

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 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 May 18, 2017 and should be read in conjunction with the condensed consolidated interim financial statements of the Company, and the notes thereto, for the three months ended March 31, 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 20,000 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. 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.

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.

Exploration Activities in the first three months of 2017

There were assessment reports prepared in the first three months of 2017, but no other exploration activity occurred.

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:

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Income (loss) for the period	(65,287)	(18,628)	(26,942)	(10,483)	(20,022)	(39,666)	(13,651)	(49,021)
Earnings (loss) per share Basic and diluted	(0.003)	(0.000)	(0.001)	(0.000)	(0.001)	(0.002)	(0.001)	(0.003)
Cash and cash equivalents	12,872	20,556	20,722	4,338	13,728	25,465	25,216	23,733
Working capital (deficiency)	(765,899)	(737,656)	(649,670)	(618,952)	(583,857)	(563,751)	(464,202)	(505,166)

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.

Third quarter losses in 2015 include property tax expense in Mexico. In the first and third quarters of 2016, the losses are mitigated by currency gains in Mexico due to a more favourable exchange rate with the Mexican peso on the tax debt.

In the first quarter of 2017, currency losses increased the expense.

As at May 18, 2017

Cash	\$	50,203
Working capital deficiency	\$	736,044

The Company's current liabilities include \$481,010, 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.

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 March 31, 2017;

The Company's President, CEO and a director, Wayne Crocker, billed \$1,200 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. Subsequent to quarter end, Mr. Crocker billed \$3,600. The total amount owing to him at the date of this report is \$72,939 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 \$1,006, and \$669 subsequent to the period end. As at March 31, 2017, \$1,658 of expenses and the consulting fees are included in accounts payable. The total amount owing at the date of this report is \$186,716 which includes a loan to the Company of \$10,000. In addition to the outstanding loan of \$10,000 Ms. Whitby loaned the Company \$7,000 as of March 7, 2017. This loan is repayable in one year and carries interest of 10%. Ms. Whitby received 28,000 common shares as a bonus for provided 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 \$4,725.

Paul Metcalfe, the Company's VP Exploration, is a director of Palatine Geological Ltd. which provides geological services. No fees for service were submitted in the quarter and expense claims submitted total \$1,651. The total invoiced amount owing to Palatine Geological Ltd. at this date is \$223,956.

In the first three months of 2017, the Company issued 1,200,000 stock purchase options to directors, management and consultants.

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.