



**FORM 51-102-f1
MANAGEMENT'S DISCUSSION & ANALYSIS
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2017**

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 condensed interim consolidated financial statements for the nine month period ended September 30, 2017 and the audited consolidated financial statements for the years ended December 31, 2016 and 2015 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 November 29, 2017.

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 in early 2018.

On October 23rd, 2017, the Company entered into an option agreement to acquire the Guadalupe de los Reyes Project (GDR) from Vista Gold Corp (Vista). GDR is a large perspective land package with over 6000 hectares of contiguous land holdings surrounding the historic Guadalupe de los Reyes mine. In 2013 and as amended in 2014, Vista issued a Preliminary Economic Assessment (the "**PEA**"), for the project. The Company is evaluating development strategies for the project, although different than

those outlined in the existing PEA, including the development of an open pit mine with a heap leach extraction facility.

In 2008, Minera Alamos issued a resource calculation and a Pre-Feasibility Report for its Los Verdes project under NI 43-101, the Canadian guidance for technical resources reporting. In 2012, the company completed and issued a Preliminary Economic Assessment (the “PEA”), updating the plans for the project. The Company is currently considering strategic alternatives for this project based on current industry/market expectations and a resizing of the planned operation.

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 September 30, 2017 \$	Quarter Ended June 30, 2017 \$	Quarter Ended Mar 31, 2017 \$	Quarter Ended Dec 31, 2016 \$
Net (loss) gain (000’s)	(1,338)	(803)	(623)	(2385)
Basic (loss) gain per share	(0.01)	(0.02)	(0.01)	(0.03)
Total assets (000’s)	7,613	8,440	1,220	1,747
Total liabilities (000’s)	2,369	2,075	2,068	2191
Shareholders’ Equity (000’s)	5,244	6,365	-848	-444

	Quarter Ended September 30, 2016 \$	Quarter Ended June 30, 2016 \$	Quarter Ended Mar 31, 2016 \$	Quarter Ended Dec 31, 2015 \$
Net (loss) gain (000’s)	(1493)	(1645)	(277)	(350)
Basic (loss) gain per share	(0.02)	(0.02)	(0.01)	(0.01)
Total assets (000’s)	2,319	2,943	746	957
Total liabilities (000’s)	379	298	495	424
Shareholders’ Equity (000’s)	1,940	2,645	251	533

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2017, the Company held working capital of \$6,139,594 in comparison to a December 31, 2016 working capital of (\$147,211). The September 30, 2017 cash and cash equivalents balance is \$6,699,854. 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 \$2,504,314 and \$2,373,474 for the nine months ended September 30, 2017 and September 30, 2016, respectively.

The Company's cash provided by financing activities was \$8,340,387 for the nine months ended September 30, 2017, reflecting funds raised by two private placements and the exercise of warrants as follows.

On May 30, 2017, the company completed a private placement for gross proceeds of \$3,306,750.00. The Company issued 22,045,000 common shares at a price of \$0.15 per share. In connection with the closing of the private placement, the Company paid agent fees consisting of \$231,473 in cash and 1,543,150 compensation warrants. Each compensation warrant entitles the holder to purchase one common share of the Company at \$0.15 per common share on or before May 30, 2019. The warrants were valued at \$169,746 using the Black-Scholes valuation model using the following assumption: expected dividend yield 0%, expected volatility 113% risk free rate of return 2.0% and an expected life of two years.

On June 29, 2017, the Company completed a private placement for gross proceeds of \$5,400,000.00. The Company issued 36,000,000.00 common shares at a price of \$0.15 per share. In connection with the closing of the private placement, the Company paid broker fees and expenses of \$439,946 in cash and 2,520,000 compensation warrants. Each compensation warrant entitles the holder to purchase one common share of the Company at \$0.15 on or before June 29, 2019. The warrants were valued at \$302,400 using the Black-Scholes valuation model using the following assumption: expected dividend yield 0%, expected volatility 106% risk free rate of return 2.0% and an expected life of two years.

During the nine months ended September 30, 2017, 3,454,960 purchase warrants to acquire common shares at an average of \$0.14 per share were exercised.

The Company's cash flow from investing activities was \$256,685 for the nine months ended September 30, 2017, reflecting the purchase of a vehicle and office equipment and the sale of grinding/flotation equipment, which will not be utilized in the construction of the La Fortuna gold project.

The Company's use of cash in operational activities was \$2,646,284 for the nine months ended September 30, 2017, reflecting the second payment (US\$ 250,000) related to the acquisition of the La Fortuna gold project and the other ongoing development costs at the Company's projects totaling \$1,032,434. The remaining cash used in operating activities was for office and administration expenditures incurred in the period as detailed below.

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. 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 to advance the projects as per the Company's business plan. Please refer to the "Risk Factors" section below.

RESULTS OF OPERATIONS

The Company's operations during the three months ended September 30, 2017 resulted in a net loss of \$1,345,810, as compared to a loss of \$1,477,149, in the comparable prior year. The primary operational activity continues to be the exploration and development of the Company's major projects.

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 September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
	\$	\$	\$	\$
Exploration and evaluation	688,930	244,934	1,230,474	1,362,061
Insurance	8,415	2,444	20,215	16,933
Investor relations	38,880	85,984	137,893	130,375
Office and administration	132,205	74,686	263,980	153,776
Professional fees	75,193	59,109	217,829	133,683
Salaries and compensation	239,605	172,836	671,914	718,960
Stock based compensation	120,000	778,650	120,000	778,650
Transfer agent & Regulatory fees	5,408	(1,082)	20,803	17,854
Travel	25,848	57,868	52,998	109,549

Exploration and evaluation – These expenditures reflect the ongoing costs related to development of La Fortuna, including a US\$250,000 purchase payment, and the maintenance of the Company's additional properties located in Mexico.

Investor relations – Expenses during the three months ended September 30, 2017 was reduced and normalized as a result of the successful second quarter financing activities being completed.

Office and administration – These expenses increased during the three months ended in September 30, 2017 compared the same periods last year, due to increased development activities at head office and in Mexico, including the establishment of a branch office to support the La Fortuna and GDR projects in Mexico.

Professional fees – Professional fees for the three months ended September 30, 2017 reflect an increase in legal fees relative to the same figure last year. Specifically, additional legal and consulting fees were incurred related to general corporate matters at head office and the negotiation of the GDR option agreement.

Salaries and compensation – The salaries and compensation expenditures for the three months ended September 30, 2017 reflect the Company’s normal operations, including onetime costs of changing head office personnel.

EXPLORATION AND DEVELOPMENT ACTIVITIES AND EXPENDITURES

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Acquisition and holding costs	87,927	68,412	448,588	1,091,671
Office, camp and support costs	493,616	4,106	552,142	20,900
Geology, drilling, engineering, assaying	107,387	172,416	229,744	249,490
Total	688,930	244,934	1,230,474	1,362,061

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
La Fortuna, Mexico	601,922	132,240	1,032,433	1,137,507
Los Verdes, Mexico	81,390	111,491	187,751	223,351
Other	5,618	1,203	10,290	1,203
Total	688,930	244,934	1,230,474	1,362,061

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.

The projects current resource estimate is as follows:

Cutoff Grade Au g/t	Measured Category		Indicated Category		Measured & Indicated		
	Tonnes (000)	Au g/t	Tonnes (000)	Au g/t	Tonnes (000)	Au g/t	Au Oz. (000)
0.8	1,322	3.332	2,681	1.731	4,003	2.260	290.8
0.5	1,538	2.956	3,287	1.533	4,824	1.986	308.1

Notes:

1. Resources are as reported in the NI 43-101 compliant Technical Report titled "La Fortuna Project, Durango, Mexico, Updated Technical Report for Castle Gold Reissued to Minera Alamos Inc." by Toren K. Olson, P.Geo. dated May 30, 2016.
2. Based on a total of 127 drill holes comprising 19,400 metres, including 121 original holes (18,885 metres) plus 6 twin holes comprising 515 meters
3. Assays normally included silver as well as gold. However, in some cases silver values were not available and as a result of the inconsistency of this sampling resources of silver were not calculated.
4. 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 set out in the foregoing Technical Report inaccurate or misleading.
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

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.

In August 2016, Minera Alamos announced that it had acquired more than 5,200 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 6200 hectares. This increase land holdings provides additional growth potential as the project continues to advance.

Initial metallurgical work performed in June 2016 confirmed that the deposit's gold is predominantly in the form of free grains that are readily recoverable. Based on the samples tested, high gold recoveries were achieved via direct cyanidation of the ground mineral samples as well as via gravity and flotation concentration techniques. The Company has completed an ore milling flowsheet (grinding/concentration/leaching) for the recovery of gold from the La Fortuna project. This alternative offers the potential for increased gold recovery versus conventional heap leaching techniques.

In June 2016, the Company announced that it has acquired the assets of a previously operational grinding/flotation facility to be utilized in the project design for the La Fortuna gold project. This acquisition of core plant assets provides an opportunity to significantly reduce the capital requirements

for the construction of a processing facility at the La Fortuna project should a construction decision be warranted.

Two permit applications are currently being finalized for the La Fortuna project; the Environmental Impact Statement (Manifestacion de Impacto Ambiental) and an Environmental Risk Study (Estudio de Riesgo Ambiental).

Discussions have been completed with the local landowners and residents to acquire surface rights for the project.

Guadalupe de los Reyes (GDR)

Subsequent to the quarter-end 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 6000 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. The Company is currently considering alternatives for this project including the development of an open pit heap leach operation.

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 July 3, 2014
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.

*Note: Mineral Resource estimate as prepared by Tetra Tech Inc. in accordance with National Instrument 43-101 ("NI 43-101") under the supervision of a qualified person. The most recent Technical Report (Preliminary Economic Assessment – "PEA") was issued for Vista Gold by Tetra Tech on March 4, 2013 and amended/restated on July 3, 2014. Minera Alamos is treating the prepared resource estimates as current and reliable but will be evaluating development strategies for the project different than those outlined in the existing Technical Report (PEA). This includes consideration of an open pit mine with a heap leach extraction facility. The Company is required to file a technical report supporting the mineral resource estimate and results under its name within 45 days of this announcement.

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 totaling 7,038 hectares including the North Deposit property (2 mining concessions totaling 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 which 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 six months ended September 30, 2017 and 2016 were as follows:

	2017	2016
Aggregate compensation	\$491,200	\$ 643,170
Stock-based compensation	\$120,000	\$ 447,500

Included in accrued liabilities at September 30, 2017 payable to key management of the Company is \$129,000 in relation to outstanding compensation (September 30, 2016 \$Nil).

There is share-based compensation to key management accumulated at the end of years 2016 and 2015, for a total of \$447,500 and \$286,000 respectively.

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. In February, 2017 USD \$250,000 was paid and USD \$1,000,000 will be paid upon the announcement of a construction decision. The Vendor is also entitled to a 2.5% net smelter returns royalty, subject to a maximum amount of USD \$4,500,000.

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

2017 - \$	27,230
2018 - \$	108,920
2019 - \$	108,920
2020 - \$	109,103
2021 - \$	56,703

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 six months ended September 30, 2017 and 2016, for a description of the Companies critical accounting policies and estimates.

Accounting standards and interpretations effective in future periods

(i) IFRS 9 Financial Instruments (“IFRS 9”) was issued by the IASB on November 12, 2009 and revised October 2010, and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Management is currently assessing the impact of this standard on the consolidated financial statements.

(ii) IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

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 stage. One of the projects, Los Verdes, has defined resources determined by a Preliminary Economic Assessment to be potentially economic. A second 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'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 and deferred 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 base metals mining industry is primarily for: mineral rich properties which 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. Many competitors not only explore for and mine base metals, but also conduct refining and marketing operations on a worldwide basis. 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 will depend 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 September 30, 2017.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

OUTSTANDING SHARE DATA

Common Shares:

The Company has authorized an unlimited number of common shares, with no par value, of which 148,294,208 shares are issued and outstanding as of the date hereof.

Share Purchase Warrants:

As of the date hereof, 62,756,113 share purchase warrants were outstanding.

Employee Stock Options:

As of the date hereof, there are 6,450,000 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 President, 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
President and Chief Executive Officer

Chris Chadder
Chief Financial Officer