



## **MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2019**

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 May 29, 2019 and should be read in conjunction with the Company's unaudited condensed interim financial statements the three months ended March 31, 2018, the Company's audited financial statements for the year ended December 31, 2018 and related notes thereto, and the Company's Annual MD&A for the year ended December 31, 2018. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol AUX, and classified as a junior natural resource company. The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at [www.auramex.com](http://www.auramex.com) as well as at [www.sedar.com](http://www.sedar.com).

### **Review of Operations**

Auramex holds mineral tenures, comprising in excess of 20,000 hectares (200 square kilometres) in five project areas, in the highly prospective Stewart gold camp in the Golden Triangle region of northwest British Columbia.

- The Georgie River (or GR) project lies at or near tidewater along the Portland Canal south of Stewart.
- The Lower Bear project extends from the edge of Stewart 12 kilometres north.
- The Bear Pass project encompasses properties that straddle Highway 37A for 15 kilometres along the Bear Valley and over the Bear Pass.
- The Tide North project lies on the upper Bowser River, 12 km north of the past producing Scottie gold mine and 15 km southeast of Pretium's Brucejack Mine
- The American Creek project lies in the American Creek corridor, extending from south of the confluence of American Creek and the Bear River 15 km north along the east side of American Creek.

The Company's operations during the first quarter and up until April 24, 2019, have been discussed in depth in the Company's Annual MD&A. Subsequent to April 24, 2019 the Company announced that drill permitting is underway, and planning for drilling is a follow-on to work by the Auramex geological team that discovered a large zone of intense silica alteration and an even larger area of intense quartz + sericite ± pyrite alteration above the Bear Pass pluton, extending to the northeast beneath rapidly receding ice. These zones are interpreted as a lithocap above a very large intrusion-related hydrothermal system. The Bear Pass Pluton is now recognized as the likely heat engine for this system and the likely source of metals for the abundance of gold-silver occurrences around the Bear Pass. The Company is now focused on vectoring toward the core of this large and very robust system.

In May 2019 the option granted to Decade Resources Ltd. to earn a 75% interest in certain mineral claims within the Georgia River area of the Stewart properties was terminated. The company now holds a 100% interest in all but two of the tenures composing the Georgie River project.

*The technical disclosure in this MD&A has been read and approved by Dr. Paul Metcalfe, PhD, P.Geo., a qualified person as defined in National Instrument 43-101*

## Corporate Update

In January 2018 the Company issued 1,550,000 units in a private placement at \$0.05 per unit for gross proceeds of \$77,500 of which \$70,000 had been received prior to December 31, 2018, each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.10 per common share until January 29, 2020.

In January 2018 The Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 782,000 treasury shares. The options are exercisable at a price of \$0.05 per share for a period of 5 years

During the period 230,000 warrants were exercised for gross proceeds of \$11,500.

## Financial Conditions and Performance

### Financial Condition

During the three months ended March 31, 2019, the Company's working capital decreased by \$163,067 to \$151,404 as a result of General and Administration costs and exploration expenditures in the period.

### Performance

The operating loss for the three months ended March 31, 2019 amounted to \$164,540, compared to \$77,477 in the same period in the prior year. The increase in the operating loss of \$87,063 is attributable to the increased cost of having a fully active management team in the current year and a consequent increase in operating activity.

The company recorded a gain on the sale of tax benefits resulting from flow-through expenditure amounting to \$7006, and had interest income of \$206, resulting in a net comprehensive loss of \$157,328 for the three month period.

## Liquidity and Capital Resources

The Company is an exploration stage company and has to raise funds by the issuance of its common share or other financial instruments, or by entering partnering or joint venture arrangements. As at March 31, 2019 the Company had cash on hand of \$215,329 and will need to raise additional capital to fund its planned exploration activities.

## Related party transactions

Remuneration attributed to key management personnel can be summarized as follows:

	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Directors' fees	\$ -	\$ 300
Management and consulting fees	<b>56,000</b>	42,300
Geological consulting fees	<b>31,671</b>	2,100
Share based payments	<b>23,252</b>	-
	<b>\$ 110,923</b>	<b>\$ 44,700</b>

At March 31, 2019, an amount of \$43,301 (March 31, 2018 - \$15,000) was included in accounts payable and accrued liabilities for unpaid amounts relating to fees and expenses owed to officers and directors, and to companies controlled by them.

**Risks and uncertainties**

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on its results, business prospects or financial position.

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company. For a comprehensive list of the risks and uncertainties applicable to the Company, please refer to the Company's Annual MD&A for the year ended December 31, 2018.

**Forward Looking Statements**

All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration success, continued availability of capital and financing, as well as general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.