Malbex Resources Inc.

Management's Discussion & Analysis - Quarterly Highlights

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

This Management's Discussion and Analysis ("MD&A") of Malbex Resources Inc. ("Malbex" or the "Company") for the three and nine months ended September 30, 2017 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2016. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2016 and 2015 and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 ("Statements").

The Company's Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The Statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

All amounts included in this MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of November 28, 2017. Readers are encouraged to read the Company's public filings, which can be viewed on the SEDAR website (www.sedar.com).

On January 8, 2016, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. As part of the share consolidation, the stock options were also consolidated and the exercise price adjusted to reflect the consolidation. The share consolidation has been reflected in this MD&A and all applicable references to the number of shares and stock options and their strike price and per share information has been restated.

RECENT HIGHLIGHTS

- September 30, 2017: Working capital of $5.0 million, including cash-on-hand of $5.1 million, compared with working capital of $5.4 million, including cash-on-hand of $5.4 million, at December 31, 2016. The decrease in working capital was due to the on-going corporate expenses of the Company and expenses incurred related to trying to identify a new project.
- Subsequent to September 30, 2017, the Company dissolved its wholly owned subsidiaries Malbex Cooperatief U.A., and Malbex B.V.

STRATEGIC OBJECTIVE

The Company is focused on identifying a new project and has determined not to limit its search for a new project to the mining and resource sector.

OUTLOOK

The capital markets continue to be extremely challenging for exploration companies. The strategic objectives are currently under review as management searches for new opportunities. The Company's current balance sheet should enable the Company to identify, evaluate and advance opportunities and projects without the requirement for immediate access to the capital markets.

RESULTS OF OPERATIONS

Three months ended September 30, 2017 compared to three months ended September 30, 2016

The Company's net loss totaled $76,561 for the three months ended September 30, 2017, with basic and diluted loss per share of $0.01. This compares with a net loss of $48,719, with basic and diluted loss per share of $0.00 for the three months ended September 30, 2016. The increase of $27,842 in net loss was principally because:

- For the three months ended September 30, 2017, foreign exchange gain/loss decreased $1,827, from a gain to a loss of $1,778, versus the three months ended September 30, 2016. This was due mainly to fluctuations in the US dollar in the prior period.
- For the three months ended September 30, 2017, professional fees increased $16,551 due to expenses incurred related to trying to identify a new project.
- For the three months ended September 30, 2017, corporate expenses increased $7,741 due to expenses incurred related to trying to identify a new project.

CASH FLOW STATEMENT

Liquidity, Capital Resources and Contractual Obligations

As September 30, 2017 the Company had working capital of $5,012,713 (December 31, 2016 – $5,366,531) and held cash of $5,081,657 (December 31, 2016 - $5,405,029). The decrease in working capital at September 30, 2017 is mainly due to Canadian corporate expense requirements and expenses incurred related to trying to identify a new project.

The Company's only sources of liquidity are its cash balances, the exercise of stock options and the equity markets. On an ongoing basis, the Company examines various financing alternatives to address future funding requirements. There is no guarantee of the sufficiency or success of these initiatives. See "Outlook" above.

The timing and ability to complete any future funding efforts will depend on the liquidity of the financial markets and the willingness of investors to finance any new opportunities or business combinations. At this time, the Company has no profit from operations; therefore, it will have to rely on its ability to obtain equity or debt financing for growth. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to the Company.

RELATED PARTY AND OTHER TRANSACTIONS

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of key management personnel is determined by the Board of Directors having regard to the performance of individuals and market trends and was as follows:

	Three months ended September 30, 2017 ($)	**Three months ended September 30, 2016 ($)**	**Nine months ended September 30, 2017 ($)**	**Nine months ended September 30, 2016 ($)**
Management salaries	13,008	10,937	54,341	51,221
Director fees	18,750	18,750	56,250	56,250
Stock-based compensation	-	-	139,880	304,200
Total	**31,758**	**29,687**	**250,471**	**411,671**

The Company received consulting services from Pickax International Corporation ("Pickax"), a company controlled by the President and Chief Executive Officer ("CEO"). During the three and nine months ended September 30, 2017 the Company incurred $2,000 and $19,000, respectively (three and nine months ended September 30, 2016 - $nil and $18,000, respectively) for CEO services. As at September 30, 2017, Pickax was owed $7,000 (December 31, 2016 - $6,000) and this amount was included in accounts payable and accrued liabilities.

The Chief Financial Officer ("CFO") is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm also providing accounting services. During the three and nine months ended September 30, 2017 the Company incurred $11,008 and $35,341, respectively (three and nine months ended September 30, 2016 - $10,937 and $33,221, respectively) for CFO and accounting services rendered by MSSI. As at September 30, 2017, MSSI was owed $2,370 (December 31, 2016 - $6,340) and this amount was included in accounts payable and accrued liabilities.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the Statements; and (ii) the Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK FACTORS

An investment in securities of the Company is highly speculative and involves significant risks. There are various risk factors that could have a material adverse effect on, among other things, the operating results, properties, business and condition (financial or otherwise) of the Company. Any prospective investor should carefully consider those risk factors and all of the other information contained in the Company's Annual Information Form dated December 30, 2013 and elsewhere, or incorporated by reference (including information contained in the section entitled "Forward-Looking Statements") before purchasing any of the securities of the Company. The risks described herein, or in documents incorporated herein by reference, are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially and adversely affect its operating results, properties, business and condition (financial or otherwise).

As a result of the disposition of the Company's sole property in March of 2015 (which closed in April 2015), it does not currently have any active exploration or development projects. While the Company is currently in the process of examining business opportunities as it formulates a new strategic direction, the Company may currently be considered to be operating with more than one deficiency under the TSX-V Tier 2 continued listing requirements. A failure to remedy these deficiencies in a prescribed period could result in the Company's common shares being transferred to the NEX, which is a unique and separate board of the TSX-V for listed companies that have fallen below the TSX-V's ongoing listing requirements.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws which is prospective in nature. Forward-looking information by its nature requires the Company to make assumptions and is subject to inherent risks and uncertainties. Forward-looking information includes, but is not limited to, statements about strategic plans, future operations, cost estimates, sustaining capital, anticipated financial results, future work programs, capital expenditures and objectives, evolution and economic performance of projects, budgets and targets, continuity of a favourable markets, contractual commitments, continuous availability of required manpower and continuous access to capital markets, future ability to finance projects and other statements that express management's expectations or estimates regarding the timing of completion of various aspects of business or of the Company's future performance. Forward-looking information is generally, but not always, identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative or other variations of these words or comparable terminology. The Company has made certain assumptions about the Company's business, the economy and the mineral exploration industry in general and has also assumed that there will be no significant events occurring outside of the Company's normal course of business.

Readers are cautioned not to place undue reliance on the forward-looking information herein because a number of factors, known and unknown, could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information. There can be no assurance that forward-looking information will prove to be accurate. The following are material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this MD&A: the inability of the Company to identify new business opportunities and consummate transactions, risks normally incidental to exploration and development of mineral properties, changes in governmental regulation adverse to the Company, risks normally associated with operating in foreign jurisdictions, environmental risks, lack of adequate infrastructure at the Company's projects, economic uncertainties, the inability of the Company to obtain additional financing when and as needed, dependence on a small number of key personnel, competition from other businesses, the future price of gold and other metals and commodities, fluctuation in currency exchange rates, title defects, and other related matters. Although the Company has attempted to identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information, there may be other factors that could cause results to differ from what is anticipated, estimated or intended.

All forward-looking information contained in this MD&A is given as of the date hereof. Except as required under applicable laws, the Company undertakes no obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.