

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016.



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 15, 2016 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, 2016, and with the audited financial statements of the Company, and the notes thereto, for the year ended December 31, 2015. 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 more than 18,600 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 and in 2015 two tenures were added to augment these holdings.

All but one property (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.

Please refer to the company’s 2015 year end MD & A for a more fulsome discussion of the properties.

Exploration Activities in the first nine months of 2016

During the first quarter of 2016, Auramex technical staff was in the process of reporting on a geophysical synthetic aperture radar (SAR) survey that was conducted by Auracle Geospatial Science Inc. over each of its tenure blocks. The results of this survey have provided Auramex with valuable information greatly enhancing the company's understanding of structural and lithological relationships on the properties. This data will be fused with results from a compilation of all previous work in order to clarify and prioritize the next stages of exploration efforts.

The geophysical survey has been applied as assessment work on the properties and will extend their tenures to late 2017-2018.

During the second quarter of 2016, compilation work of all past exploration on Auramex' current properties have continued.

During the third quarter of 2016, geological mapping of the Lucky Frenchman target was done, and reclamation of the previous drill site was completed. Compilation work of all past exploration on Auramex' current properties has continued.

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, 2016:

	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Income (loss) for the period	(26,942)	(10,483)	(20,022)	(39,666)	(13,651)	(49,021)	(62,866)	(1,070,565)
Earnings (loss) per share Basic and diluted	(0.001)	(0.000)	(0.001)	(0.001)	(0.001)	(0.003)	(0.004)	(0.07)
Cash and cash equivalents	20,722	4,338	13,728	25,465	25,216	23,733	23,113	13,293
Working capital (deficiency)	(649,670)	(618,952)	(583,857)	(563,751)	(464,202)	(505,166)	(398,900)	(380,433)

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.

First quarter losses and third quarter losses include property tax expense in Mexico. In the first and third quarters of 2016, the loss is mitigated by a currency gain in Mexico due to a more favourable exchange rate with the Mexican peso on the tax debt.

The fourth quarter loss in 2014 includes the write-off of the Mexican property. It also includes stock based compensation expense of \$39,700 and an accrual for legal expenses in Mexico of approximately \$40,000, none of which are recurring items.

As at November 15, 2016

Cash	\$	17,636
Working capital deficiency	\$	675,875

The Company's current liabilities include \$381,890, not including out of pocket costs, owing to related parties from 2011 to date. These liabilities will be repaid only from future financing, from profitable operations or shares for debt settlements, thus the working capital deficiency at November 15, 2016 is effectively \$293,985.

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, 2016;

The Company's President, CEO and a director, Wayne Crocker, has not billed any 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. The total amount owing to him at the date of this report is \$66,791 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 reimbursement claims in the amount of \$486, and none subsequent to the period end. As at September 30, 2016, these expenses and the consulting fees are included in accounts payable. The total amount owing at the date of this report is \$167,051 which includes a loan to the Company of \$10,000. 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 \$4,095.

Paul Metcalfe, the Company's VP Exploration, is a director of Palatine Geological Ltd. which provides geological services. Fees for service submitted in the quarter total \$15,750, and expense claims submitted total \$2,582. The total invoiced amount owing to Palatine Geological Ltd. at this date is \$153,220.

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 negotiations to dispose of its Mexican interests.