continuity of the mineralization throughout these extended zones will be the focus of the Company's upcoming exploration activities.

Two permit applications were submitted and are currently under review for the La Fortuna project. They consist of the Environmental Impact Statement (Manifestacion de Impacto Ambriental) and an Environmental Risk Study (Estudio de Riesgo Ambiental).

In May 2017, additional rights and options were granted on La Fortuna in connection with a private placement. The Subscriber and the Company entered into an investment agreement (the "Investment Agreement") which provides for the following:

- *Royalty Option*: The Subscriber will be granted an option to purchase up to a 4.0% NSR in the La Fortuna Property for total consideration of $9 million.

- *Royalty/Stream Right*: As long as the Subscriber holds common shares equal to at least 10% of the issued and outstanding common shares of the Company, on a non-diluted basis, the Subscriber will have a participation right on any and all royalties, streams, or similar interests granted on properties belonging to Minera Alamos.

Santana

The Company holds a 100% interest through its subsidiary, Corex Gold Corporation in 9 mining claims covering approximately 3,100 hectares located approximately 200 kilometres east-southeast of Hermosillo, Sonora, Mexico. Additionally, the Company holds a 100% interest in two contiguous mining concessions that cover approximately 350 hectares, referred to as Santa Lucia and Hilda 35 Fraccion 1, also part of the Santana Project. Pursuant to two property option agreements dated December 11, 2007, and amending agreement dated January 20, 2012, between the Company and private vendors. The Hilda 35 Fraccion 1 is also subject to a 2% net smelter return royalty ("NSR"). Each 1% NSR can be purchased for USD $1,000,000 within the three years following the conclusion of the feasibility study with positive results, in two contiguous mining concessions referred to as Santa Lucia and Hilda 35 Fraccion 1, located in Sonora State, Mexico, pursuant to two property option agreements dated December 11, 2007, and amending agreement dated January 20, 2012, between Corex and private vendors.

The Santana Property is located approximately 200 kilometres east-southeast of Hermosillo, Sonora, Mexico. Access to the project is via paved highway.

To date more than 30,000 meters of drilling has been completed on the project. A phase 1drilling program was completed at Santana (*see news release dated May 3rd, 2018*) following the receipt of successful community approvals associated with combining Minera Alamos' Los Verdes contiguous on strike claim into the Santana plan of development.

For the past 18 months the Santana project has been undergoing continuous bulk heap-leach testing activities. An initial phase utilized coarse crushing (<3") with a second phase involving fine crushing (<1/2" to 5/8") and agglomeration prior to leaching. Crush size will ultimately be fine tuned to maximize future profitability. In total, approximately 50,000 tonnes of mineralized material has now been placed on the test leach pads and the results of the bulk test work fully support the on-going development of the project with a goal towards commercial scale operation. Cumulative reagent consumptions for the bulk test are low amounting to <0.20 kg/t for both cyanide and lime.

The test mining program has produced approximately 1,100 oz of gold and 225 oz of Silver. . As this was a test mining program all revenue from the sales of gold and silver produced has been credited to exploration and evaluation expenditures.

Bulk test mining operations at the Santana project were governed by a temporary environment/change of land use permit (MIA-ETJ) that was issued by SEMARNAT in 2016. The temporary permits covered changes made to a limited area of the project site which was consistent with the scope of the test activities.

In Q4 of 2019 The Company received the MIA (Manifestacion de Impacto Ambiental or "Environmental Impact Statement") permit approval from the Federal Agency (Secretaria de

Medio Ambiente y Recursos Naturales – SEMARNAT), for the development of the Company's Santana gold project ("Santana") in Sonora, Mexico. Together with the previously announced (*see Company News Release dated June 27, 2019)* change of land use notification, the receipt of the authorized MIA documentation provides the Company with the key approvals necessary for the construction of a commercial scale mine and gold heap leach processing facilities at the Santana project site. The Santana MIA-ETJ applications were structured to provide the Company with significant flexibility to further optimize the development approach for the project and the ability to expand the project operations organically once resources are increased. The recently approved documents cover the following activities:

- Approximately 73 hectares approved for mining use in the MIA which includes the required areas for initial development of the Nicho and Nicho Norte gold deposits as well as the related gold extraction and recovery facilities.
- The MIA remains in good standing for a period of 33 years which covers the potential construction, operations and closure stages for the project.
- The scope of the Operating Permit includes the two initial open pit mines, waste dump areas, crushing, heap leach pad, leach solution ponds, gold recovery facilities and all related infrastructure.
- The MIA remains conditional on a series of standard conditions from SEMARNAT that are included to protect and monitor the environment and must be implemented by the Company in order to satisfy the permit requirements. In addition, the Company awaits the final issuance of the approved ETJ (Estudio Tecnico Justificativo) permit which follows the payment for the change of land use (completed June 2019).

The receipt of the MIA permit for Santana will allow the Company to initiate applications for other state/local permits that will be required in advance of any commercial mine production. These lesser permits cover activities such as water use and explosives. In addition, the Company is now finalizing discussions with contractors related to mining, crushing, construction, etc. While certain state and local permits are required to commence mining operations, the successful completion of the MIA-ETJ permit process allows the Company to commence all necessary earthworks and construction activities in advance of mining operations. The Company is now in the process of completing detailed schedules and budgets for construction operations.

During the second half of 2019 the Company commenced a Phase 2 drill program at Santana. The program, which is expected to continue through late this year, will have a dual focus; resource expansion drilling at the main Nicho deposit as well as follow-up drilling on several new discoveries made during Phase 1 work done in 2018. In addition, while the Company was advancing the project permitting, its exploration team made a number of new discoveries that also warrant drill testing and will be included in the upcoming drill plans.

Guadalupe de los Reyes (GDR)

In November 2017, The Company entered into an option agreement to acquire the GDR project. GDR is a gold-silver project located in the Sierra Madre Range in Sinaloa, Mexico and approximately 3 hours from the Company's base of operations in Culiacan. It is one of the most significant historic gold producers in this region of Mexico and contains a near surface gold resource consisting of 380,100 Indicated ounces (6.8 MM tonnes @ 1.73 g/t Au) with an additional 155,200 Inferred ounces (3.2 MM tonnes @ 1.49 g/t Au), in addition to significant exploration potential from previously identified mineralized structures that remain undrilled. The project consists of over 15,000 hectares of contiguous land holdings surrounding the historic Guadalupe de los Reyes mine. GDR is a large regional system of epithermal mineralized structures with at least eight zones of mineralization mapped and sampled at surface, with only four having been partially drilled.

Guadalupe de los Reyes Resources

Resource Classification	Metric Tonnes	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (oz)	Contained Silver (oz)
Indicated	6,843,000	1.73	28.71	380,100	6,315,300
Inferred	3,200,000	1.49	34.87	155,200	3,639,000

Notes:
1. Mineral Resources are summarized as reported in the NI 43-101 Technical Report titled "Preliminary Economic Assessment of Guadalupe de los Reyes Gold Silver Project" by Tetra Tech and dated April 16, 2018
2. To the best of knowledge, information and belief of Minera Alamos, there is no new material scientific or technical information that would make the disclosure of the mineral resources in the Report inaccurate or misleading.
3. Mineral Resources were calculated based on a cut-off grade of 0.5 g/t Au.
4. No Measured Resources of Mineral Reserves of any category were identified.
5. Mineral Resources are not Mineral Reserves and by definition do not demonstrate economic viability. There is no certainty that all or any part of the Mineral resources will be converted into Mineral Reserves.

On April 22, 2019 the Company entered into a binding letter agreement with Prime Mining Corp. ("Prime") (formerly ePower Metals Inc.") that outlined the terms and conditions upon which the Company assigned its option rights to acquire the Guadalupe de los Reyes gold property ("Los Reyes") in exchange for approximately 19.8% of the outstanding Prime common shares and certain other rights related to the development of Los Reyes (the "Transaction").

Following the completion of the Transaction, Minera Alamos owned 19.8% of the outstanding common shares of Prime. In addition, the Company will maintain the following rights:

- Should Prime fail to complete any of the remaining Los Reyes option payments all rights to acquire Los Reyes will revert to the Company.
- The Company will have the right to appoint one director to the board of directors of Prime for so long as Minera Alamos holds at least 5% of the outstanding Prime Shares; and

- The Company will be entitled to a right of first refusal in the event Prime should at any time seek to raise financing to develop Los Reyes by way of the sale or grant of a royalty or stream.

The following conditions were satisfied by Prime to acquire Minera Alamos' interest in Los Reyes,:

- Made a cash payment of US$1,500,000 to the Company for the cost of the option payment the Company made to Vista on April 23, 2019.
- Assumed the Company' remaining option payments of US$3,000,000 in favour of Vista, as follows: - US$1,500,000 due October 27th, 2019; and US$1,500,000 on the earlier of October 27th, 2021 or a production decision.
- Issued to the Company 9,450,000 common shares and 3,350,000 common share purchase warrants of Prime at an exercise price of $0.50 per share for a period of twenty-four months.
- Entered into a governance agreement, providing for, among other things, Minera Alamos receiving the right to appoint one director to the board of ePower for so long as the Company holds at least 5% of ePower's outstanding common shares and the Company receiving the right to participate in future financings.

Los Verdes

The Los Verdes property is located in the community of Santa Ana, municipality of Yecora, in the state of Sonora, Mexico. It is situated approximately 200 kilometres east-southeast of Hermosillo, the capital of Sonora and 190 kilometres northeast of Ciudad Obregon.

The project is made up of 15 mining concessions totalling 7,038 hectares including the North Deposit property (2 mining concessions totalling 1,070 hectares previously referred to as Potreritos). As reported in the Company's 2012 PEA, the projects resource estimates are as follows:

	Tonnes	Cu%	Mo%	W%	Ag g/t
Measured	6,278,000	0.67	0.13	0.07	4.91
Indicated	1,427,000	0.51	0.10	0.05	4.02
Measured & indicated	**7,705,000**	**0.64**	**0.12**	**0.07**	**4.74**
Inferred	208,000	0.07	0.12	0.02	-
Historic (North Deposit)	1,103,000	0.52	0.12	-	-

In January 2016, the Company announced the completion of a resource estimate prepared for the 100% owned Los Verdes North Copper-Molybdenum deposit. The new estimate confirmed the presence of a second source of near surface copper/molybdenum/silver mineralization incremental to the Company's Los Verdes South Deposit.

The Company is currently considering strategic alternatives for this project based on current industry/market expectations and a resizing of the planned operation.

RELATED PARTY TRANSACTIONS

Detail of transactions between the Company and other related parties are disclosed below.

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the period ended December 31, 2020 and December 31, 2019 were as follows:

	2019 $	2018 $
Aggregate compensation	606,000	662,000
Stock-based compensation	490,500	56,000

Included in accounts payable and accrued liabilities at December 31, 2019, payable to key management of the Company was $656,680 in relation to outstanding compensation (December 31, 2018 - $567,926).

Included in accounts receivable as at December 31, 2019, is an amount of $56,133 (December 31, 2018 – $56,133) due from key management of the Company.

COMMITMENTS AND CONTINGENCIES

On May 4, 2016, the Company announced the completion of the acquisition of 100% of the mineral claims known as the "La Fortuna" gold project located in the State of Durango, Mexico from Argonaut Gold Inc. and its wholly owned subsidiary Durango Fern Mines, S.A. de C.V.

Pursuant to the terms of the purchase agreement, the Company paid the vendor USD $750,000 on closing and has recognized the fair value of the remaining purchase obligation of USD $1,250,000 due within a 24-month period. During the year ended December 31, 2019 payments of USD $400,000 were made (2018 - USD $400,000), the final payment of USD $200,000 is due in May 2020. The net present value of the remaining payment, discounted at an effective interest rate of 15%, is recognized as follows: $257,438 (December 31, 2018 – $545,680) is the current portion of the purchase obligation Nil (December 31, 2018 – $244,638) is included in long-term liabilities and $16,715 (December 31, 2018 - $37,094) was recognized as an accretion expense. The Vendor is also entitled to a 2.5% net smelter returns royalty ("NSR"), subject to a maximum amount of USD $4,500,000.

The Company is obligated under premises leases to pay rents as follows:

Maturity Analysis – contractual undiscounted cash flows	2019 $
Less than one year	113,465
Year two	104,847
Total undiscounted lease liabilities	218,312
Effect of discounting	(15,566)
Present value of lease payments	202,746
Less current portion	(101,361)
Long-term lease liabilities	101,385

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Disclosure and use of critical accounting estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in earnings in the period in which they become known.

Readers should refer to Note 4 of the consolidated financial statements for the period ended December 31, 2019 and 2018, for our critical accounting policies and estimates.

Accounting standards and interpretations effective in future periods

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 3 – Business Combinations ("IFRS 3") and IFRS 11 – Joint Arrangements ("IFRS 11") were amended in December 2017. IFRS 3 was amended to clarify that when a party to a joint arrangement obtains control of a business that is a joint operation, it re-measures previously held interests in that business. IFRS 11 was amended to clarify that when a party that participates in, but does not have joint control of, a joint operation obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

RISK FACTORS

Due to the nature of its business, the Company is subject to various financial, environmental and operational risks that should be carefully considered by readers. In addition to other information set forth elsewhere in the financial statements, readers should carefully review the following risk factors.

Future Capital Requirements Risk

The Company will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Company issues new shares at any time to finance its operations or expansion plans, control of the Company may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Exploration, Development and Mining Risk

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company will for the short term rely upon consultants and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The Company's projects are at the exploration and development stage. Two of the projects, Guadalupe de Los Reyes and Los Verdes, have defined resources determined by a Preliminary Economic Assessment to be potentially economic. A third project, La Fortuna, has defined resources as determined by a technical report detailing the calculation of a resource estimate. Development of the Company's projects would follow only if additional favorable results, regulatory approval and financing are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and others. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company carefully evaluates the political and economic environment in considering any properties for acquisition and continued advancement of projects it holds, and its current strategy is to pursue projects in the mining friendly environment of Mexico. There can be no assurance that additional significant restrictions will not be placed on the Company’s projects and any other properties the Company may acquire, or its operations.

Environmental Risk

The Company’s projects are in remote areas of Mexico where mining has been carried out in the past and where it is currently being pursued. Its projects will be undertaken with the aim to achieve and maintain International Finance Corporation (“IFC”) Performance Standards, as they relate to environmental responsibilities, as well as to follow all applicable standards in Mexico. The Company has undertaken baseline environmental studies to define the status of the environment at its most advanced property and to identify mitigation measures appropriate for its operations. The Company realizes that there is a risk that an environmental condition may exist that could delay or prevent the project from advancing or producing, but no such factor has arisen in the Company’s investigations to date. The Company has an Environmental Policy that commits it to operating in an environmentally responsible manner, ensuring compliance by the Company and its employees with all applicable environmental regulations and commitments.

Foreign Operations Risk

Currently, the Company's exploration projects are in Mexico and the Company manages a number of risks related to operating in a foreign jurisdiction, including security of rights and title, repatriation of funds, availability of a skilled and dependable workforce, access to permits for operation, and stability of the government. Management's assessment of these risks is low as title to minerals is provided in law and is administered fairly and predictably, surface rights are obtainable by negotiation as guided by law, permits are available in a time frame provided by law and regulation, there is a skilled and available workforce, and the government has been openly supportive of foreign investment in general and expansion in the mining industry. Changes to these conditions could have a materially adverse effect on the Company's business, financing opportunities, and results of operation.

Foreign Currency Risk

The Company is subject to foreign exchange risk as the Company has certain assets and liabilities, and makes certain expenditures, in Mexican Pesos and US dollars. The Company is therefore subject to gains and losses due to fluctuations in the Mexican Pesos and the US dollar relative to the Canadian dollar. The Company does not hedge its foreign exchange risk.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period.

As at December 31, 2019, the Company has net monetary assets (liabilities) denominated in Mexican Pesos of approximately MX$ 12,512,000 (December 31, 2018 –MX $(8,900,000)) A 10% change in the value of the Canadian dollar relative to the Mexican Pesos would result in a corresponding change in net income approximately $87,000 (December 31, 2018 – $62,000) based on the balance of these amounts held in Mexican Pesos.

The Company has cash balances and a senior secured loan bearing interest at LIBOR plus 8.5%. A 10% change upwards in LIBOR would result in a corresponding change in net loss of approximately $4,000. The Company's current policy is to deposit excess cash in interest bearing accounts at its banking institutions.

The Company is exposed to market price risk on its marketable securities. A 10% change in the price of the underlying shares would result in a change in the fair value of the marketable securities by approximately $350,000.

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars, Mexican pesos and US dollars, which consist primarily of expenses. The Company's operations are in Canada and Mexico, and the Company does not engage in hedging activities as there is no material difference between the initial transaction amount and the settled transaction amount in respect of foreign currency transactions, since the time between the date of the initial encumbrance and the date the outlay is settled, is less than 90 days.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Uninsurable Risk

In the course of exploration, development and production of mineral properties, certain risks, and in particular, labour disputes, fires, flooding and unexpected or unusual geological operating conditions including rock bursts, cave-ins, pit slope failures and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Future Profits/Losses and Production Revenues/Expenses Risk

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the Company's projects and any other properties the Company may acquire are added as needed.

The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, and the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company currently has commitments for operating leases that can be funded from working capital, and will manage its future commitments consistent with its financial position.

The Company may not receive revenues from operations in the current year, if at all. The Company expects to incur losses unless and until such time as the Company's projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Competition Risk

The international mining industry is highly competitive and the Company will compete with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Key Employees Risk

The Company depends on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Fluctuating Mineral Prices Risk

Commodity prices are highly volatile and factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely in the past. Since the Company is not a producing entity, price risk only potentially impacts the valuation of the Company's projects and their carrying values in its financial statements, and the Company has not suffered impairment in any carrying values to this point in time.

Conflicts of Interest Risk

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Share Price Volatility Risk

The market price of the Company's shares is highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Company's operating results, announcements of technological innovations, changes in estimates or analysis by securities analysts, new exploration projects by the Company or its competitors, government regulatory action, general market conditions and other factors.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2020.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's excess cash reserves are held in an interest bearing Canadian bank account.

OUTSTANDING SHARE DATA

Common Shares:

The Company has authorized an unlimited number of common shares, with no par value, of which 407,464,353 shares are issued and outstanding as of the date hereof.

Share Purchase Warrants:

As of the date hereof, 2,774,000 share purchase warrants were outstanding.

Stock Option Plan:

As of the date hereof, there are 26,017,500 options outstanding under the Company's stock option plan for employees, directors, officers and consultants of the Company.

QUALIFIED PERSON

Mr. Darren Koningen, P. Eng., Minera Alamos Inc.'s CEO, is the Qualified Person responsible for technical content of this document. Mr. Koningen has supervised the preparation of, and approved the scientific and technical disclosures utilized herein.

"Darren Koningen" Chief Executive Officer	"Chris Chadder" Chief Financial Officer