

**CONDENSED INTERIM FINANCIAL STATEMENTS**



**March 31, 2018 and 2017**  
**(Unaudited – Expressed in Canadian dollars)**

## **NOTICE TO READER**

### **REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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.

**AURAMEX RESOURCE CORP.**  
Interim Statements of Financial Position  
As at March 31, 2018 and December 31, 2017  
(Unaudited – Expressed in Canadian dollars)

	March 31 2018	December 31 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 408,321	\$ 134,403
Receivable	-	2,422
Prepaid expenses	916	857
	<u>409,237</u>	<u>137,862</u>
<b>Property and equipment</b> (Note 4)	-	-
<b>Exploration and evaluation assets</b> (Note 6)	<u>2,162,461</u>	<u>2,204,110</u>
	<u>\$ 2,571,698</u>	<u>\$ 2,341,792</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 36,429	\$ 826,907
Shareholder loans (Note 8)	-	62,983
	<u>36,429</u>	<u>889,890</u>
<b>STOCKHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 7)	14,088,993	13,383,553
<b>Equity reserves</b>	1,345,552	1,191,452
<b>Deficit</b>	<u>(12,899,276)</u>	<u>(13,123,103)</u>
	<u>2,535,269</u>	<u>1,451,902</u>
	<u>\$ 2,571,698</u>	<u>\$ 2,341,792</u>
<b>Nature and continuance of operations</b> (Note 1)		
<b>Subsequent events</b> (Note 13)		

Approved, and authorized by the board of directors on May 25, 2018

“Lawrence Roulston”  
Director

“Marie Brannstrom”  
Director

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

**AURAMEX RESOURCE CORP.**

Interim Statements of Operations and Comprehensive Loss

For the quarters ended March 31, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

	<b>Quarters ended March 31</b>	
	<b>2018</b>	<b>2017</b>
<b>Expenses</b>		
Bank charges, interest and penalties	\$ 456	\$ 32
Currency exchange loss (gain)	(70)	11,645
Directors fees	300	-
Insurance	986	986
Management and consulting fees	42,353	10,009
Marketing and promotion	2,103	2,066
Office and sundry	667	740
Professional fees	14,630	5,500
Stock-based compensation	-	23,755
Transfer agent and filing fees	16,041	10,525
Travel	11	31
	<b>(77,477)</b>	<b>(65,289)</b>
<b>Interest Income</b>	<b>3</b>	<b>2</b>
<b>Gain on sale of subsidiary</b>	<b>301,301</b>	<b>-</b>
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>223,827</b>	<b>(65,287)</b>
<b>Earnings (loss) per share – basic and diluted</b>	<b>\$ 0.007</b>	<b>\$ (0.003)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>30,270,024</b>	<b>21,586,616</b>

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

# AURAMEX RESOURCE CORP.

## Interim Statements of Cash Flows

For the quarters ended March 31, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

	Quarters ended March 31	
	2018	2017
<b>Operating Activities</b>		
Income (loss) for the period	\$ 223,827	\$ (65,287)
Items not involving cash:		
Debt settlement	241,100	-
Stock-based compensation	-	23,754
	<u>464,927</u>	<u>(41,533)</u>
Changes in operating assets and liabilities		
Amounts receivable and prepaid expenses	2,363	2,650
Accounts payable and accrued liabilities	(790,478)	17,910
	<u>(323,188)</u>	<u>(20,973)</u>
<b>Investing Activities</b>		
Acquisition of exploration and evaluation assets	(33,351)	(1,211)
Option payments received	75,000	-
Cash provided by investing activities	<u>41,649</u>	<u>(1,211)</u>
<b>Financing Activities</b>		
Shares issued for cash, net of share issuance costs	603,440	14,500
Shares issued on exercise of stock options	12,500	-
Shares issued on exercise of warrants	2,500	-
Repayment of shareholder loans	(62,983)	-
Cash provided by financing activities	<u>555,457</u>	<u>14,500</u>
<b>Increase (decrease) in cash</b>	<b>273,918</b>	<b>(7,684)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>134,403</b>	<b>20,556</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 408,321</b>	<b>\$ 12,872</b>
<b>Supplemental disclosure of cash flow Information</b>		
Interest received	\$ 3	\$ 2
Taxes paid	\$ -	\$ -
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Accounts payable included in mineral property expenditures	\$ -	\$ 75

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

# AURAMEX RESOURCE CORP.

## Interim Statement of Changes in Equity

March 31, 2018 (Unaudited – Expressed in Canadian dollars)

Issued and outstanding	Capital Stock				
	Number of shares	Amount	Equity reserves	Deficit	Total Equity
<b>Balance as at December 31, 2016</b>	<b>21,499,149</b>	<b>\$ 13,274,153</b>	<b>\$ 1,093,577</b>	<b>\$ (12,846,968)</b>	<b>\$ 1,520,762</b>
Shares issued for cash	290,000	14,500	-	-	14,500
Bonus shares issued	38,000	-	-	-	-
Share based payments	-	-	23,755	-	23,755
Net comprehensive loss for the three months ended March 31, 2017	-	-	-	(65,287)	(65,287)
<b>Balance as at March 31, 2017</b>	<b>21,827,149</b>	<b>\$ 13,288,653</b>	<b>\$ 1,117,332</b>	<b>\$ (12,915,255)</b>	<b>\$ 1,493,730</b>
<b>Balance as at December 31, 2017</b>	<b>24,327,149</b>	<b>\$ 13,383,553</b>	<b>\$ 1,191,452</b>	<b>\$ (13,123,103)</b>	<b>\$ 1,451,902</b>
Shares issued pursuant private placements	7,705,000	616,400	-	-	616,400
Share issuance costs	-	(167,060)	154,100	-	(12,960)
Shares issued for debt	3,013,750	241,100	-	-	241,100
Shares issued pursuant warrant exercises	50,000	2,500	-	-	2,500
Shares issued pursuant stock option exercises	250,000	12,500	-	-	12,500
Net comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	223,827	223,827
<b>Balance as at March 31, 2018</b>	<b>35,345,899</b>	<b>\$ 14,088,993</b>	<b>\$ 1,345,552</b>	<b>\$ (12,899,276)</b>	<b>\$ 2,535,269</b>

# AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Auramex Resource Corp. (“Auramex” or the “Company”) is a Canadian company incorporated in the province of British Columbia and trades on the TSX Venture Exchange. The Company is currently active in the acquisition, exploration and evaluation of mineral properties.

The address of the Company’s registered and corporate office and principal place of business is 20<sup>th</sup> Floor, 250 Howe Street, Vancouver, British Columbia, Canada, V6C 3R8.

The Company is in the process of exploring its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

The Company’s condensed interim financial statements are prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and will require additional financing or outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. Future operations of the Company are dependent on its ability to raise additional equity financing and the attainment of profitable operations. These material uncertainties may cast a significant doubt on the Company’s ability to continue as a going concern.

	March 31, 2018	December 31, 2017
Working capital (deficiency)	\$ 372,808	\$ (752,208)
Deficit	(12,899,276)	(13,123,103)

## 2. BASIS OF PREPARATION

These condensed interim financial statements, including comparative balances, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full annual financial statements and they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017 and the notes to the financial statements.

These condensed interim financial statements have been prepared on an historical cost basis. These condensed interim financial statements are presented in Canadian dollars, the Company’s functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting.

The significant accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date.

## **AURAMEX RESOURCE CORP.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

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### **2. BASIS OF PREPARATION (continued)**

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Certain comparative period amounts have been reclassified to conform with the current year's presentation.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies as set out below have been consistently applied to all periods presented in these condensed interim financial statements and are prepared using the same accounting policies and methods of computation as the annual audited consolidated financial statements of the Company for the year ended December 31, 2017, with the exception of the adoption of IFRS 9 as described below.

*IFRS 9, Financial Instruments ("IFRS 9")*, was issued by the IASB in October 2010 and replaced IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company adopted IFRS 9 on January 1, 2018, however the adoption did not have a significant impact to the financial statements because of the nature of the Company's operations and the types of financial assets that it holds.

### **4. PROPERTY AND EQUIPMENT**

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized using the declining balance method at the flowing annual rates. There have been no additions or disposals in the three months ended March 31, 2018. Depreciation is calculated annually.

Property and equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, is regularly identified and written off.



## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

### 4. PROPERTY AND EQUIPMENT (continued)

	Computer and Office Equipment	Exploration Equipment	Furniture and Fixtures	TOTAL
<b>Cost</b>				
Balance at December 31, 2016	\$ 7,985	\$ 5,143	\$ 2,025	\$ 15,153
Write-off of equipment	(7,985)	(5,143)	(2,025)	(15,153)
Balance at December 31, 2017 and March 31, 2018	\$ -	\$ -	\$ -	\$ -
<b>Accumulated depreciation</b>				
Balance at December 31, 2016	\$ (7,111)	\$ (5,018)	\$ (1,479)	\$ (13,608)
Write-off of equipment	(7,111)	(5,018)	(1,479)	(13,608)
Balance at December 31, 2017 and at March 31, 2018	\$ -	\$ -	\$ -	\$ -
<b>Net Book Value</b>				
At December 31, 2016	\$ 874	\$ 125	\$ 546	\$ 1,545
At December 31, 2017 and March 31, 2018	\$ -	\$ -	\$ -	\$ -

### 5. RECLAMATION DEPOSITS

Reclamation deposits are the funds required by the Mines Department to be held on deposit against future reclamation and remediation of environmental disturbance as a result of mining exploration and development activity. After reclamation and remediation, the funds can be recovered. Currently, the Company has no funds held on deposit by the Mines Department.

### 6. EXPLORATION AND EVALUATION ASSETS

#### Acquisition Costs

Balance, December 31, 2016	\$ 410,623
Additions(Disposals)	1,137
Disposals	(60,000)
Balance, December 31, 2017	\$ 351,760
Disposals	(75,000)
Balance, March 31, 2018	\$ 276,760

#### Deferred Exploration

Balance, December 31, 2016	\$ 1,846,251
Geological, mapping and field expenses	34,326
Permits, taxes and assessment fees	165
Government tax credit recovery	(28,392)
Balance December 31, 2017	\$ 1,852,350
Geological, mapping and field expenses	33,351
Balance March 31, 2018	\$ 1,885,701

#### Total Exploration and Evaluation Assets

Balance, December 31, 2016	\$ 2,256,874
Balance, December 31, 2017	\$ 2,204,110
Balance, March 31, 2018	\$ 2,162,461

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

The Company follows the method of accounting for its interests in mineral properties whereby all costs related to acquisition, exploration and development are capitalized by area of interest. These expenditures are carried forward where rights to tenure of the areas of interest are current, and it is expected the expenditure will be recovered through successful development and exploitation of the area of interest or alternatively by its sale, and/or the activities are continuing in the area of interest but have not yet reached a stage of development which permits reasonable assessments of existence or otherwise of economically recoverable reserves. Expenditures which no longer satisfy the above criteria are written off. The carrying value of each of its interests in mineral properties is reviewed on a regular basis. Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims.

#### Stewart Properties, British Columbia

The Stewart Properties are located in the Skeena Mining Division, British Columbia. The properties have been acquired under various option agreements, purchase agreements and by staking. All purchase option agreements have been exercised.

Certain claims are subject to a net smelter royalty ranging from 1% - 2%.

#### Option Agreements

##### Georgia River

On April 10, 2017, the Company granted an option to Decade Resources Ltd. ("Decade") to earn a 75% interest in certain mineral claims within the Georgia River area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
  - i. \$50,000 on execution of the agreement (received);
  - ii. \$75,000 on or before the first anniversary of the agreement (received);
  - iii. \$150,000 on or before the second anniversary of the agreement; and
  - iv. \$200,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
  - i. \$500,000 on or before the second anniversary of the agreement;
  - ii. \$750,000 on or before the third anniversary of the agreement; and
  - iii. \$1,000,000 on or before the fourth anniversary of the agreement.

Upon Decade earning the 75% interest, the Company will receive an 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.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### Option Agreements (continued)

##### West George Copper

On August 30, 2017, the Company granted an option to Mountain Boy Minerals Ltd. (“Mountain Boy”) to earn a 60% interest in certain mineral claims within the West George Copper area of the Stewart Properties. In order to exercise its option, Mountain Boy must:

- a) Make cash payments to the Company as follows:
  - i. \$10,000 on or before the second anniversary of the agreement; and
  - ii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
  - i. \$30,000 on or before the second anniversary of the agreement;
  - ii. \$50,000 on or before the third anniversary of the agreement; and

After earning 60% interest, each \$250,000 work expenditure performed will change the percentage ownership by 5%. If Mountain Boy earns 95% interest, the remaining 5% converts to a 1.5% NSR royalty. Once the option is exercised, the Company will receive a 2% NSR royalty of which 1% can be purchased for one million dollars.

##### Surprise Creek

On September 7, 2017, the Company granted an option to Decade to earn a 60% interest in certain mineral claims within the Surprise Creek area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
  - i. \$5,000 on execution of the agreement (received);
  - ii. \$15,000 on or before the second anniversary of the agreement; and
  - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
  - i. \$50,000 on or before the second anniversary of the agreement;
  - ii. \$70,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 60% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

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### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### Option Agreements (continued)

##### Red Cliff

On September 7, 2017, the Company granted an option to Decade to earn an 80% interest in certain mineral claims adjacent to Decade's Red Cliff property within the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
  - i. \$5,000 on execution of the agreement (received);
  - ii. \$10,000 on or before the second anniversary of the agreement; and
  - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
  - i. \$30,000 on or before the second anniversary of the agreement;
  - ii. \$50,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 80% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

Portable Assessment Credits acquired from the foregoing transactions were used to extend the expiry dates of 39 tenures totalling 9,607 hectares by five years. As the Company applied the Portable Assessment Credits to the exploration and evaluation assets, the Company has recorded the transaction on a net basis which results in a \$nil impact on exploration and evaluation assets.

### 7. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares without par value

During the quarter ended March 31, 2018, the Company had the following share transactions:

The Company issued 7,705,000 units in a private placement at \$0.08 per unit for gross proceeds of \$616,400. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at a price of \$0.10 per share until February 16, 2020. The warrants were allocated a value of \$154,100 using the residual value allocation method. The Company paid \$12,960 finders fees in relation to the issue.

The Company issued 3,013,750 shares at a price of \$0.08 per share to settle debt in the amount of \$241,100 owing to related parties.

A total of 250,000 incentive stock options were exercised for total proceeds of \$12,500.

A total of 50,000 share purchase warrants were exercised for total proceeds of \$2,500.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

### 7. SHARE CAPITAL (continued)

#### a) Authorized (continued)

During the year ended December 31, 2017, the Company had the following share transactions:

The Company issued 290,000 units at a price of \$0.05 per unit for gross proceeds of \$14,500 with each unit consisting of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share in the Company at a price of \$0.05 per share for a period of two years.

The Company issued 1,500,000 units at a price of \$0.05 per unit for gross proceeds of \$75,000 with each unit consisting of one common share and one share purchase warrant. Each full warrant entitles the holder to purchase one common share in the Company at a price of \$0.055 per share for a period of two years. The warrants were allocated a value of \$22,500 using the residual value allocation method. Finder's fees of \$2,000 were paid in connection with this issuance.

The Company issued 1,000,000 flow-through units at a price of \$0.05 per unit for gross proceeds of \$50,000 with each flow-through unit consisting of one common share and one half share purchase warrant. Each full warrant entitles the holder to purchase one common share in the Company at a price of \$0.055 per share for a period of two years. The warrants were allocated a value of \$7,500 using the residual value allocation method. There was no flow-through premium liability associated with the granting of flow-through units.

#### b) Share Purchase Warrants

A summary of share purchase warrant activity for the year ended December 31, 2017 and quarter ended March 31, 2018 is as follows:

	Number of Warrants	Exercise Price
<b>Balance outstanding at December 31, 2016</b>	<b>9,400,000</b>	<b>\$ 0.21</b>
Issued	2,340,000	0.05
Expired	(9,400,000)	0.21
<b>Balance outstanding at December 31, 2017</b>	<b>2,340,000</b>	<b>\$ 0.05</b>
Issued	7,705,000	0.10
Exercised	(50,000)	0.05
<b>Balance outstanding at March 31, 2018</b>	<b>9,995,000</b>	<b>\$ 0.09</b>

As at March 31, 2018, the Company had the following share purchase warrants outstanding:

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.05	290,000	0.93	7 March 2019
\$ 0.05	2,000,000	1.73	22 December 2019
\$ 0.10	7,705,000	1.88	16 February 2020

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

### 7. SHARE CAPITAL (continued)

#### c) Stock Options

The Company's stock option plan provides for the grant of incentive stock options for up to 3,266,000 common shares to employees, consultants, officers and directors of the Company. Options are granted for a term of up to ten years from the date granted. Stock options granted to directors, officers, employees and consultants for other than investor relations activities vest at the discretion of the directors. Options granted for investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period.

A summary of share options activity for the year ended December 31, 2017 and quarter ended March 31, 2018 is as follows:

	Number of Stock Options	Exercise Price
<b>Balance outstanding at December 31, 2016</b>	<b>1,450,000</b>	<b>\$ 0.06</b>
Issued	1,966,000	0.05
Expired	(150,000)	0.05
<b>Balance outstanding at December 31, 2017</b>	<b>3,266,000</b>	<b>\$ 0.06</b>
Exercised	(250,000)	0.05
<b>Balance outstanding at March 31, 2018</b>	<b>3,016,000</b>	<b>\$ 0.06</b>

The following table summarizes information about the stock options outstanding at March 31, 2018:

Exercise price	Number outstanding and exercisable	Weighted average Remaining years	Expiry date
\$ 0.10	350,000	1.71	December 16, 2019
\$ 0.05	200,000	0.10	May 5, 2018
\$ 0.05	200,000	0.23	June 22, 2018
\$ 0.05	150,000	0.68	December 4, 2018
\$ 0.05	950,000	6.49	September 24, 2024
\$ 0.05	550,000	8.87	February 8, 2027
\$ 0.05	100,000	9.52	October 4, 2027
\$ 0.05	516,000	9.73	December 19, 2027
	<u>3,016,000</u>		

### 8. SHAREHOLDER LOANS

On March 7, 2017, the Company borrowed \$12,000 from a small group of lenders. The loans were repaid on March 7, 2018, with 10% interest.

On August 2, 2011, certain related parties subscribed to a private placement that was not completed. In that regard, the deposits on shares of \$50,000 have been treated as shareholders' loans. These loans were repaid January 31, 2018 by shares for debt settlement.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

### 9. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

#### Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

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

	Quarter ended March 31,	
	2018	2017
Directors' fees	\$ 300	\$ -
Management and consulting fees	42,300	9,900
Geological consulting fees	2,100	-
Share based payments	-	16,826
	<u>\$ 44,700</u>	<u>\$ 26,726</u>

Other related party transactions incurred during the quarters ended March 31, 2018 and 2017.

RELATED PARTY	TYPE OF TRANSACTION	Quarter ended March 31,	
		2018	2017
Company controlled by a Director	Storage supply (included in rent and exploration and evaluation assets)	\$ 426	\$ 300

At March 31, 2018, an amount of \$15,000 (December 31, 2017 - \$472,448) 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.

As at March 31, 2018, there were no shareholder loans due. As at December 31, 2017, shareholder loans of \$50,000 were due to the former CFO and director and to the previous CEO and director of the Company (Note 8).

During the year ended December 31, 2017, the Company received loans totalling \$12,000 from directors of the Company (Note 8). During the quarter ended March 31, 2018, the principal and interest of \$12,983 was repaid.

### 10. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers capital to be components of shareholders' equity.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2018 (Unaudited – Expressed in Canadian Dollars)

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### 10. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the quarter ended March 31, 2018. The Company is not subject to externally imposed capital requirements.

### 11. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as interest receivable is from deposits with Canadian chartered banks and taxes receivable consist mainly of input tax credits receivable from the Government of Canada.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company held cash in the amount of \$408,321 (December 31, 2017 - \$134,403) to settle current liabilities of \$36,429 (December 31, 2017 - \$889,890). Included in the current liabilities of \$36,429 are consulting fees and director fees of \$15,000 owing to officers and directors.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2018, the Company held no investment-grade short-term deposit certificates.

#### b) Foreign currency risk

Foreign currency risk is the risk that variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operating and financial results. The Company does not have material balances in foreign currencies.



## **AURAMEX RESOURCE CORP.**

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### **11. FINANCIAL INSTRUMENTS (continued)**

#### *Sensitivity analysis*

The Company has cash, receivables, taxes recoverable and accounts payable and accrued liabilities denominated in US dollars. A 10% fluctuation in the US dollars against the Canadian dollar would affect net income for the quarter by approximately \$240.

#### c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **12. SEGMENT INFORMATION**

The Company has one reportable operating segment in Canada, being the acquisition, exploration and evaluation of mineral resources. All the Company's long-term assets are located in Canada.

### **13. SUBSEQUENT EVENTS**

On May 10, 2018, the Company expanded its Georgie River property holdings by acquiring the Exdale tenure in a non-related party transaction. The 654 hectare mineral tenure is located on the northern edge of the Company's Georgie River property. The 100% acquisition of the tenure is in consideration of 50,000 shares of Auramex and a retained 2% net smelter return royalty in favour of the vendor.