

ATX: TSX-V; AGXM: OTCBB



Silver Discovery in Santa Cruz, Argentina



2012 Third Quarter Report Nine Months Ended October 31, 2011

Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

The accompanying unaudited interim consolidated financial statements of Argentex Mining Corporation for the nine months ended October 31, 2011 have been prepared by management and approved by the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditor.

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)

**CONDENSED INTERIM THREE AND NINE MONTHS CONSOLIDATED
FINANCIAL STATEMENTS ENDED**

OCTOBER 31, 2011 and OCTOBER 31, 2010
(Expressed in U.S. Dollars)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management, and have been approved by the Company's Audit Committee and Board of Directors.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
(Stated in U.S. Dollars)

	October 31,		January 31,
	2011		2011
	(Unaudited)		
ASSETS			
Current			
Cash and cash equivalents	\$ 9,907,188	\$	5,959,362
Short-term investments	949,163		-
Receivables	38,112		33,102
Prepaid expenses and deposits	152,387		41,823
Total current assets	11,046,850		6,034,287
Equipment (Note 3)	114,942		113,881
Mineral property interest (Note 4)	815,000		815,000
Total assets	\$ 11,976,792	\$	6,963,168
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities (Note 5)	\$ 341,230	\$	470,914
Due to related parties (Note 6)	6,704		247,306
Total liabilities	347,934		718,220
Stockholders' equity			
Preferred stock, no par value, unlimited authorized, nil shares issued and outstanding at October 31, 2011 and January 31, 2011	-		-
Preferred stock, Series A convertible, no par value, authorized 2,000, nil shares issued and outstanding at July 31, 2011 and January 31, 2011	-		-
Common stock, no par value, unlimited authorized 71,337,317 and 56,587,922 issued and outstanding at October 31, 2011 and January 31, 2011, respectively	35,186,027		56,588
Shares subscribed	-		104,380
Additional paid-in capital	5,743,107		28,327,108
Deficit accumulated during the exploration stage	(29,331,423)		(22,243,128)
Accumulated other comprehensive gain	31,147		-
Total stockholders' equity	11,628,858		6,244,948
Total liabilities and stockholders' equity	\$ 11,976,792	\$	6,963,168

Subsequent events (Note 9)

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

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Stated in U.S. Dollars)
(Unaudited)

	For the Three Months Ended October 31,		For the Nine Months Ended October 31,		From December 21, 2001 (Inception) to October 31, 2011
	2011	2010	2011	2010	
Expenses					
Consulting	\$ 308,877	\$ 187,826	\$ 813,513	\$ 763,922	\$ 5,798,584
Depreciation	7,456	4,948	20,872	10,580	59,252
Director fees	-	-	26,205	-	26,205
Foreign exchange (gain) loss	137,426	(190,691)	(68,197)	(101,848)	84,060
Investor relations	108,867	70,827	343,710	132,912	2,351,823
Mineral property interests	898,655	266,340	5,240,204	2,298,760	15,738,807
Office and sundry	14,373	23,595	183,807	112,963	862,500
Professional	66,339	119,600	315,431	323,112	2,368,064
Rent	13,029	8,081	36,558	22,930	176,123
Salaries and benefits	51,012	-	95,287	-	95,287
Transfer agent and filing	(19,889)	57,172	17,569	75,132	339,732
Travel	28,647	28,608	112,324	88,990	538,671
Write-down of mineral claims	-	-	-	-	408,496
Loss before interest income (expense)	(1,614,792)	(576,306)	(7,137,283)	(3,727,453)	(28,847,604)
Interest income (expense)	26,585	813	48,988	1,450	(483,819)
Net loss	\$(1,588,027)	\$(575,493)	\$ (7,088,295)	\$ (3,726,003)	\$ (29,331,423)
Net loss per share - basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.11)	\$ (0.08)	
Weighted average number of shares outstanding basic and diluted	69,331,882	45,381,940	62,797,546	44,737,226	

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

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 31, 2010 TO OCTOBER 31, 2011
(Stated in U.S. Dollars)
(Unaudited)

	Common Stock			Shares Subscribed	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Number of Shares	Par Value	Additional Paid-in Capital				
Balance at January 31, 2010	43,921,754	\$ 43,922	\$ 19,995,457	\$ -	\$ (17,078,930)	\$ (30,213)	\$ 2,930,236
Common stock issued for cash	10,804,706	10,805	7,109,264	-	-	-	7,120,069
Exercise of stock options	458,334	458	163,476	-	-	-	163,934
Exercise of warrants	1,403,128	1,403	502,036	-	-	-	503,439
Shares subscribed	-	-	-	104,380	-	-	104,380
Stock-based compensation	-	-	556,875	-	-	-	556,875
Net loss for the year	-	-	-	-	(5,164,198)	-	(5,164,198)
Unrealized foreign currency exchange gain	-	-	-	-	-	30,213	30,213
Balance at January 31, 2011	56,587,922	56,588	28,327,108	104,380	(22,243,128)	-	6,244,948
Common stock issued for cash	8,700,000	10,120,058	-	-	-	-	10,120,058
Warrants issued for cash	-	-	54,377	-	-	-	54,377
Cost of issuing stock	-	(1,109,591)	124,343	-	-	-	(985,248)
Cost of issuing warrants for cash	-	-	(9,589)	-	-	-	(9,589)
Exercise of stock options	1,142,500	214,080	301,620	-	-	-	515,700
Exercise of warrants	4,906,895	773,728	1,680,370	(104,380)	-	-	2,349,718
Reallocation upon redomicile (note 1)	-	25,131,164	(25,131,164)	-	-	-	-
Stock-based compensation	-	-	396,042	-	-	-	396,042
Net loss for the period	-	-	-	-	(7,088,295)	-	(7,088,295)
Unrealized foreign currency exchange gain	-	-	-	-	-	31,147	31,147
Balance at October 31, 2011	71,337,317	\$ 35,186,027	\$ 5,743,107	\$ -	\$ (29,331,423)	\$ 31,147	\$ 11,628,858

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

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in U.S. Dollars)
(UNAUDITED)

	For the Nine Months Ended October 31,		From December 21, 2001 (Inception) to October 31, 2011
	2011	2010	
Cash used in operating activities			
Net loss	\$ (7,088,295)	\$ (3,726,003)	\$ (29,331,423)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	20,872	10,580	59,252
Stock-based compensation	396,042	488,697	3,439,762
Debt discount	-	-	5,881
Shares issued to acquire mineral properties	-	-	3,500
Shares issued in payment of bonus	-	-	52,160
Non-cash interest	-	-	333,333
Write-down of mineral claims	-	-	408,496
Changes in operating assets and liabilities:			
Receivables	(5,010)	497	(38,112)
Prepaid expenses and deposits	(131,184)	84,641	(173,007)
Accounts payable and accrued liabilities	(129,684)	(269,719)	481,118
Due to related parties	(240,602)	(2,027)	6,704
Net cash used in operating activities	(7,177,861)	(3,413,334)	(24,752,336)
Cash flows used in investing activities			
Acquisition of mineral property interests	-	-	(408,496)
Acquisition of surface rights to mineral property	-	-	(815,000)
Purchase of short-term investments	(4,109,097)	-	(4,109,097)
Redemption of short-term investments	3,206,039	-	3,206,039
Acquisition of equipment	(21,933)	(42,645)	(174,194)
Net cash used in investing activities	(924,991)	(42,645)	(2,300,748)
Cash flows from financing activities			
Issuance of convertible debentures	-	-	1,650,000
Issuance of promissory notes	-	-	790,410
Repayment of promissory notes	-	-	(790,410)
Proceeds from issuance of capital stock	12,045,016	7,478,093	35,200,230
Proceeds from shares subscribed	-	141,500	104,380
Net cash provided by financing activities	12,045,016	7,619,593	36,954,610
Effects of foreign currency exchange on cash	5,662	30,213	5,662
Increase in cash during the period	3,947,826	4,193,827	9,907,188
Cash and cash equivalents, beginning of period	5,959,362	3,209,786	-
Cash and cash equivalents, end of period	\$ 9,907,188	\$ 7,403,613	\$ 9,907,188
Supplemental disclosures			
Cash (received) paid during the period for:			
Taxes	\$ 3,181	\$ -	\$ 4,258
Interest	\$ (8,368)	\$ -	\$ 57,715
Non-cash financing transactions:			
Conversion of convertible debenture into common stock	\$ -	\$ -	\$ 150,000
Stock based compensation on issuance of brokers warrants	\$ -	\$ -	\$ 145,488
Notes and related accrued interest converted to common stock	\$ -	\$ -	\$ 1,390,008

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

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED OCTOBER 31, 2011 AND OCTOBER 31, 2010
(Stated in U.S. Dollars)
(Unaudited)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Nature of Operations

Argentex Mining Corporation (“Argentex” or the “Company”) was originally incorporated in the State of Nevada on December 21, 2001 under the name Delbrook Corporation. On March 15, 2004, the Company changed its name to Argentex Mining Corporation. The Company effected this name change by merging with its wholly owned subsidiary, Argentex Mining Corporation, a Nevada corporation that was formed specifically for this purpose. On November 5, 2007, the Company moved its jurisdiction of domicile from the State of Nevada (Argentex Nevada) to the State of Delaware. This re-domicile was effected by merging with the Company’s wholly owned subsidiary Argentex Mining Corporation, a Delaware corporation that was formed specifically for this purpose. The Company’s Delaware subsidiary was the surviving entity in the merger. On June 3, 2011, the Company moved its jurisdiction of domicile back to the State of Nevada. This re-domicile was effected by merging with the Company’s wholly owned subsidiary Argentex Mining Corporation, a Nevada corporation that was formed specifically for this purpose. The Company’s Nevada subsidiary was the surviving entity in the merger. On June 8, 2011, the Company moved its jurisdiction of domicile from the State of Nevada to the Province of British Columbia, Canada. This re-domicile was effected by a process known as a ‘conversion’ in the State of Nevada and a ‘continuation’ in the Province of British Columbia.

Prior to the re-domicile there was a par value of \$0.01 per share on the Company's common stock. In the Company's new jurisdiction, there is no par value on the Company's common stock and management has reclassified \$25,131,164 on the issuance of common stock that was originally credited to additional paid in capital to common stock.

The Company has one wholly-owned subsidiary, SCRN Properties Ltd. SCRN Properties Ltd. was originally formed as a Delaware corporation on February 13, 2004, and on June 3, 2011, it moved its jurisdiction of domicile from the State of Delaware to the Province of British Columbia, Canada. SCRN Properties Ltd. was formed for the purpose of acquiring and exploring natural resource properties in Argentina.

Exploration Stage

The Company is primarily involved in acquiring and exploring mineral properties in Argentina. The Company is in the exploration stage of its mineral property development and to date has not yet established any proven mineral reserves on its existing properties. The Company has not produced any significant revenues from its principal business or commenced significant operations and it is considered an exploration stage company as defined by Securities and Exchange Commission (SEC) Guide 7 with reference to Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) topic 915.

Basis of Presentation and Preparation

The interim financial information of the Company as of October 31, 2011 and for the three months and nine months ended October 31, 2011 and 2010 is unaudited, and the balance sheet as of January 31, 2011 is derived from audited financial statements. The accompanying condensed consolidated financial statements have been prepared in accordance with U. S. generally accepted accounting principles for interim financial statements. Accordingly, they omit or condense notes and certain other information normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles. The accounting policies followed for quarterly financial reporting conform with the accounting policies disclosed in Note 2 to the Notes to Financial Statements included in the Company's Annual Report on its Annual Information Form (“AIF”) for the year ended January 31, 2011.

ARGENTEX MINING CORPORATION
(An Exploration Stage Company)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED OCTOBER 31, 2011 AND OCTOBER 31, 2010
(Stated in U.S. Dollars)
(Unaudited)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS, continued

In the opinion of management, all adjustments that are necessary for a fair presentation of the financial information for the interim periods reported have been made. All such adjustments are of a normal recurring nature. The results of operations for the three months and nine months ended October 31, 2011 are not necessarily indicative of the results that can be expected for the fiscal year ending January 31, 2012. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's AIF for the year ended January 31, 2011.

Additional significant accounting policies that either affect us or have been developed since January 31, 2011 are summarized below.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Recently Adopted Accounting Pronouncements

Business Combinations

In December 2010, *FASB Accounting Standards Codification* (“ASC”) guidance for business combinations was updated to clarify existing guidance which requires a public entity to disclose pro forma revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual period only. The update also expands the supplemental pro forma disclosures required to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. Adoption of the updated guidance, effective for the Company’s fiscal year beginning February 1, 2011, had no impact on the Company’s condensed consolidated financial position, results of operations or cash flows.

Fair Value Accounting

In January 2010, ASC guidance for fair value measurements and disclosure was updated to require more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2 and 3. Adoption of the updated guidance, effective for the Company’s fiscal year beginning February 1, 2011, had no impact on the Company’s condensed consolidated financial position, results of operations or cash flows.

ARGENTEX MINING CORPORATION
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THREE AND NINE MONTHS ENDED OCTOBER 31, 2011 AND OCTOBER 31, 2010
(Stated in U.S. Dollars)
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash, Cash Equivalents and Short-term investments

The following tables summarize the Company's available-for-sale securities' adjusted cost, gross unrealized gains, gross unrealized losses and fair value by significant investment category recorded as cash and cash equivalents or short-term marketable investments as of October 31, 2011 and January 31, 2011:

October 31, 2011

		Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments
Level 1:							
	Cash	\$ 9,904,769	\$ 2,419	\$ -	\$ 9,907,188	\$ 9,907,188	\$ -
Level 2:							
	Term deposit	930,962	18,201	-	949,163	-	949,163
	Total	\$ 10,835,731	\$ 20,620	\$ -	\$ 10,856,351	\$ 9,907,188	\$ 949,163

The Company may redeem all or a portion of its one year term deposit prior to its maturity on March 2, 2012 to fund operations.

January 31, 2011

		Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-term Investments
Level 1:							
	Cash	\$ 965,307	\$ -	\$ -	\$ 965,307	\$ 965,307	\$ -
Level 2:							
	Bankers Acceptance	4,993,006	1,049	-	4,994,055	4,994,055	-
	Total	\$ 5,958,313	\$ 1,049	\$ -	\$ 5,959,362	\$ 5,959,362	\$ -

The Company's cash equivalent instruments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

- (a) Level 1-Fair value approximates the carrying amounts due to the short-term nature.
- (b) Level 2-Inputs are directly observable from market data

The significant transfers between level 1 and level 2 are disclosed in the cash flow statement.

Comparative figures

Certain prior period amounts in the condensed interim consolidated financial statements and notes thereto have been reclassified to conform to the current period's presentation. These reclassifications had no effect on our results of operations or financial position for any period presented. The prior year's accrued liabilities, as originally disclosed on the balance sheet, have been combined and the details are disclosed in Note 5.

ARGENTEX MINING CORPORATION
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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED OCTOBER 31, 2011 AND OCTOBER 31, 2010
(Stated in U.S. Dollars)
(Unaudited)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Policy

Functional Currency

The Company had previously considered itself to be functionally US dollar denominated and reported in US dollars. During the period, management has determined that during the fourth quarter of its fiscal year ended January 31, 2010, the parent company's (Argentex's) functional currency became the Canadian dollar whereas its subsidiary (SCRN Properties Ltd.) remained functionally denominated in US dollars.

As a result of this change in accounting policy, management recognizes foreign exchanges gain (losses) on balances held in currencies other than the Canadian dollar in the trial balance of the Parent Company and then translates the Canadian balances to the US reporting currency. Any foreign exchange differences on conversion from the Canadian functional currency to the US dollar reporting currency are recorded as other comprehensive income.

This change in accounting policy is being applied prospectively. Management has determined that retroactive restatement of the Company's financial statements issued since January 31, 2010 is not required as the amount that would have been recorded as other comprehensive income is not material.

Recently Issued Accounting Pronouncements

Comprehensive Income

In June 2011, ASC guidance was issued related to comprehensive income. Under the updated guidance, an entity will have the option to present the total of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the update requires certain disclosure requirements when reporting other comprehensive income. The update does not change the items reported in other comprehensive income or when an item of other comprehensive income must be reclassified to income. The update is effective for the Company's fiscal year beginning February 1, 2012. The Company does not expect the updated guidance to have an impact on the condensed consolidated financial position, results of operations or cash flows of the Company.

Fair value

In May 2011, ASC guidance was issued related to the convergence of U.S. GAAP and IFRS requirements for measuring amounts at fair value as well as disclosures about these measurements. The update is effective for for the Company's fiscal year beginning February 1, 2012. The Company does not expect the updated guidance to have an impact on the condensed consolidated financial position, results of operations or cash flows of the Company.

Fair Value Accounting

In May 2011, ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in level 3 of the fair value hierarchy. The update is effective for the Company's fiscal year beginning February 1, 2012. The Company does not expect the updated guidance to have a significant impact on the condensed consolidated financial position, results of operations or cash flows.

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(Stated in U.S. Dollars)
(Unaudited)

NOTE 3 – EQUIPMENT

	October 31, 2011		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 108,588	\$ 34,497	\$ 74,091
Furniture and fixtures	19,184	5,931	13,253
Computer equipment	45,829	18,231	27,598
	\$ 173,601	\$ 58,659	\$ 114,942

	January 31, 2011		
	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 107,560	\$ 21,465	\$ 86,095
Furniture and fixtures	10,829	4,365	6,464
Computer equipment	33,280	11,958	21,322
	\$ 151,669	\$ 37,788	\$ 113,881

NOTE 4 – MINERAL PROPERTY INTERESTS

a) Pinguino Project

Pursuant to the terms of a mineral property option agreement, dated February 24, 2004, between the Company and an affiliate of a former director, the Company purchased a 100% interest in a mineral property located in the Santa Cruz Province of the Republic of Argentina, known as the *Pinguino Property*.

The agreement also provides for an area of interest such that, in the event that the optionor records any property claims within five (5) kilometers of the boundaries of the property, such claims will become subject to the mineral property option agreement.

The property was acquired on July 1, 2008. The agreement is subject to a 2% net smelter royalty. The Company has the right at any time up to 60 days after commencement of commercial production to repurchase either one-half of the royalty for approximately \$1,000,000 (C\$1,000,000) or all of the royalty for approximately \$2,000,000 (C\$2,000,000).

On December 10, 2010, the Company entered into an agreement with a land owner whereby the Company purchased surface rights to the major portion of the property, known as El Piche, for \$815,000. The Company completed this acquisition on December 17, 2010.

b) Condor Project

Pursuant to the terms of a mineral property acquisition agreement, dated February 20, 2004, between the Company and an affiliate of a former director, the Company paid approximately \$7,528 (C\$10,000) to acquire a 100% interest in certain mineral claims located in the Santa Cruz Province of the Republic of Argentina, known as the *Condor Property*, subject to a 2% net smelter return royalty in favor of an ex-director.

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(Stated in U.S. Dollars)
(Unaudited)

NOTE 4 – MINERAL PROPERTY INTERESTS, continued

Condor Project, continued

The Company has the right to repurchase either one-half of the royalty for approximately \$1,000,000 (C\$1,000,000) or all of the royalty for \$2,000,000 (C\$2,000,000).

e) Contreras and Rio Negro Projects

In addition, pursuant to the terms of a Share Purchase Agreement, dated February 24, 2004, between the Company and an affiliate of a former director of the Company, the Company acquired a 100% interest in SCRN Properties Ltd. (SCRN), a Delaware corporation, the sole asset of which consisted of mineral claims located in the Rio Negro Province of the Republic of Argentina, known as the *SCRN Property*, for total consideration of 833,333 common shares of the Company (subsequently increased, as a result of a stock dividend, to 2,499,999). The shares have been issued and were subject to an Escrow Agreement dated March 2, 2004.

The Mineral Property Acquisition Agreement and the Share Purchase Agreement also provide for an *area of interest* such that, in the event that the vendor records any property claims within five (5) kilometers of the boundaries of either the Dyakowski Property or the SCRN Property, such claims will become subject to the respective agreements.

d) Storm Cat Project

Pursuant to the terms of a mineral property acquisition agreement, dated February 20, 2004, between the Company and an affiliate of a former director, the Company paid approximately \$7,528 (C\$10,000) to acquire a 100% interest in mineral claims located in the Santa Cruz and Rio Negro Provinces of the Republic of Argentina, known as the *Storm Cat Property*. Subsequent to acquisition of these properties, the Company has accounted for expenditures by province.

e) British Columbia Claims

On June 7, 2010, the Company acquired a group of three contiguous mineral tenures known as the Clapperton Property, covering an aggregate of approximately 825 hectares of land located in south central British Columbia, Canada, approximately 25 kilometers northeast of the town of Merritt, British Columbia. The total purchase amount was \$324. On May 25, 2011, the Company made a cash-in-lieu payment of approximately \$3,781 (C\$3,632) which advances the expiry date of the three mineral tenures to June 7, 2012.

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(Stated in U.S. Dollars)
(Unaudited)

NOTE 4 – MINERAL PROPERTY INTERESTS, continued

Mineral property interests expense reflected in the accompanying consolidated statement of operations relates to the following projects:

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010	December 21, 2001 (Inception) to October 31, 2011
Pinguino					
Project:					
Claim maintenance	\$ 2,679	\$ -	\$ 40,399	\$ 9,952	\$ 87,389
Assaying, testing and analysis	138,339	-	412,649	230,924	1,328,642
Camp and field supplies	484,088	9,074	1,117,816	402,637	3,353,535
Drilling	21,928	7,443	2,990,983	1,210,178	8,602,859
Geological and geophysical	91,181	11,050	249,289	119,105	1,293,426
Environmental	35,077	-	106,371	-	106,371
Travel and accommodation	19,697	-	95,115	35,096	272,011
	<u>792,989</u>	<u>27,567</u>	<u>5,012,622</u>	<u>2,007,892</u>	<u>15,044,233</u>
Condor Project:					
Claim maintenance	6,331	-	12,665	-	20,193
Camp and field supplies	7,901	-	19,258	-	19,456
Geological and geophysical	84,051	-	84,051	-	88,236
	<u>98,283</u>	<u>-</u>	<u>115,974</u>	<u>-</u>	<u>127,885</u>
Contreras					
Project:					
Claim maintenance	-	-	-	-	21,851
Camp and field supplies	-	116,025	1,560	168,120	171,476
Assaying, testing and analysis	-	60,247	-	60,247	60,247
Geological and geophysical	1,518	33,830	100,402	33,830	134,232
Travel and accommodation	-	28,347	-	28,347	28,814
	<u>1,518</u>	<u>238,449</u>	<u>101,962</u>	<u>290,544</u>	<u>416,620</u>
Rio Negro					
Project					
Claim maintenance	5,865	-	5,865	-	12,973
Camp and field supplies	-	-	-	-	51,836
Geological and geophysical	-	-	-	-	39,833
Travel and accommodation	-	-	-	-	9,917
	<u>5,865</u>	<u>-</u>	<u>5,865</u>	<u>-</u>	<u>114,559</u>
Other					
	-	324	3,781	324	35,510
	<u>\$ 898,655</u>	<u>\$ 266,340</u>	<u>5,240,204</u>	<u>\$ 2,998,760</u>	<u>\$ 15,738,807</u>

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NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Nine Months Ended October 31, 2011	Year Ended January 31, 2011
Accounts payable	\$ 137,801	\$ 170,632
Accrued liabilities	45,602	21,294
Accrued professional fees	-	49,229
Accrued mineral property interests	158,332	229,759
	\$ 341,735	\$ 470,914

NOTE 6 - RELATED PARTY TRANSACTIONS

Director fees and officer consulting fees for the nine month period ended October 31, 2011 were \$668,640 (October 31, 2010 - \$685,133) including stock based compensation of \$306,149 (October 31, 2010 - \$444,350). As at October 31, 2011 the Company owed directors and officers \$6,704 (January 31, 2011 - \$247,306). All balances owing were unsecured, non-interest bearing and had no fixed terms of repayment. Details of the related party transactions and balances, are as follows:

- a) During the nine month period ended October 31, 2011, the Company paid consulting fees of \$3,594 (October 31, 2010 - \$32,664) and recorded stock based compensation of \$nil (October 31, 2010 - \$66,518) to a former officer of the Company.
- b) On August 1, 2011, the Company renewed its consulting agreement with its President and Frontera Geological Services Ltd., (Frontera) a company wholly-owned by its President whereby the Company agreed to pay a consulting fee for services ordinarily provided by a Chief Executive Officer of approximately \$12,500 (\$12,500) per month plus a sales tax.

During the nine month period ended October 31, 2011 the Company paid or accrued consulting fees of \$114,881, (October 31, 2010 - \$119,016) and recorded stock based compensation of \$1,560 (October 31, 2010 - \$24,273) relating to this consulting agreement and a predecessor agreement.

At October 31, 2011, the Company owed \$nil (January 31, 2011- \$230,723) to a director and officer of this Company.

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NOTE 6 - RELATED PARTY TRANSACTIONS, continued

- c) During the nine month period ended October 31, 2011 and 2010, the Company paid consulting fees of \$nil (2010 – \$73,398) and recorded stock based compensation of \$nil (2010 - \$162,086), relating to a consulting agreement with a former officer of the Company and a company controlled by this officer.
- d) On January 7, 2011 the Company entered into a consulting agreement with a company controlled by the Company's new Treasurer and Chief Financial Officer whereby it agreed to pay a consulting fee for services ordinarily provided by a Chief Financial Officer of approximately \$12,500 (C\$12,500) per month plus a sales tax. In addition, on January 7, 2011 the Company granted stock options pursuant to its 2007 Stock Option Plan to the Company's Treasurer and Chief Financial Officer to purchase an aggregate of 150,000 shares of the Company's common stock at an exercise price of \$0.80 per share, for a three (3) year term expiring January 7, 2014. During the nine month period ended October 31, 2011, the Company paid or accrued consulting fees of \$118,738 (October 31, 2010 - \$nil) and recorded stock based compensation of \$78,083 (October 31, 2010 - \$nil) related to this consulting agreement. At October 31, 2011 and January 31, 2011, the Company was indebted to an officer of this Company in the respective amounts of \$3,628 and \$12,672. On August 24, 2011 the Company granted stock options pursuant to its 2007 Stock Option Plan to a company jointly controlled by the Company's Chief Financial Officer and Treasurer to purchase an aggregate of 250,000 shares of the Company's common stock at an exercise price of \$1.15 (\$C1.15) per share, for a five (5) year term expiring August 24, 2016. The options vest in four installments over 12 months on November 1, 2011, February 1, 2012, May 1, 2012 and August 1, 2012.
- e) On March 11, 2011, the Company entered into a consulting agreement with a company controlled by the Company's new Executive Vice President of Corporate Development whereby it agreed to pay a monthly consulting fee for services ordinarily provided by an Executive Vice President of Corporate Development of approximately \$12,500 (\$C12,500) plus sales tax. In addition, on March 11, 2011 the Company granted stock options pursuant to its 2007 Stock Option Plan to the Company's Executive Vice President of Corporate Development to purchase an aggregate of 150,000 shares of the Company's common stock at an exercise price of \$1.04 per share, for a three (3) year term expiring March 11, 2014. The options are to vest in four installments over 12 months on June 1, 2011, September 1, 2011, December 1, 2011 and March 1, 2012. During the nine month period ended October 31, 2011, the Company paid or accrued consulting fees of \$99,073 (October 31, 2010 - \$nil) and recorded stock based compensation of \$85,769 (October 31, 2010 - \$nil) related to this consulting agreement. At October 31, 2011 and January 31, 2011, the Company was indebted to an officer of this Company in the respective amounts of \$3,076 and \$nil. On August 24, 2011 the Company granted stock options pursuant to its 2007 Stock Option Plan to a company jointly control by the Company's Executive Vice President of Corporate Development to purchase an aggregate of 250,000 shares of the Company's common stock at an exercise price of \$1.15 (\$C1.15) per share, for a five (5) year term expiring August 24, 2016. The options vest in four installments over 12 months on November 1, 2011, February 1, 2012, May 1, 2012 and August 1, 2012.

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NOTE 6 - RELATED PARTY TRANSACTIONS, continued

- f) During the nine months ended October 31, 2011, the Company paid aggregate director fees of approximately \$26,205 (\$C25,000) (October 31, 2010 - \$nil) to five directors and recorded stock based compensation of \$140,737 (October 31, 2010 - \$191,474) related to stock options granted to one director (October 31, 2010 - three other directors).
- g) On July 25, 2011 the Company entered into rental agreements for office space in La Plata, Argentina with a consultant of the Company, for the period July 2011 to June 2014 at a cost of \$2,500 per month. For the nine months ended October 31, 2011, the Company paid \$8,750 and owed \$1,250 (October 31, 2010 - \$nil).

During the nine months ended October 31, 2011, the Company's directors and officers exercised a total of 942,500 (October 31, 2010 - 173,334) stock options for \$441,700 (October 31, 2010 - \$43,334) and exercised nil (October 31, 2010 - 500,000) warrants for proceeds of \$nil (October 31, 2010 - \$75,000).

Additional related party transactions are disclosed in note 7 to these financial statements.

NOTE 7 - CAPITAL STOCK

Stock Transactions

Between March 3 and May 17, 2011, the Company issued an aggregate of 1,368,116 shares of its common stock at \$0.45 per share for proceeds of \$615,652 on the exercise of 1,368,116 warrants.

Between April 19 and May 24, 2011, the Company issued 1,500,000 shares of its common stock at \$0.15 per share for proceeds of \$225,000 on the exercise of 1,500,000 warrants.

Between February 1 and February 7, 2011, the Company issued 380,000 shares of its common stock at \$0.49 per share to two directors for proceeds of \$186,200 on the exercise of 380,000 stock options. (note 6)

On February 7, 2011, the Company issued 200,000 shares of its common stock at \$0.58 per share to a director for proceeds of \$116,000 on the exercise of 200,000 stock options. (note 6)

Between February 1 and June 20, 2011, the Company issued an aggregate of 1,056,507 shares of its common stock at approximately \$0.92 (C\$0.90) per share for proceeds of \$974,970 on the exercise of 1,056,507 warrants.

On July 5, 2011, the Company issued 50,000 shares of its common stock at \$0.37 per share to its President for proceeds of \$18,500 on the exercise of 50,000 stock options. (note 6)

On July 6, 2011, the Company issued 12,500 shares of its common stock at \$0.80 per share to an officer of the Company for proceeds of \$10,000 on the exercise of 12,500 stock options. (note 6)

Between June 13 and July 12, 2011, the Company issued 982,272 shares of its common stock at \$0.65 per share for proceeds of \$638,477 on the exercise of 982,272 warrants.

On August 19, 2011, the Company closed a "bought-deal" offering in which it sold 8,700,000 units at a price of approximately \$1.16 (C\$1.15) per unit for gross proceeds of \$10,120,058 (C\$10,005,000) and net cash proceeds of \$9,134,809. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for approximately \$1.60 (C\$1.60) until August 19, 2013.

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NOTE 7 – CAPITAL STOCK, continued

Stock Transactions continued

Pursuant to the terms of the underwriting agreement, the underwriters collectively received an aggregate cash commission equal to 6% of the gross proceeds or \$607,203 (C\$600,300) and 522,000 broker warrants. Each broker warrant entitles the holder to purchase one unit at approximately (C\$1.15) until August 19, 2013. The fair value of the broker's warrants was estimated at the date of grant using the Black Scholes pricing model with the following assumptions: risk free interest rate - 0.87%, expected dividend yield- 0%, volatility factor - 77.5%, and expected life - 2 years. Using these assumptions, the fair value of these broker warrants granted amounted to \$124,343. This amount has been recorded as a reduction to common stock and credited to additional paid-in capital. In addition, the underwriters were granted an over-allotment option to purchase up to an additional 1,305,000 units at approximately \$1.15 (C\$1.15) per unit and/or up to an additional 652,500 warrants, or any combination thereof, to cover over-allotments.

On August 30, 2011, the Company issued 300,000 shares of its common stock at \$0.37 per share to its President for proceeds of \$111,000 on the exercise of 300,000 stock options. (note 6)

On September 20, 2011, the Company issued 200,000 shares of its common stock at \$0.37 per share to a former consultant of the Company for proceeds of \$74,000 on the exercise of 200,000 stock options.

Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at January 31, 2010	9,458,443	\$ 0.61
Issued	10,804,706	1.14
Exercised	(1,403,128)	0.36
Expired	(99,520)	0.72
Balance at January 31, 2011	18,760,501	0.94
Issued	5,524,500	1.60
Exercised	(4,906,895)	0.50
Expired	(225,000)	0.45
Balance at October 31, 2011	19,153,106	\$ 1.24

At October 31, 2011, the following share purchase warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
1,923,900	\$0.90 (C\$0.90)	November 27, 2011
900,000	\$1.25	April 11, 2012
5,002,500	\$1.60 (C\$1.60)	August 19, 2013
522,000	\$1.15 (C\$1.15)	August 19, 2013
10,804,706	\$1.14 (C\$1.14)	October 26, 2015
19,153,106		

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NOTE 7 – CAPITAL STOCK, continued

Share purchase warrants (continued):

On September 15, 2011, the underwriter exercised the over-allotment option to purchase 652,500 additional warrants at a price of \$0.082 per additional warrant for gross proceeds of \$54,377(C\$53,505) and net proceeds of \$44,788. Pursuant to the terms of the underwriting agreement, the underwriters collectively received an aggregate cash commission equal to 6% of the gross proceeds or \$3,263 (C\$3,210).

Stock options

On March 11, 2011, the Company granted 150,000 stock options to an officer of the Company. These stock options are exercisable at \$1.04, expire on March 11, 2014 and vest in accordance with the Company's stock option plan at 37,500 stock options on each of June 1, 2011, September 1, 2011, December 1, 2011 and March 1, 2012. The fair value of these stock options was estimated at the date of grant using the the Black Scholes pricing model with the following assumptions: risk free interest rate – 2.19%, expected dividend yield- 0%, volatility factor - 96%, and expected life - 2 years. Using these assumptions, the fair value of these stock options granted amounted to \$95,049.

Between August 24 and August 29, 2011, the Company granted options to purchase an aggregate total of 1,500,000 shares of its common stock to two officers, 14 employees and consultants of the Company. These stock options are exercisable at approximately \$1.15 (C\$1.15) per share and expire between August 23 and August 28, 2016 and vest in accordance with the Company's stock option plan and 337,500 of these stock options vest on November 1, 2011, February 1, 2012, May 1, 2012 and August 1, 2012, and 25,000 of these stock options vest on November 29, 2011, February 29, 2012, May 29, 2012, August 29, 2012, November 29, 2012 and February 28, 2013.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance at January 31, 2010	4,393,334	\$ 0.56
Granted	550,000	0.67
Exercised	(458,334)	0.36
Expired	(1,015,000)	0.60
Balance at January 31, 2011	3,470,000	0.59
Granted	1,650,000	1.14
Exercised	(1,142,500)	0.45
Expired	(300,000)	1.10
Balance at October 31, 2011	3,677,500	\$ 0.84

The weighted average fair value per stock option granted during the nine months ended October 31, 2011 was \$0.52.

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NOTE 7 – CAPITAL STOCK, continued

Stock options (continued):

At October 31, 2011, the following stock options were outstanding:

Number of Stock Options	Exercise Price	Expiry Date
100,000	\$ 0.675	September 1, 2012
100,000	\$ 1.13	November 13, 2012
60,000	\$ 0.25	March 26, 2013
150,000	\$ 0.35	October 28, 2013
137,500	\$ 0.80	January 7, 2014
680,000	\$ 0.37	February 10, 2014
150,000	\$ 1.04	March 11, 2014
400,000	\$ 0.855	January 19, 2015
400,000	\$ 0.64 (C\$ 0.64)	May 10, 2015
1,350,000	\$ 1.15 (C\$ 1.15)	August 23, 2016
150,000	\$ 1.15 (C\$ 1.15)	August 28, 2016
3,677,500		

The fair value of stock options granted during the nine months ended October 31, 2011 was \$856,744 (October 31, 2010 - \$nil) and is being recognized as an expense over their respective vesting periods. At October 31, 2011 1,927,500 (January 31, 2011 – 2,995,000) stock options were exercisable.

Total stock-based compensation recognized during the three and nine month periods ended October 31, 2011 was \$210,353 and \$396,042 (three and nine months ended October 31, 2010 - \$118,995 and \$488,697). Stock-based compensation has been recorded in the consolidated statements of operations as follows, with corresponding additional paid-in capital recorded in stockholders' equity:

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Consulting fees	\$ 157,140	\$ 118,995	\$ 342,829	\$ 488,697
Mineral property interests	40,860	-	40,860	-
Salaries and benefits	12,353	-	12,353	-
	\$ 210,353	\$ 118,995	\$ 396,042	\$ 488,697

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NOTE 7 – CAPITAL STOCK, continued

Stock options (continued):

The following range of weighted average assumptions were used for the Black-Scholes valuations of stock options granted during the nine months ended October 31, 2011 and October 31, 2010:

	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Risk-free interest rate	1.31-2.19%	2.65%
Expected life of options	3-5 years	5 years
Annualized volatility	86-96%	93%
Dividend rate	0%	0%

As at October 31, 2011, the aggregate intrinsic values of all outstanding, vested stock options and exercised stock options were \$767,300 and \$614,700 respectively.

NOTE 8 - SEGMENTED INFORMATION

At October 31, 2011 and January 31, 2011, the Company operated in two reportable segments. Identifiable assets, and net loss in each geographic area are as follows:

	October 31, 2011	January 31, 2011
Identifiable assets		
Canada	\$ 10,958,417	\$ 6,035,574
Argentina	1,018,375	927,594
	\$ 11,976,792	\$ 6,963,168

	Three Months Ended October 31, 2011	Three Months Ended October 31, 2010	Nine Months Ended October 31, 2011	Nine Months Ended October 31, 2010
Loss for the period				
Canada	\$ 641,301	\$ 238,700	\$ 1,587,183	\$ 1,222,478
Argentina	946,906	336,793	5,501,112	2,503,525
	\$ 1,588,207	\$ 575,493	\$ 7,088,295	\$ 3,726,003

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NOTE 9 – SUBSEQUENT EVENTS

a) Exercise of stock options

On November 2, 2011, the Company's President exercised 100,000 stock options pursuant to which he purchased 100,000 common shares of the Company's common shares at an exercise price of \$0.37 USD per share for proceeds of \$37,000.

b) Expiration of warrants

On November 27, 2011 1,731,510 of the Company's warrants exercisable at \$0.90 CDN per warrant expired unexercised.

Argentex Mining Corporation
Management Discussion and Analysis
For the Three and Nine Months Ended October 31, 2011

As of December 20, 2011

Introduction

Prepared December 20, 2011 for the three and nine month periods ended October 31, 2011.

The following discussion and analysis (“MD&A”) should be read in conjunction with our interim unaudited consolidated financial statements and the related notes that appear elsewhere in this MD&A, as well as our audited consolidated financial statements and related notes that were included in our Annual Information Form (“AIF”) for our fiscal year ended January 31, 2011 available on SEDAR at www.sedar.com. All of these consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles, and all references to currency in this MD&A are in United States dollars unless otherwise stated. Unless otherwise stated, conversion of Canadian dollars to United States dollars has been calculated at an exchange rate of C\$1 equals US\$1.

In this MD&A, unless otherwise specified, all references to “common shares” refer to shares of our common stock and the terms “we”, “us”, “our”, the “Company” and “our company” mean Argentex Mining Corporation, a British Columbia corporation, and our wholly owned subsidiary, SCRN Properties Ltd., a British Columbia corporation, unless the context clearly requires otherwise.

Certain measures in this MD&A do not have any standardized meaning as prescribed by US GAAP and are therefore considered non-GAAP measures. Where we have used non-GAAP measures or terms we have provided definitions.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management’s plans and objectives for future operations. In some cases, forward-looking statements can be identified by the use of terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continues” or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about:

- our plans to update our Resource Estimate Technical report (defined below);
- our future exploration programs and results,
- the development potential of our mineral exploration properties;
- the costs and timing of our exploration and development activities;
- our future investments in and acquisitions of mineral resource properties;
- our estimation of mineral resources and the realization of mineral resource estimates;
- our belief that we have more than twelve months of cash on hand;
- our need for, and our ability to raise, capital;
- our financial and operating objectives and strategies to achieve them; and
- our expenditures and other financial or operating performance.

The material assumptions supporting these forward-looking statements include, among other things:

- the cost and timing of our projected exploration activities;
- our ability to obtain any necessary financing on acceptable terms;

- timing and amount of capital expenditures;
- our ability to obtain necessary drilling and related equipment in a timely and cost-effective manner to carry out exploration activities;
- retention of skilled personnel;
- the timely receipt of required regulatory approvals;
- continuation of current tax and regulatory regimes;
- current exchange rates and interest rates; and
- general economic and financial market conditions.

Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- general economic and business conditions;
- our negative operating cash flow;
- our ability to obtain additional financing;
- fluctuations in worldwide prices and demand for minerals;
- fluctuations in the level of our exploration and development activities;
- increases in capital and operating costs;
- risks associated with mineral resource exploration and development activities;
- uncertainties inherent in the estimation of mineral resources and mineral reserves;
- competition for resource properties and infrastructure in the mineral exploration industry;
- technological changes and developments in the mineral exploration and mining industry;
- regulatory uncertainties and potential environmental liabilities;
- political changes in Argentina; and
- the risks in the section of this MD&A entitled “Risk Factors”,

any of which may cause our company’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although we have attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect management’s current judgment regarding the direction of our business, actual results may vary, sometimes

materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required by applicable law, including the securities laws of Canada and the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results. All forward-looking statements in this MD&A are qualified by this cautionary statement.

Cautionary Note to Investors Concerning Estimates of Indicated and Inferred Resources

This document, and certain reports referred to in this document and filed on our company's website and the SEDAR site maintained by the Canadian Securities Regulators, have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of securities laws in effect in the United States. Without limiting the foregoing, this document and the reports referred to herein use the terms "indicated" and "inferred" resources. United States investors are advised that, while such terms are recognized and at times required by Canadian securities laws, the Securities and Exchange Commission (the "SEC") does not recognize them. Under current United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") defines a mineral reserve as the economically mineable part of a measured or indicated mineral resource as demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. The terms measured resource, indicated resource and related terms are also defined by CIM. As we have not done a preliminary feasibility study, we have not determined whether any of our properties contains a mineral reserve. Before we can evaluate whether any mineral reserve exists on any of our properties, we will be required to spend substantial funds on further drilling and engineering studies. There is a risk that none of our properties contains a mineral reserve.

United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the "inferred resources" will ever be upgraded to a higher category. Therefore, investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report "resources" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this document, or in the reports incorporated by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC. National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in this document or the reports referred to herein have been prepared in accordance with NI 43-101. These standards differ significantly from the requirements of the SEC, and resource information contained herein or in the reports referred to herein may not be comparable to similar information disclosed by U.S. companies.

Overview

We are a junior exploration stage company that has not yet generated or realized any revenues from business operations. We currently hold interests in mineral properties located in the Santa Cruz and Rio Negro provinces of Argentina and in the Province of British Columbia, Canada. All of the surface rights and the mineral exploration licenses with respect to our Argentine claims are registered in the name of our subsidiary, SCRN Properties Ltd., while all of the mineral tenures with respect to our British Columbia claims are registered in the name of our company. One of the properties located in the Santa Cruz province of Argentina consists of surface rights and a group of claims that we refer to as the Pinguino property and we have concentrated the majority of our exploration efforts on this property.

We intend to continue to focus our efforts primarily on our Pinguino property. We have received two technical reports concerning our Pinguino property. Both of these reports comply with the requirements of NI 43-101, both have been filed on SEDAR and both are available on our company's website. The first of these reports, titled *Pinguino Mineral Resource Estimate* (the "**Resource Estimate Technical Report**"), was prepared by Moose Mountain Technical Services in October of 2009. The second of these reports, titled *Pinguino Property Preliminary*

Economic Assessment 2011 (the "PEA"), was also prepared by Moose Mountain Technical Services. It was originally prepared and filed with an effective date of May 6, 2011 but it was updated and refiled with a new effective date of August 5, 2011. Both the Resource Estimate Technical Report and the PEA cover only nine of the 51 mineralized veins identified to date at Pinguino, and include only results from surface to approximately 50 metres in depth. The mineralized system has been tested to approximately 400 metres in depth. These reports currently represent only 5.8 kilometres of vein strike length out of a combined strike length in excess of 75 line kilometres. Additional veins that have been tested since preparation of these reports contain significant intersections of high-grade silver and remain open along strike and to depth. The Pinguino deposit has been defined by 269 diamond drill holes for a total of 30,027 metres of drilling and consists of vein systems which are localized by the regional El Tranquilo fault system. The vein systems are often a metre or more wide and hundreds of metres to sometimes kilometres long.

We are currently working with our independent engineering consultants at Moose Mountain to complete an update of our Resource Estimate Technical Report to include additional veins and exploration results from our 2010 and 2011 exploration programs. We are also conducting ongoing geophysical and geochemical surveys in an effort to identify vein extensions to expand the resource base at our Pinguino property.

Our common stock is traded on the TSX Venture Exchange (symbol ATX) and on the OTC Bulletin Board (symbol AGXMF).

Q3 2012 HIGHLIGHTS

On August 19, 2011 we closed a "bought deal" financing of 8,700,000 units (the "Units") at a price of C\$1.15 per Unit (the "Offering Price"), for aggregate gross proceeds of \$10,120,058 (C\$10,005,000) (the "Offering"). Each Unit consisted of one common share in the capital of our company and one-half of one non-transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share for C\$1.60 at any time until 5:00 p.m. (Vancouver time) on August 19, 2013 (the "Expiry Date").

Drill results from our 2011 drill program were issued in news releases dated August 23, 2011, August 31, 2011, September 6, 2011, September 12, 2011, September 15, 2011, October 17, 2011, October 25, 2011 and November 7, 2011. Highlights of these drill results are as follows:

Drill Hole	From (m)	To (m)	Interval (m)*	Gold (g/t)	Silver (g/t)	**Silver Eq (g/t)
MARTA NOROESTE						
PR123-11	22.00	25.00	3.00	3.56	678.5	836.6
PR125-11	15.00	17.00	2.00	7.27	189.5	512.4
PR127-11	43.00	53.00	10.00	1.75	165.2	242.7
PR129-11	51.00	60.00	9.00	2.63	682.8	799.4
MARTA ESTE						
PR147-11	31.00	41.00	10.00	1.12	240.8	290.4
and includes	37.00	41.00	4.00	2.15	394.3	489.8
PR148-11	37.00	41.00	4.00	3.09	759.8	897.1
PR149-11	25.00	55.00	30.00	1.86	443.0	525.8
Including	35.00	52.00	17.00	3.14	761.1	900.7
and includes	38.00	47.00	9.00	5.09	1,348.3	1,574.5
& also includes	41.00	45.00	4.00	8.64	2,469.3	2,853.0
MARTA NORTE						
PR086-11	63.00	89.00	26.00	0.26	145.7	159.2

Including	63.00	73.00	10.00	0.17	200.6	209.4
and including	79.00	83.00	4.00	1.08	327.5	383.7
SAVARY						
PR117-11	18.00	20.00	2.00	4.73	204.0	450.2
MARCELA						
P379-11	50.30	115.02	64.72	0.03	32.9	34.5
Including	74.50	80.30	5.80	0.10	270.0	275.5
KASIA VEIN						
PR110-11	22.00	41.00	19.00	1.72	74.2	148.2
including	28.00	36.00	8.00	2.81	129.4	250.2
MARTA OESTE						
PR124-11	21.00	51.00	30.00	0.41	61.5	79.6
including	30.00	33.00	3.00	3.18	501.3	642.6
SONIA						
P381-11	141.40	150.70	9.30	0.70	11.2	42.3
including	141.40	143.95	2.55	2.40	14.9	121.4
IVONNE NORTE						
P393-11	200.00	209.20	9.20	1.48	35.9	112.7

**True widths are estimated to be 85-90% of the stated interval; ** Silver Eq is Silver Equivalent of gold plus silver and based upon a price ratio of between 43:1 and 52:1 gold to silver; "P" represents core holes, "PR" represents RC holes.*

Activities on Mineral Projects

Pinguino

Our 100%-owned 10,000 hectare Pinguino property is located within the prolific Deseado Massif, which hosts four operating precious metal mines; Pinguino is approximately 35 kilometres from the Cerro Vanguardia silver-gold mine, which is the largest mine in Argentina's Santa Cruz province. It is at the advanced stage with more than 56,000 metres of drilling (in over 500 holes) completed to date.

Mineralization is spatially associated with a series of near vertical veins, localized by structures, often a metre or more wide and hundreds of metres to some kilometres long. Two different mineralization types were recognized in the deposit: polymetallic sulphide rich and quartz rich Ag Au veins and breccias. The dominant mineralization trend is NW, with a minor ENE component. They are comprised of quartz veins and veinlets, vein stockworks and hydrothermal breccias that carry gold, silver, electrum and some sulfides. Metalliferous minerals in the quartz veins are commonly less than 1% in volume. They are mainly pyrite, native gold, electrum, argentite, native silver, Ag sulfosalts, hematite, sphalerite, galena and chalcopyrite. Multiple veins have returned drill results with consistent high grade silver and gold values in near surface oxide mineralization, indicating the possibility of shallow high grade precious metal zones.

From August 23, 2011 - November 7, 2011, we released drill results from our 2011 drilling program as disclosed above under "Highlights".

Next steps

- We are continuing geophysical and geochemical surveys in key areas of geological significant at Pinguino. Both geophysics and geochemistry have proven to be effective tools for us in the discovery of new veins as identifying initial drill targets. As our most well mineralized veins tend to occur within close proximity, this current program is directed toward the identification of new mineralization in the vicinity of the most prospective veins identified to date, either as blind extensions or new discoveries. Our goal is to identify potential new high-grade mineralization within an existing prospective area.

- We are currently working on updating our Resource Estimate Technical Report to include results from our 2010 and 2011 drill programs. The majority of this new drilling was shallow drilling to a depth of less than 100 meters and focused on the near surface silver-gold oxide mineralization. Results of the new report will direct our efforts toward more advanced work such as additional metallurgical and other work to improve targeting to additional drilling.
- We anticipate using the updated Resource Estimate Technical Report and the results from our continuing geophysical and geotechnical surveys to focus our 2012 drill program. Our exploration efforts will be focused in the vicinity of our most prospective mineralized veins and zones.

Contreras

We have not conducted any significant exploration activities on our Contreras property during the three-month period ended October 31, 2011.

Condor

During the three months ended October 31, 2011, we initiated and completed a 3D-Induced Polarization geophysics program over a one kilometer by one kilometer area, in addition to 513 line-kilometers of ground magnetometry, 1,000 soil samples and detailed mapping. We are currently analyzing the results.

Summary of Quarterly Results

The following information is derived from the Company's unaudited quarterly consolidated financial statements for the past eight quarters.

	Quarter ended October 31, 2011	Quarter ended July 31, 2011	Quarter ended April 30, 2011	Quarter ended January 31, 2011
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(1,588,027)	(2,094,542)	(3,405,546)	(1,441,890)
Net loss per share (basic and fully diluted)	(0.02)	(0.03)	(0.06)	(0.03)

	Quarter ended October 31, 2010	Quarter ended July 31, 2010	Quarter ended April 30, 2010	Quarter ended January 31, 2010
Total revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(575,493)	(1,806,302)	(1,344,208)	(1,179,942)
Net loss per share (basic and fully diluted)	(0.01)	(0.04)	(0.03)	(0.03)

Results of Operations

Three Months Ended October 31, 2011 versus October 31, 2010

Expenses

Mineral Exploration Activities

Our mineral exploration expenses increased by \$632,315 or 237% from \$266,340 during the three-month period ended October 31, 2010 to \$898,655 during the three-month period ended October 31, 2011. The majority of our mineral exploration expenses incurred during the three month period ended October 31, 2011 were for mineral exploration on our Pinguino property related to assays of drill results on our 2011 drill program, our geophysics and soil geochemical program and the cost of maintaining our camp. Since July 31, 2011, we have collected approximately 1,100 soil samples and we have completed 12,000 meters of trenching, 200 line-kilometres of ground magnetometry and 36.4 line-kilometres of gradient IP geophysics.

During the three month period ended October 31, 2010 the majority of our mineral exploration expenses were for limited geophysical work and the cost of a camp at our Contreras property.

General and Administrative

Our general and administrative expenses (total expenses excluding mineral property interests, foreign exchange (gain) loss and stock-based compensation) increased by \$27,556 or 7% from \$381,662 during the three-month period ended October 31, 2010 to \$409,218 during the three-month period ended October 31, 2011. This increase was primarily the result of an increase in consulting fees, investor relation expenses and salaries and benefits, which were offset by decreases in professional fees and transfer agent and filing fees.

Stock-Based Compensation

Our stock-based compensation expense increased by \$91,358 or 77% from \$118,995 in the three-month period ended October 31, 2010 to \$210,353 for the three-month period ended October 31, 2011. Our stock-based compensation expense is calculated using the Black-Scholes valuation model and is allocated based on the service provided by the recipient of stock options to appropriate expense categories in our statement of operations as disclosed in note 7 to our financial statements. The increase in our stock-based compensation expense arose primarily due to the vesting of a higher number of stock options during the three-month period ended October 31, 2011 as compared to the three-month period ended October 31, 2010. During the three-month period ended October 31, 2011 \$157,140 was allocated to consulting fees, \$40,860 to mineral property interests and \$12,353 to salaries and benefits expense, while during the three-month period ended October 31, 2010, our entire stock-based compensation expense was allocated to consulting fees.

Foreign exchange gain (loss)

Our foreign exchange gain (loss) decreased by \$328,117 or 172% from \$190,691 in the three-month period ended October 31, 2010 to (\$137,426) for the three-month period ended October 31, 2011. The increase in our foreign exchange loss was primarily due to changes in the value of the U.S. dollar relative to the Canadian dollar from the beginning of the period to the end of the period.

Nine Month Period Ended October 31, 2011 versus October 31, 2010

Expenses

Mineral Exploration Activities

Our mineral exploration expenses increased by \$2,941,444 (excluding \$40,860 of stock-based compensation allocated in the nine-month period ended October 31, 2011 and \$nil of stock-based compensation allocated in the nine-month period ended October 31, 2010) or 128% from \$2,298,760 during the nine-month period ended October 31, 2010 to \$5,240,204 during the nine-month period ended October 31, 2011. The increase in our mineral

exploration expenses during the nine-month period ended October 31, 2011 was primarily due to the difference in the scope of our 2011 exploration program at our Pinguino Property, which consisted of 19,704 meters of drilling in 206 holes. In comparison, our 2010 exploration program consisted of 6,228 meters of drilling in 89 holes.

General and Administrative

Our general and administrative expenses increased by \$568,250 (total expenses excluding mineral property interests, foreign exchange (gain) loss and stock-based compensation) or 55% from \$1,041,844 during the nine-month period ended October 31, 2010 to \$1,610,094 during the nine-month period ended October 31, 2011. This increase was primarily the result of:

- an increase in consulting fees (excluding \$342,829 of stock-based compensation allocated in the nine month period ended October 31, 2011 and \$488,697 of stock-based compensation allocated in the nine month period ended October 31, 2010) of \$195,459 or 71% from \$275,225 during the nine-month period ended October 31, 2010 to \$470,684 during the nine-month period ended October 31, 2011. The increase is primarily a result of utilizing additional consultants during the nine-month period ended October 31, 2011.
- an increase in investor relation expenses of \$210,798 from \$132,912 or 159% during the nine-month period ended October 31, 2010 to \$343,710 in the nine-month period ended October 31, 2011. This increase is primarily due to our overall effort to increase our investor relations activities and market profile in 2011. Effective March 11, 2011, we appointed Peter A. Ball as our Executive Vice-President of Corporate Development and since that date we have made a noticeable effort to increase our investor relations activities, attending additional trade conferences, holding more investor meetings, expanding our investor relations program and redesigning our website in the current year. In addition, we held our annual general and special meeting at the end of April 2011.
- an increase in office and sundry expenses of \$70,844 or 63% from \$112,963 in the nine-month period ended October 31, 2010 to \$183,807 in the nine-month period ended October 31, 2011, primarily due to an increase in the number of personnel in our Vancouver office, the cost of training new personnel in Vancouver and Argentina. In addition, our transaction costs in transferring funds to Argentina increased due primarily to an increase in the amount of funds sent to Argentina to fund our operations there during the nine-month period ended October 30, 2011.
- a decrease in transfer agent and filing fees of \$57,563 or 77% from \$75,132 in the nine-month period ended October 31, 2010 to \$17,569 in the nine-month period ended October 31, 2011. The decrease was a result of a recovery of \$32,472 in filing fees.
- an increase in salaries and benefits of \$82,934 (excluding \$12,353 of stock-based compensation allocated in the nine month period ended October 31, 2011 and \$nil of stock-based compensation allocated in the nine month period ended October 31, 2010) from \$nil in the nine-month period ended October 31, 2010 to \$82,934 in the three-month period ended October 31, 2011 mainly due to the hire of two employees in the Vancouver office.

Stock-Based Compensation

Our stock-based compensation expense decreased by \$92,655 or 19% from \$488,697 in the nine-month period ended October 31, 2010 to \$396,042 for the nine-month period ended October 31, 2011. Our stock-based compensation expense is calculated using the Black-Scholes valuation model and is allocated based on the service provided by the recipient of stock options to appropriate expense categories in our statement of operations as disclosed in note 7 to our financial statements. The decrease in our stock-based compensation expense arose primarily due to the vesting of a lower number of stock options during the nine-month period ended October 31, 2011 as compared to the nine-month period ended October 31, 2010. During the nine-month period ended October 31, 2011, \$342,829 was allocated to consulting fees, \$40,860 was allocated to mineral property interests and \$12,353 was allocated to salaries and benefits, while during the nine-month period ended October 31, 2010, our entire stock-based compensation expense was allocated to consulting fees.

Liquidity

We currently have no operating revenues other than interest income and rely primarily on equity financing to fund our exploration and administrative expenses.

Our working capital increased by \$5,382,849 from \$5,316,067 at January 31, 2011 to \$10,698,916 at October 31, 2011, mainly due to the August 2011 public offering of our securities described under Capital Resources, below.

We believe that our cash on hand as at the date of this MD&A is sufficient to fund our budgeted operating requirements for the next 12 months and we do not believe that we will need to raise additional capital to fund our plan of operations during this period. However, because our budget could increase or decrease during this period as a result of matters that we cannot anticipate at this time, we may be forced to raise additional capital. We have recently raised capital to fund our activities through the sale of equity securities and we plan to raise any money that we need to fund our plan of operations through sales of our equity securities. We do not currently have any arrangements in place for any financing and there can be no assurance that we will be able to sell any of our equity securities in order to fund our operating requirements.

Capital Resources

On August 19, 2011, we raised aggregate gross proceeds of \$10,120,058 (C\$10,005,000) and net proceeds of \$9,134,809 upon completion of our public offering.

On September 15, 2011, we raised additional aggregate gross proceeds of \$54,377 (C\$53,505) and net proceeds of \$44,788 when we sold 652,500 Warrants upon the exercise of the Over-Allotment Option by the underwriters in our public offering. Total cash expenses from the August 19, 2011 financing and the exercise of the additional Over-Allotment Option were \$994,837 and included cash commissions paid to the Underwriters of \$610,466 (C\$603,510), which is equal to six percent of the gross proceeds of the Offering and the over-allotment. We also issued 522,000 Broker Warrants to the Underwriters. Each Broker Warrant entitles the holder to purchase one Unit at the Offering Price until the Expiry Date.

A comparison of amounts allocated per our August 15, 2011 prospectus, the amount spent to date and the amount remaining to be spent follows. In our prospectus, we advised that we planned to spend these funds and any additional funds received by July 31, 2011. As a result of market conditions, we have adjusted our exploration plans and we believe we have more than twelve months of cash on hand. We will continue to adjust our exploration plans as the results of our exploration activities and market conditions dictate.

Pinguino Project		Amount Allocated per Prospectus	Amount Spent ⁽¹⁾ as of October 31, 2011	Amount remaining
Holding costs		\$ 25,000	\$ 2,679	\$ 22,321
	Assaying, testing and analysis	600,000	138,339	461,661
	Camp and field supplies		484,088	(484,088) ⁽²⁾
Exploration work costs		6,000,000	113,109	5,886,891
	Environmental		35,077	(35,077) ⁽²⁾
	Travel and accommodation		19,697	(19,697) ⁽²⁾
	Metallurgical testing	250,000		250,000
	Mining studies	100,000		100,000
Total Pinguino Project Costs		6,975,000	792,989	6,182,011
Condor Project				
Holding costs-costs with maintaining title and access		25,000	6,331	18,669
	Assaying, testing and analysis	20,000		20,000
	Camp and field supplies	20,000	7,901	12,099
Exploration		150,000		150,000
	Drilling			
	Geological and geophysical	20,000	84,051	(64,051)
	Travel and accommodation	15,000		15,000
Total Condor Project Costs		250,000	98,283	151,717
Contreras Project				
Holding costs		25,000		25,000
	Assaying, testing and analysis	20,000		20,000
	Camp and field supplies	20,000		20,000
Exploration		150,000		150,000
	Drilling			
	Geological and geophysical	20,000	1,518	18,482
	Travel and accommodation	15,000		15,000
Total Contreras Project Costs		250,000	1,518	248,482
Other projects				
Holding costs		5,000	5,865	(865)
Exploration				
	Assaying, testing and analysis	10,000		10,000
	Camp and field supplies	15,000		15,000
	Geological and geophysical	20,000		20,000
	Travel and accommodation	40,000		40,000
Total Other Project Costs		90,000	5,865	84,135
Total Project Costs		7,565,000	898,655	6,666,345
General and administrative expenses		1,100,000	409,218	690,782
Purchase of equipment		240,000	21,933	218,067
General working capital		99,700		99,700
Total		\$ 9,004,700	\$ 1,329,806	\$ 7,674,894

⁽¹⁾ Used amount spent since August 1, 2011 as amount spent in the period August 1-19, 2011 is immaterial

⁽²⁾ Allocated to drilling, geology and geophysical in prospectus

During the three-month period ended October 31, 2011, we received \$185,000 from the exercise of 500,000 stock options. In November 2011, after the end of the period, we received \$37,000 from the exercise of 100,000 stock options.

During the nine-month period ended October 31, 2011, we also received cash of \$2,349,719 upon the exercise of 4,906,895 warrants and \$515,700 upon the exercise of 1,142,500 stock options.

During the nine-month period ended October 31, 2010, we received cash of \$7,120,069 on the issuance of 10,804,706 units in respect of private placements, \$102,334 on the exercise of 298,334 stock options, \$255,690 on the exercise of 758,128 warrants and \$141,500 on the exercise of 270,000 warrants for shares of common stock issued after October 31, 2010.

Financial and Other Instruments

Our financial assets and liabilities consist of cash and cash equivalents, short-term investments, receivables, accounts payable and accrued liabilities.

We are exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk, and foreign currency risk. Credit risk exposure is limited through maintaining cash and cash equivalents with high-credit quality financial institutions and instruments. Credit risk associated with accounts receivable is considered minimal as the majority of the balance outstanding is with the Canadian government. To monitor liquidity risk, we ensure that there is sufficient capital in order to meet short term business requirements, after taking into account our holdings of cash and cash equivalents and short-term investments. Market risks include foreign currency risk.

Our operations in Canada and Argentina create exposure to foreign currency fluctuations. Our expenditures are incurred in Canadian dollars, US dollars and Argentine pesos, and the fluctuation of the US dollar in relation to these currencies will have an impact upon our costs and may also affect the value of our financial assets and liabilities. We have not entered into any agreements or purchased any instruments to hedge currency risks. We manage our foreign currency risk by purchasing US dollars when we believe it is prudent to do so. At November 30, 2011, we had \$1.5 million in US dollar denominated bank deposits, US\$8.8 million in Canadian dollar denominated bank deposits and short-term investments and US\$0.2 million in Argentine peso denominated bank deposits.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements and no non-consolidated, special-purpose entities.

Contingencies and Commitments

We had no contingencies at November 30, 2011.

We have the following long-term contractual obligations and commitments:

Operating leases

On December 8, 2010, we entered into a five year lease agreement, commencing January 1, 2011 at approximately US\$6,954 (C\$6,954) per month for the first three years of the lease, and approximately US\$7,289 (C\$7,289) per month for the last two years of the term. The lease also includes four months of free base rent.

On July 25, 2011 we entered into a rental agreement for office space in La Plata, Argentina with a consultant, for the period July 2011 to June 2014 at a cost of \$2,500 per month.

Share capital, options and warrants outstanding

As of December 20, 2011, we had 71,437,317 common shares issued and outstanding, 17,229,206 common share purchase warrants, of which 522,000 are unit warrants and 3,577,500 stock options as described in further detail in our financial statements. At the effective date of this MD&A, if all of our stock options and share purchase warrants were exercised (including the unit warrants and resulting 261,000 warrants from the exercise of these warrants), a total of 92,505,023 common shares would be issued and outstanding.

Related Party Transactions

On September 1, 2009, with retroactive effect to August 1, 2009, we entered into a two year consulting agreement with our President and Frontera Geological Services Ltd., (Frontera) a company wholly-owned by our President whereby we agreed to pay a consulting fee for services ordinarily provided by a Chief Executive Officer of approximately \$12,500 (\$12,500) per month plus a sales tax. Effective August 1, 2011, we renewed this agreement for a renewal term of one year.

On August 30, 2011, we issued 300,000 shares of our common stock to our President upon the exercise of stock options at an exercise price of \$0.37 per share for proceeds of \$111,000 and on November 2, 2011 we issued another 100,000 shares of our common stock on the exercise of 100,000 stock options for proceeds of \$37,000.

On August 24, 2011 we granted stock options pursuant to our 2007 Stock Option Plan to a company controlled by our Executive Vice President of Corporate Development to purchase an aggregate of 250,000 shares of our common stock at an exercise price of \$1.15 (C\$1.15) per share, for a five (5) year term expiring August 24, 2016. The options vest in four installments over 12 months on November 1, 2011, February 1, 2012, May 1, 2012 and August 1, 2012.

On August 24, 2011 we granted stock options pursuant to our 2007 Stock Option Plan to a company controlled by our Chief Financial Officer to purchase an aggregate of 250,000 shares of our common stock at an exercise price of \$1.15 (C\$1.15) per share, for a five (5) year term expiring August 24, 2016. The options vest in four installments over 12 months on November 1, 2011, February 1, 2012, May 1, 2012 and August 1, 2012.

Related party transactions are disclosed in further detail in notes 7 and 8 to the financial statements.

Change in Accounting Policy

Functional Currency

Previously we considered ourselves to be functionally US dollar denominated and we reported our financial statements in US dollars. During the period, management determined that during the fourth quarter of its fiscal year ended January 31, 2010, the functional currency of the parent company (Argentex) became the Canadian dollar but the functional currency of our wholly-owned subsidiary (SCRN Properties Ltd.) continues to be the US dollar.

As a result of this change in accounting policy, management recognizes foreign exchanges gain (losses) on balances held in currencies other than the Canadian dollar in the trial balance of the parent company and then translates the Canadian balances to the US reporting currency. Any foreign exchange differences on conversion from the Canadian functional currency to the US dollar reporting currency are recorded as other comprehensive income.

Critical Accounting Policies and Estimates

Our interim consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and our discussion and analysis of our financial condition and operating results require us to make judgments, assumptions, and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. Note 2, "*Summary of Significant Accounting Policies*", of the Notes to Consolidated Financial Statements included in our Annual Information Form for the year ended January 31, 2011,

and describes the significant accounting policies and methods used in the preparation of our consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates and such differences may be material.

Management believes that our company's critical accounting policies and estimates are those related to asset impairment, mineral claim payments and exploration expenditures and income taxes. Management considers these policies critical because they are both important to the portrayal of our company's financial condition and operating results, and they require management to make judgments and estimates about inherently uncertain matters. Our senior management has reviewed these critical accounting policies and related disclosures with the Audit Committee of our company's Board of Directors.

Asset Impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability of these assets is measured by comparison of its carrying amount to future undiscounted cash flows the assets are expected to generate. An impairment loss is recognized when the carrying amount exceeds its estimated recoverable value.

Mineral Claim Payments and Exploration Expenditures

We are primarily engaged in the acquisition and exploration of mining properties. Mineral property acquisition costs and mineral exploration rights are initially capitalized when incurred. Mineral property exploration costs are expensed as incurred. We assess the carrying costs for impairment when indicators of impairment exist. If proven and probable reserves are established for a property and it has been determined that a mineral property can be economically developed, costs will be amortized using the units-of-production method over the established life of the reserve.

Mineral property exploration and development costs are expensed as incurred until the establishment of economically viable reserves.

As of the date of these financial statements, we have not established the existence of proven or probable reserves on any of our mineral properties.

Investment in and Expenditures on Mineral Property Interests

Realization of our investment in and expenditures on mineral properties is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from ambiguous conveyance history of many mineral properties. To the best of our knowledge we believe all of our unproved mineral interests are in good standing and that we have title to all of these mineral property interests.

Income Taxes

We follow the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances and tax loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment. A valuation allowance is applied when in management's view it is more likely than not (50%) that such deferred tax will not be utilized.

In the unlikely event that an uncertain tax position exists in which our company could incur income taxes, we would evaluate whether there is a probability that the uncertain tax position taken would be sustained upon examination by the taxing authorities. Reserves for uncertain tax position would then be recorded if we determined it is probable that a position would not be sustained upon examination or if a payment would have to be made to a taxing authority and the amount is reasonably estimable. As of November 30, 2011, our management does not believe it has any uncertain tax positions that would result in our having a liability to the taxing authorities. However, as a result of our change of corporate jurisdiction from the State of Delaware (Argentex Delaware) to the Province of British Columbia, Canada (Argentex BC), our management believes that we may encounter certain uncertain tax positions as follows:

United States Federal Income Tax Consequences

The change in our corporate jurisdiction from the State of Delaware to the Province of British Columbia, Canada is, for United States federal income tax purposes, treated as the transfer of the assets of Argentex Delaware to Argentex BC. We must recognize a gain on the assets held by our company at the time of the change in our corporate jurisdiction to the extent that the fair market value of any of our assets exceeds our respective basis. The calculation of any potential gain is made separately for each asset held by us. No loss will be allowed for any asset that has a taxable basis in excess of its fair market value.

Canadian Federal Income Tax Consequences

As a result of the merger, Argentex Delaware as the non-surviving corporation will be considered to have disposed of its assets to Argentex Nevada for proceeds equal to their fair market value. Argentex Delaware will be subject to Canadian federal income tax liabilities with respect to any gains realized as a result of the deemed disposition of all of its assets that constitute “taxable Canadian property” for the purposes of the Canadian federal income tax. As a result of the continuation, Argentex BC will be deemed to have disposed of, and immediately thereafter reacquired, all of its assets at their then fair market value. Gains arising on the deemed disposition of taxable Canadian property of Argentex BC, if any, will be subject to tax in Canada. However, if the adjusted cost base of the assets of Argentex BC is equal to the fair market value of the assets, due to the assets having been acquired by Argentex Nevada in the course of the merger shortly prior to the continuation in a disposition deemed to have taken place at fair market value, then no gain should be realized by Argentex BC.

Risk Factors

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this quarterly MD&A in evaluating our company and our business before making any investment decision about our company. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. You should invest in our common stock only if you can afford to lose your investment.

Risks Relating to our recent Merger and Continuation

We may still be treated as a U.S. corporation and taxed on our worldwide income after the merger and continuation.

The merger and continuation of our company from the State of Delaware to the Province of British Columbia, Canada is considered a migration of our company from the State of Delaware to the Province of British Columbia, Canada. Certain transactions whereby a U.S. corporation migrates to a foreign jurisdiction can be considered by the United States Congress to be an abuse of the U.S. tax rules because thereafter the foreign entity is not subject to U.S. tax on its worldwide income. Section 7874(b) of the Internal Revenue Code of 1986, as amended (the “Code”), was enacted in 2004 to address this potential abuse. Section 7874(b) of the Code provides generally that certain corporations that migrate from the United States will nonetheless remain subject to U.S. tax on their worldwide income unless the migrating entity has substantial business activities in the foreign country to which it is migrating when compared to its total business activities.

If Section 7874(b) of the Code applies to the migration of our company from the State of Delaware to the Province of British Columbia, Canada, our company would continue to be subject to United States federal income taxation on

its worldwide income. Section 7874(b) of the Code could apply to our migration unless we had substantial business activities in Canada when compared to our total business activities.

We may be classified as a Passive Foreign Investment Company as a result of the merger and continuation.

Sections 1291 to 1298 of the Code contain the Passive Foreign Investment Company (“PFIC”) rules. These rules generally provide for punitive treatment of “U.S. holders” of PFICs. A foreign corporation is classified as a PFIC if more than 75% of its gross income is passive income or more than 50% of its assets produce passive income or are held for the production of passive income.

Because most of our assets after the merger and continuation are in cash or cash equivalents and shares of our wholly-owned subsidiary, SCRN Properties Ltd., we may in the future be classified as a PFIC. If we are classified as a PFIC, then the holders of shares of our company who are U.S. taxpayers may be subject to PFIC provisions which may impose U.S. taxes, in addition to those normally applicable, on the sale of their shares of our company or on distribution from our company.

Risks Associated With Mining

All of our properties are in the exploration stage. There is no assurance that we can establish the existence of any mineral reserve on any of our properties. Unless and until we can do so, we cannot earn any revenues from operations and if we do not do so we may lose all of the funds that we have spent on exploration. If we do not discover any mineral reserve, our business may fail.

Despite exploration work on our mineral properties, we have not established that any of them contain any mineral reserve, nor can there be any assurance that we will be able to do so. If we do not, our business may fail.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade and other attributes of the mineral deposit, the proximity of the resource to infrastructure such as a smelter, roads and a point for shipping, government regulation and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral resource unprofitable.

Mineral operations are subject to applicable law and government regulation. Even if we discover a mineral resource in a commercially exploitable quantity, these laws and regulations could restrict or prohibit the exploitation of that mineral resource. If we cannot exploit any mineral resource that we discover on our properties, our business may fail.

Both mineral exploration and extraction require permits from various foreign, federal, state, provincial and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance that we will be able to obtain or maintain any of the permits required for the continued exploration of our mineral properties or for the construction and operation of a mine on our properties at an economically viable cost. If we cannot accomplish these objectives, our business could fail. Although we believe that we are in compliance with all material laws and regulations that currently apply to our activities, we can give no assurance that we can continue to remain in compliance. Current laws and regulations could be amended and we might not be able to comply with them, as amended. Further, there can be no assurance that we will be able to obtain or maintain all permits necessary for our future operations, or that we will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, we may be delayed or prohibited from proceeding with planned exploration or development of our mineral properties.

If we establish the existence of a mineral reserve on any of our properties, we will require additional capital in order to develop the property into a producing mine. If we cannot raise this additional capital, we will not be able to exploit the reserve and our business could fail.

If we do discover a mineral reserve on any of our properties, we will be required to expend substantial sums of money to establish the extent of the reserve, develop processes to extract it and develop extraction and processing facilities and infrastructure. Although we may derive substantial benefits from the discovery of a reserve, there can

be no assurance that any reserve established will be large enough to justify commercial operations, nor can there be any assurance that we will be able to raise the funds required for development on a timely basis. If we cannot raise the necessary capital or complete the necessary facilities and infrastructure, our business may fail.

Mineral exploration and development is subject to extraordinary operating risks. We do not currently insure against these risks. In the event of a cave-in or similar occurrence, our liability may exceed our resources, which would have an adverse impact on our company.

Mineral exploration, development and production involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our operations will be subject to all of the hazards and risks inherent in these activities and, if we discover a mineral reserve, our operations could be subject to all of the hazards and risks inherent in the development and production of a mineral reserve, including liability for pollution, cave-ins or similar hazards against which we cannot insure or against which we may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. We do not currently maintain any insurance coverage against these operating hazards. The payment of any liabilities that may arise from any such occurrence would likely have a material adverse impact on our company.

Mineral prices are subject to dramatic and unpredictable fluctuations and the economic viability of any of our exploration properties and projects cannot be accurately predicted.

We expect to derive revenues, if any, either from the sale of our mineral properties or from the extraction and sale of precious and base metals such as gold, silver, zinc and indium. The price of these commodities has fluctuated widely in recent years and is affected by numerous factors beyond our control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors is based on the price of precious metals and therefore the economic viability of any of our exploration properties cannot accurately be predicted.

The mining industry is highly competitive and there is no assurance that we will continue to be successful in acquiring mineral claims. If we cannot continue to acquire properties to explore for mineral resources, we may be required to reduce or cease operations.

We may compete with other exploration companies looking for mineral resource properties. Some of these other companies possess greater financial resources and technical facilities. This competition could adversely affect our ability to acquire suitable prospects for exploration in the future. Accordingly, there can be no assurance that we will acquire any interest in additional mineral resource properties that might yield reserves or result in commercial mining operations. While we may compete with other exploration companies in the effort to locate and acquire mineral resource properties, we do not believe that we will compete with them for the removal or sales of mineral products from our properties if we should eventually discover the presence of them in quantities sufficient to make production economically feasible. Readily available markets exist worldwide for the sale of mineral products. Therefore, we will likely be able to sell any mineral products that we identify and produce.

Risks Associated with Our Company

We have a limited operating history on which to base an evaluation of our business and prospects and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

Although we have been in the business of exploring mineral resource properties since 2002, we have not yet located any mineral reserve and we have never had any revenues from our operations. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties and this does not provide a meaningful basis for an evaluation of our prospects if we ever determine that we have a mineral reserve and commence the construction and operation of a mine. We have no way to evaluate the likelihood of whether our mineral properties contain any mineral reserve or, if they do, that we will be able to build or operate a mine successfully. We anticipate that we will continue to incur operating costs without realizing any revenues during the period when we are exploring our properties. We therefore expect to continue to incur significant losses into the foreseeable future. If we are unable to generate significant revenues from mining operations and any dispositions of our properties, we

will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses and difficulties frequently encountered by companies at the start up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. There is no history upon which to base any assumption as to the likelihood that we will prove successful and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and the FINRA's sales practice requirements, which may limit a US stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the U.S. Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers in the United States. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common stock.