MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016

AURAMEX RESOURCE CORP.

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 April 24, 2017 and should be read in conjunction 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.

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.

Description of the Business

The Company is engaged in the business of acquiring interests in mineral properties with exploration potential and exploring those properties to determine if they may host economic deposits of minerals. If the Company determines that a property likely does not host an economic deposit, or if maintaining a property becomes uneconomic for any other reason, it abandons the property and writes off the capitalized acquisition and deferred exploration and development costs associated with the property. As existing properties are abandoned, the Company seeks out new properties for acquisition that it considers may have the potential to host the economic mineral deposit or deposits that will result in its evolution into a producing, revenue generating entity. The exploration of mineral properties and subsequent development involves a high degree of risk and few properties that are explored are ultimately developed into producing properties.

Overall Performance

As the Company does not have a producing mineral property, its major sources of cash are equity financing from the sale of its common shares and share purchase warrants and from debt financing . The cash raised in this manner is used to cover ongoing administrative expenses and to fund exploration activities on its mineral exploration properties. The amount of money available for exploration is directly related to the amount that the Company is able to raise from these sources, after administrative expenses have been paid.

The Company is continually engaged in the process of raising money and allocating the proceeds between its current administrative needs and desired exploration activities. As funds become depleted, new financing is sought and the process is repeated. The determination as to which properties to explore, what programs to undertake and how much money to spend in each instance is made on an ongoing basis by the Company's management, in consultation with its Board of Directors and professional advisors.

As a result of the foregoing, the true measure of the Company's performance for any given period lies in the amount of money it was able to raise, the amount of exploration it was able to undertake and the results of those exploration efforts.

Selected Annual Information

The following table sets out selected financial information, presented in Canadian dollars

December 31,

			2016		2015		2014
(a)	Revenue	**$**	**Nil**	$	Nil	$	Nil
(b)	Net loss and comprehensive loss	**$**	**(76,075)**	$	(165,204)	$	(1,225,013)
(c)	Loss per share: Basic and diluted	**$**	**(0.00)**	$	(0.01)	$	(0.08)
(d)	Total Assets	**$**	**2,285,873**	$	2,165,794	$	2,105,981
(e)	Long Term Financial Liabilities	**$**	**Nil**	$	Nil	$	Nil
(f)	Cash dividends per share	**$**	**Nil**	$	Nil	$	Nil

Most general and administrative expenses have been generally consistent from year to year.

The loss for 2016 is comparatively low due to reduced activity.

The loss for 2014 includes the write off of the Magenta Project in Mexico. It is reduced by the deferred tax expense reported for 2013 reversed upon the write-off of the Mexican properties.

In 2016, the Company received a $13,950 BC mining tax recovery related to exploration expenditures in 2015.

In 2015, the Company received a $1,400 BC mining tax recovery related to exploration expenditures in 2014.

In 2014, the Company received a $9,787 BC mining tax recovery related to exploration expenditures in 2013.

The Company raised gross proceeds of $25,000 in 2016.

The Company raised gross proceeds of $40,000 in 2015.

The Company raised no funds in 2014.

Results of Operations

The Company is engaged in the business of acquiring and exploring mineral exploration properties in the hope of discovering economic deposits of minerals that can eventually be placed into production. The Company has yet to identify and develop an economic mineral deposit, and accordingly has no sales or other significant revenue and no profit.

At December 31, 2016 the Company held one mineral exploration and evaluation asset, the Stewart properties in British Columbia. No field exploration was conducted on the Stewart properties during 2016, but extensive data analysis, interpretation and compilation of geophysical data, and interpretation and compilation of geospatial data was done.

Stewart Properties, British Columbia

The Company's most important assets are thirteen exploration properties in three main areas of the Stewart gold camp in northwestern British Columbia. These properties derive from previous tenured areas that were reduced in total area from 40,000 to 19,000 hectares in 2014 to reduce costs during a period of extreme difficulty in obtaining investment capital. This area reduction consolidated ground around prospective targets and, during 2015; two tenures were added to augment these holdings. During 2017 to date, four additional tenures have been added, again to augment these holdings.

The Stewart properties are located within three main areas, all in the Skeena Mining Division. They are the Portland Canal, Bear River valley and Bowser River properties. 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. Tide North lies on the Bowser River, at the toe of the Frank Mackie Glacier

Under various agreements made between 2005 and 2010, the Company acquired 100% interest in the Stewart properties, subject to certain net smelter return royalty interests (NSR's) payable to the venders. The NSR amounts vary from 1% to 2% with caps of one or two million dollars depending on the property.

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.

Portland Canal Properties

A technical report by Dr. Paul Metcalfe, dated 10th June 2013, can be viewed on the Company's website. It describes the geology and geophysics for the general area. The single property described in the report has been refined to three tenure blocks:

Georgia River Mine

In July 2010, the Company purchased the Georgia River Gold Mine, consisting of eight crown granted claims, five reverted crown granted claims and two cell staked claims for 250,000 common shares. There are no royalties on this area.

The area contains the historic Georgia River gold mine, which contains more than 1.2 kilometres of underground workings. A portion of this area has been optioned to Decade Resources Ltd. dated April 10, 2017 for a 75% interest in the property, on the following terms: $50,000 on signing (paid), $75,000 on or before the first anniversary date, $150,000 on or before the second anniversary date and $200,000 on or before the third anniversary date with work requirements of $250,000 on or before the first anniversary date, $500,000 on or before the second anniversary date, $750,000 on or before the third anniversary date and $1,000,000 on or before 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.

The same Portland Canal area contains the adjacent one square kilometre Hume Creek airborne electromagnetic anomaly. Work carried out to date by Auramex personnel indicates that the Hume Creek Zone and the veins at the Georgia River Mine formed during the same metallogenic event and represent high-level mineralized zones deposited by a single, large hydrothermal system. This system has never been tested at depth. Two other, smaller geophysical anomalies were located elsewhere on this property by the same airborne survey and await testing.

Management hopes to attract an intermediate, or larger, company to joint venture with Auramex on this major target.

Gamebreaker

In October 2010, Auramex purchased the tenures northeast of Ashwood Lake, eight kilometres southeast of the Georgia River gold mine, by paying $10,000 cash, 100,000 shares, and 1% NSR capped at $2 million .Expenditures by previous owners had totalled more than $750,000 (1974 dollars). Two previous diamond drill projects had tested a gold anomaly known as the 1100 Zone, without grade encouragement.

Preliminary exploration by Auramex personnel in 2011 located the Gamebreaker showing, comprising a ten metre exposure of quartz vein with consistent gram-plus values of gold in the vein and sub-gram values in wallrock. The location of the showing is consistent with the structure being the source of the gold anomaly examined by previous owners. A further mineral tenure along this structural trend was added to the property in 2015. The Gamebreaker tenures are available for joint venture or sale.

East Georgie River

A single airborne geophysical anomaly was located during the 2010 airborne geophysical survey to the southeast of the main tenure block. Historical work in the area indicates that the tenure block is underlain by similar lithologies and structures to those in the Hume Creek-Mine area. The East Georgie River block awaits ground-truthing.

Bear River Valley

The single, large tenured area extending up the Bear River Valley into the Strohn Creek watershed was described in a technical report by Dr. Paul Metcalfe, P.Geo. Parts of this area were covered by two airborne geophysical surveys in 2009 and 2010. The original property has since been resolved into nine tenure blocks:

Lower Bear River

The Lower Bear River block encloses ground along structural strike from the Silbak Premier Mine, across the Bear River Ridge in the Salmon River valley. Partial coverage by a 2009 airborne geophysical survey identified three areas of anomalous conductivity beneath the river valley, called the Gravel South, Gravel and Gravel North anomalies, coincident with northwest-trending structures that cross the Bear River Ridge and proximal to an Early Jurassic Texas Creek intrusion.

Confluence

The Confluence property encloses an area adjacent to the Red Cliff property of Decade Resources, along two southeast trending structural anomalies.

Champion

The Champion property encloses the past-producing Terminus silver mine, coincident with an area of anomalous VLF-EM response located in a historic airborne geophysical survey.

Capital (includes the mineralized areas of Grey Copper and West George Copper)

The Capital property encloses an area of structurally hosted gold mineralization beneath an unconformity, coincident with conductivity anomalies located by two airborne surveys.

Lucky Frenchman

The Lucky Frenchman property encloses the historic Enterprise workings, which explored southeast-striking structures proximal to an Early Jurassic Texas Creek intrusion. These structures are coincident with strong airborne magnetic and electromagnetic anomalies and are only partially tested by drilling, to date without grade encouragement. 234 hectares have been added contiguous to this claim block in the current year to date.

Icefield

This tenure is unexplored.

Tory

The Tory property is a single tenure located in a favourable structural setting, similar to that at the Capital property. This tenure is unexplored. 360 hectares have been added contiguous to this claim block in the current year to date.

Cornice Mountain

The Cornice Mountain Breccia Zone lies southeast and along structural strike from the Lucky Frenchman. A large amount of encouraging geochemical data collected by previous workers is separated from drill-tested ground by a southeast-striking structure. 54 hectares have been added contiguous to this claim block in the current year to date.

“L” fraction

This tenure is unexplored.

Bowser River Valley

Tide North

In 2009, Geotech flew VTEM-M geophysics over parts of the Tide North property. A large, 900 by 300 metre zone of anomalous conductivity was identified and three zones within the anomaly were selected for drilling. In October 2014, Pretivm completed a 501 metre diamond drill hole into the B-Zone on behalf of Auramex, in consideration of receiving a right-of-way for a power line over the Auramex tenures. The hole was successful in testing the geophysical target, intersecting minor stratabound sulphide in highly graphitic rocks. The geological target, at the base of the Salmon River Formation, was not tested, but casing remains in the hole in anticipation of doing so. Drill core is stored in a secure warehouse in North Vancouver. Five years of work assessment was applied, keeping the property in good standing to May of 2021.

Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards (“IFRS”) for each of the last eight quarters ended December 31, 2016:

	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Income (loss) for the period	(18,628)	(26,942)	(10,483)	(20,022)	(39,666)	(13,651)	(49,021)	(62,866)
Earnings (loss) per share Basic	(0.000)	(0.001)	(0.000)	(0.001)	(0.002)	(0.001)	(0.003)	(0.004)
Earnings (loss) per share Diluted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash and cash equivalents	20,556	20,722	4,338	13,728	25,465	25,216	23,733	23,113
Working capital (deficiency)	(737,656)	(649,668)	(618,952)	(558,857)	(563,751)	(464,202)	(505,166)	(396,900)

The Company’s business of exploring mineral exploration properties with available equity and debt financing is a long term endeavour that may take several years to yield any meaningful results. 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.

Liquidity and Capital Resources

The following table summarizes the Company's cash on hand, working capital and cash flow

As at December 31,		**2016**	**2015**
Cash	$	20,566	25,465
Working capital (deficiency)		(737,656)	(563,751)
Year ended December 31		**2016**	**2015**
Cash used in operating activities		(45,372)	(47,195)
Cash provided by investing activities		15,575	22,025
Cash provided by financing activities		24,888	37,342
Change in cash	$	(4,909)	12,172

As at April 24, 2017		
Cash	$	62,877
Working capital deficiency	$	727,079

The Company's current liabilities include $484,927 owing to related parties from 2011 to date. These liabilities will only be repaid from future financing or from profitable operations.

The Company's primary source of cash is equity financing from the sale of the Company's common shares and share purchase warrants on a private placement basis. Additional cash is generated when convertible securities, such as previously issued share purchase warrants and stock options, are exercised.

The Company has two primary requirements for working capital: administrative costs and exploration expense.

During the year ended December 31, 2016, general and administrative expense totalled $76,075, compared to $165,204 in 2015. Management and consulting fees were $30,312 compared to $42,481 in 2015; professional fees were $24,616 compared to $33,866 in 2015.

On March 7, 2017, the company complete a first tranche of a private placement of 290,000 units at a price of $0.05. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share for a period of two years at a price of $0.05 per share. One director participated in the private placement.

On March 7 2107 the Company conducted a loan transaction whereby the Company borrowed $12,000 from a small group of lenders. The loans mature in one year and carry an interest rate of 10%. Two directors participated in the loan transaction.

On April 6, 2016, the company completed a private placement of 2,500,000 units at a price of $0.01 per unit for total proceeds of $25,000. Each unit consisted of one common share and one half flow-through share purchase warrant. Each share purchase warrant expired without exercise on July 6, 2016.

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 year ended December 31, 2016.

Wayne Crocker, the Company's President, CEO and a director, $45 in expenses. As at December 31, 2016, the expenses are included in accounts payable. Mr. Crocker does not have a formal consulting contract with the Company but bills for professional services at a per diem rate of $600. During the current year to date, Mr. Crocker has billed $2,400. The total amount owing to Mr. Crocker at this date is $69,839, which includes a loan payable of $40,000.

Judie Whitby, the Company's Chief Financial Officer and a director, under a contract to provide accounting, office and general management services to the Company, billed a total of $30,000 in 2016, at $2,500 per month. Ms. Whitby submits expense claims for expenses incurred on the Company's behalf, such as TSX Venture exchange and British Columbia Securities Commission filing fees, and travel expenses. In this regard Ms. Whitby submitted reimbursement claims in the amount of $2,377. As at December 31, 2016, the consulting fees and the expenses are included in accounts payable. The total amount owing to Ms. Whitby at this date is $191,012, which includes a loan payable of $10,000 and a loan of $7,000 in the loan transaction conducted March 7, 2017. Ms. Whitby also is a director of 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 at this date is $4,620.

Paul Metcalfe, the Company's VP Exploration, is a director of Palatine Geological Ltd. which provides geological services. The fees for services and expenses rendered in the year totalled $146,453. The total amount owing to Palatine Geological Ltd. at this date is $223,956.

Directors' fees of $750 were incurred during each of 2014, 2015 and 2016, and are included in accrued liabilities. Directors' fees of $2,000 have been incurred in the current year to date.

A loan of $2,500 was made by a non-management director to the Company in the loan transaction of March 7, 2017.

On February 8, 2017, the Company granted 1,200,000 stock options to directors, management and consultants. The options are exercisable at $0.05 for a period of 10 years and vest upon grant.

Wayne Crocker, CEO	200,000
Judie Whitby, CFO	200,000
Paul Metcalfe, VP Exploration	200,000
Marie Brannstrom, Director	200,000
Norm Allyn, Director	200,000
Bill Raney, Director	50,000

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

Adoption of Accounting Standards and Pronouncements under IFRS

Accounting Standards adopted during the year

The Company has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2012-2014 Cycle which were effective for annual periods beginning on or after January 1, 2016. The amendments did not have an impact on the Company's consolidated financial statements. The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but is not yet effective.

New standards and interpretations not yet adopted

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace 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. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement

IFRS 16, *Leases* ("IFRS 16"). The new standard brings most leases on balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Company has not yet assessed the full impact of IFRS 16.

Financial Instruments

The fair value of the Company's receivables, reclamation deposits, accounts payable and accrued liabilities and shareholder loans approximate carrying value which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets and liabilities.

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

Liquidity risk
The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company has $27,112 in current assets (December 31, 2015 - $30,094) to settle current liabilities of $764,768 (December 31, 2015 - $593,845).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash is held with highly rated financial institutions and management believes the risk of loss to be remote. The Company has no significant concentration of credit risk arising from operations. Most receivables consist of input tax credits receivable from the Government of Canada. All value-added taxes incurred in the current year are expensed. The Company does not believe it is subject to significant credit risk in relation to its remaining receivables.

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 of December 31, 2016, the Company had no funds invested in investment-grade short-term deposit certificates.

b) Foreign currency risk

The Company is exposed to foreign currency risk or fluctuations related to cash, receivables and taxes recoverable, and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos.

Sensitivity Analysis

The Company has cash, receivables and taxes recoverable and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. A 10% fluctuation in the US Dollar and Mexican Peso against the Canadian Dollar would affect net income for the year by approximately $21,000.

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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Additional Disclosure for Venture Issuers

The Company's business primarily involves mining exploration, and the Company has received no revenue from operations in either of its last two financial years. The following selected financial information indicates costs and expenses incurred by the Company during the years ended:

	December 31, 2016	December 31, 2015
Capitalized or expensed exploration costs		
• Mexican properties	$ 26,801	$ 57,580
• Stewart properties, B.C.	142,623	69,916

Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Nil
General and administrative expenses	48,774	165,204
Material costs not referred to in the foregoing	Nil	Nil

Disclosure of Outstanding Share Data

The Company has the following securities outstanding at April 24, 2017:

21,827,149 common shares;

2,650,000 Incentive stock options: 350,000 options at an exercise price of $0.10 per share, for the purchase of common shares, exercisable on or before December 16, 2019; 150,000 options at an exercise price of $0.05 for the purchase of common shares, exercisable on or before July 18, 2017, 950,000 at a price of $0.05 per share, for the purchase of common shares, exercisable on or before September 24, 2024; and 1,200,000 options at an exercise price of $0.05 per share for the purchase of common shares, exercisable on or before February 8, 2027.

7,073,334 share purchase warrants.

Each of 100,000 share purchase warrants entitles the holder to purchase one common share until March 7, 2018; each of 240,000 share purchase warrants entitles the holder to purchase one common share until March 7, 2018; and each of 6,733,334 share purchase warrants entitles the holder to purchase one common share until November 27, 2017, at a price of $0.25 per share.

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 or disposal 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 other than the option granted to Decade Resources Ltd. discussed in the Portland Canal Properties section earlier in this report.

The Company is in negotiations to dispose of its Mexican interests.