

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017



The following management discussion and analysis (“MD&A”) of financial position and results of operations of Auramex Resource Corp. (the “Company”) is prepared as at November 13, 2017 and should be read in conjunction with the condensed consolidated interim financial statements of the Company, and the notes thereto, for the nine months ended September 30, 2017, and with the audited financial statements of the Company, and the notes thereto, for the year ended December 31, 2016. In this discussion, unless the context otherwise dictates, a reference to the business and operations of the Company includes the business and operations of the Company’s wholly owned Mexican subsidiary, Exploración Auramex S. A. de C. V. (“Auramex Mexico”). Additional information relating to the Company is available on SEDAR at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

Mineral Properties

Auramex holds mineral tenures comprising approximately 19,000 hectares divided into 13 separate blocks in the highly prospective Stewart Gold camp in northwest British Columbia (Skeena Mining Division). Three properties, two of them contiguous, lie at or near tidewater along the Portland Canal south of Stewart. Nine lie in the Bear River watershed, from tidewater at Stewart to the northern slopes of Entrance Peak, on the eastern edge of the Coast Range. The remaining block, Tide North, lies on the Bowser River, at the toe of the Frank Mackie Glacier.

In 2014, all properties were examined and reduced to consolidated ground around prospective targets, in 2015 two tenures were added and in the first quarter of 2017 four tenures were added to augment these holdings.

On April 10, 2017, the Company granted an option to Decade Resources Ltd. (“Decade”) to earn a 75% interest in 161 hectares at the historic Georgia River Gold Mine, part of one of the properties near the Portland Canal, on the following term: payment of \$50,000 upon signing (paid), payment of \$75,000 on or before the first anniversary of the agreement, payment of \$150,000 on or before the second anniversary of the agreement, and \$200,000 on or before the third anniversary of the agreement; with work requirements of \$250,000 by the first anniversary date, \$500,000 by the second anniversary date, \$750,000 by the third anniversary date, and \$1,000,000 by the fourth anniversary date. Upon Decade earning the 75% interest, the Company will receive a Net Smelter Return Royalty (NSR) of 2%, half of which can be purchased for \$1 million. A joint venture agreement provides for Decade to spend approximately \$13 million to earn an additional 20% if the Company does not contribute. At a 5%

diluted interest, the Company will receive a 1.5% NSR for its 5% interest and Decade will hold a 100% property interest.

On August 29, 2017, the option agreement was amended. In lieu of the work requirement of \$250,000 expenditure on or before the first anniversary of the agreement, Decade provided Portable Assessment Credits (“PAC”) in the amount of \$700,000 to Auramex.

On August 30, 2017, Auramex granted an option to Mountain Boy Minerals Ltd. (“MTB”) to earn a 60% interest in 288.741 hectares known as West George Copper on the following terms: on signing AUX will receive \$700,000 PAC (received); a \$10,000 cash payment and \$30,000 work expenditures before the second anniversary; a \$20,000 cash payment and \$50,000 work before the third anniversary. After MTB earns the 60% interest, and the option is exercised, Auramex will receive a 2% NSR royalty of which 1% can be purchased for one million dollars, and each \$250,000 work expenditure by MTB will change the percentage ownership by 5%. If MTB earns 95% interest, the remaining 5% converts to a 1.5% NSR royalty.

On September 7, 2017, Auramex granted an option to Decade to earn a 60% interest in 612.9913 hectares in the Surprise Creek area on the following terms: \$5,000 (received) and \$300,000 PAC (received) on signing; year 2, \$15,000 and \$50,000 work expenditures; year 3, \$20,000 and \$70,000 work expenditures . After Decade earns the 60% interest, and the option is exercised, Auramex will receive a 2% NSR royalty of which 1% can be purchased for one million dollars. If either party is diluted to 5%, the 5% interest converts to a 1.5% NSR.

On September 7, 2017, Auramex granted an option to Decade to earn an 80% interest in 252.715 hectares in the Surprise Creek area on the following terms: \$5,000 (received) and \$300,000 PAC (received) on signing; year 2, \$10,000 and \$30,000 work expenditures; year 3, \$20,000 and \$50,000 work expenditures . After Decade earns the 80% interest, and the option is exercised, Auramex will receive a 2% NSR royalty of which 1% can be purchased for one million dollars. If either party is diluted to 5%, the 5% interest converts to a 1.5% NSR.

Auramex has applied \$1,921,286 PAC on 9,606 hectares to extend the expiry dates by five years to December 31, 2022.

All properties, with the exclusion of Tide North are held for their potential to host intrusion related gold mineralization related to the Texas Creek plutonic suite. Tide North, located 41 kilometres to the north of Stewart, is underlain by Salmon River formation basinal rocks and is being explored for its potential to host volcanic exhalative Au-Ag mineralization.

There has been no exploration activity in 2017.

Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars for each of the last eight quarters ended September 30, 2017:

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Income (loss) for the period	(9,196)	(50,226)	(65,287)	(18,628)	(26,942)	(10,483)	(20,022)	(39,666)
Earnings (loss) per share Basic and diluted	(0.000)	(0.002)	(0.003)	(0.000)	(0.001)	(0.000)	(0.001)	(0.002)
Cash and cash equivalents	55,004	46,193	12,872	20,556	20,722	4,338	13,728	25,465
Working capital (deficiency)	(766,221)	(765,962)	(765,899)	(737,656)	(649,670)	(618,952)	(583,857)	(563,751)

Fluctuations in results from quarter to quarter are caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and are not indicative of any particular trend in the Company's overall performance.

Tax losses in Mexico were mitigated by currency gains in Mexico in the first and third quarters of 2016 due to a more favourable exchange rate with the Mexican peso on the tax debt.

In the first quarter of 2017, general and administration expense was increased by issuance of stock options and recognition of the stock based compensation.

In the second quarter of 2017, receipt of \$50,000 for the Georgia River option improved the cash position.

In the third quarter of 2017, receipt of \$10,000 from Decade with respect to two option agreements also improved the cash position.

As at November 13, 2017

Cash	\$	53,119
Working capital deficiency	\$	785,533

The Company's current liabilities include \$552,172, not including out of pocket costs, owing to related parties, and previous related parties from 2011 to date. These liabilities will be repaid only from future financing, from profitable operations or shares for debt settlements.

The Company's ability to obtain sufficient funding for the medium to long terms will be dependent on the availability of equity and debt financing in the future, which the Company cannot predict. The availability of such funding will be dependent on a number of factors beyond the Company's control, including commodity prices, stock market performance and any number of other economic conditions. Accordingly, the ability of the Company to continue as a going concern cannot be assured.

Transactions with Related Parties

The Company was party to the following transactions with related parties during the three months ended September 30, 2017;

The Company's President, CEO and a director, Wayne Crocker, billed \$4,800 fees in the quarter. He does not have a formal consulting contract with the Company but bills for professional services at a per diem rate of \$600. Mr. Crocker has billed \$4,800 subsequent to quarter end. The total amount owing to him at the date of this report is \$82,303 which includes a loan of \$40,000.

The Company's Chief Financial Officer and a director, Judie Whitby, under a contract to provide accounting, office and general management services to the Company, billed \$7,500 in the quarter, and \$2,500 subsequent to quarter end. She submits expense claims for expenses incurred on the Company's behalf, such as TSX Venture exchange and British Columbia Securities Commission filing fees, mineral tenure expenditures and travel expenses. In this regard she submitted \$90 reimbursement claims subsequent to the period end. As at September 30, 2017, the consulting fees are included in accounts payable. The total amount owing at the date of this report is \$210,550 which includes a loan to the Company of \$10,000 and additional loan of \$7,000 as of March 7, 2017. This additional loan is repayable in one year and carries interest of 10%. Ms. Whitby received 28,000 common shares as a bonus for providing the loan. She also controls a private company, Whitby & Tower Moving Ltd., which provides storage services for supplies and drill core to the company. The storage costs are \$100 per month. The amount owing to Whitby & Tower Moving Ltd. at the date of this report is \$1,525.

The Company considers all of the foregoing transactions and the amounts related thereto to be reasonable and representative of normal commercial transactions.

Other

The Company has no off-balance sheet arrangements.

While the Company is in discussions regarding property acquisitions and disposals on an ongoing basis, the Company has no proposed material asset or business acquisition that the Company's Board of Directors has decided to proceed with, or that the Company's senior management has decided to proceed with in the belief that confirmation by the Board is probable. The Company is in ongoing discussions to dispose of its Mexican interests.