

**CONDENSED INTERIM FINANCIAL STATEMENTS**



**As at and for the three month period ended March 31, 2019**  
**(Expressed in Canadian dollars)**

## **AURAMEX RESOURCE CORP**

### **NOTICE TO READER**

The accompanying condensed interim financial statements of Auramex Resource Corp., for the three months ended March 31, 2019, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

**AURAMEX RESOURCE CORP.**

Condensed Interim Statements of Financial Position

As at March 31, 2019 and December 31, 2018

(Expressed in Canadian dollars)

	<b>March 31 2019</b>	December 31 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 215,329	\$ 370,453
Receivables	9,206	14,033
Prepaid expenses	878	6,878
	<u>225,413</u>	<u>391,364</u>
<b>Exploration and evaluation assets (Note 5)</b>	<u>2,576,173</u>	<u>2,493,300</u>
	<u>\$ 2,801,586</u>	<u>\$ 2,884,664</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 74,009	\$ 76,893
	<u>74,009</u>	<u>76,893</u>
<b>STOCKHOLDERS' EQUITY</b>		
Share Capital (Note 4)	14,784,750	14,671,796
Subscription Receipts	-	70,000
Equity reserves	1,252,408	1,218,228
Deficit	(13,309,581)	(13,152,253)
	<u>2,727,577</u>	<u>2,807,771</u>
	<u>\$ 2,801,586</u>	<u>\$ 2,884,664</u>
<b>Nature and continuance of operations (Note 1)</b>		
<b>Subsequent events (Note 8)</b>		

Approved, and authorized by the board of directors on May 29, 2019:

“Lawrence Roulston”  
Director

“Marie Brannstrom”  
Director

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

**AURAMEX RESOURCE CORP.**

Condensed Interim Statements of Operations and Comprehensive Loss

For the three month periods ended March 31, 2019 and 2018.

(Expressed in Canadian dollars)

	<b>2019</b>		<b>2018</b>
<b>Expenses</b>			
Bank charges, interest and penalties	\$ 364	\$	456
Currency exchange gain	-		(70)
Directors fees	-		300
Insurance	1,001		986
Management and consulting fees (Note 5)	43,327		42,353
Marketing and promotion	37,640		2,103
Office and sundry	2,758		667
Professional fees	28,477		14,630
Share-based payment expense (Notes 4 and 5)	34,180		-
Transfer agent and filing fees	9,500		16,041
Travel	7,293		11
	<b>(164,540)</b>		<b>(77,477)</b>
<b>Interest Income</b>	<b>206</b>		<b>3</b>
<b>Recovery of flow-through premium</b>	<b>7,006</b>		<b>-</b>
<b>Gain on sale of subsidiary</b>	<b>-</b>		<b>301,301</b>
<b>(Loss) earnings and comprehensive (loss) earnings for the period</b>	<b>\$ (157,328)</b>	<b>\$</b>	<b>223,827</b>
<b>(Loss) earnings per share – basic and diluted</b>	<b>\$ (0.003)</b>	<b>\$</b>	<b>0.007</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>45,991,455</b>		<b>30,270,024</b>

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

**AURAMEX RESOURCE CORP.**

## Condensed Interim Statements of Cash Flows

For the three month periods ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

	2019	2018
<b>Operating Activities</b>		
(Loss) earnings for the year	\$ (157,328)	\$ 223,827
Items not involving cash:		
Recovery of flow-through premium	(7,006)	-
Share-based payment expense	34,180	-
Gain on sale of subsidiary	-	(301,301)
Changes in operating assets and liabilities		
Receivables and prepaid expenses	10,825	2,363
Accounts payable and accrued liabilities	4,124	(311,060)
	<u>(115,205)</u>	<u>(386,171)</u>
<b>Investing Activities</b>		
Option payments received	-	75,000
Acquisition of exploration and evaluation assets	(57,123)	(33,351)
	<u>(57,123)</u>	<u>41,649</u>
<b>Financing Activities</b>		
Shares issued for cash, net of share issuance costs	5,704	603,440
Shares issued on exercise of stock options	-	12,500
Shares issued on exercise of warrants	11,500	2,500
	<u>17,204</u>	<u>618,440</u>
<b>Increase in cash</b>	<b>(155,124)</b>	<b>273,918</b>
<b>Cash, beginning of year</b>	<b>370,453</b>	<b>134,403</b>
<b>Cash, end of period</b>	<b>\$ 215,329</b>	<b>\$ 408,321</b>
<b>Supplemental disclosure of cash flow information</b>		
Shares issued under property agreements	\$ 25,750	\$ -
Shares issued in settlement of accounts payable and accrued liabilities	-	221,455
Shares issued in settlement of shareholder loans	-	49,783

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

**AURAMEX RESOURCE CORP.**

Condensed Interim Statement of Changes in Stockholders' Equity  
For the years three month periods ended March 31, 2019 and 2018  
(Expressed in Canadian dollars)

<b>Share Capital</b>						
<b>Issued and outstanding</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Subscription Receipts</b>	<b>Equity reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
<b>Balance as at December 31, 2017</b>	<b>23,327,149</b>	<b>\$ 13,383,553</b>	<b>\$ -</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 period	-	-	-	-	223,827	223,827
<b>Balance as at March 31, 2018</b>	<b>35,345,899</b>	<b>\$ 14,088,993</b>	<b>\$ -</b>	<b>\$ 1,345,552</b>	<b>\$ (12,899,276)</b>	<b>\$ 2,535,269</b>
<b>Balance as at December 31, 2018</b>	<b>44,668,899</b>	<b>\$ 14,671,796</b>	<b>\$ 70,000</b>	<b>\$ 1,218,228</b>	<b>\$ (13,152,253)</b>	<b>\$ 2,807,771</b>
Shares issued pursuant to private placements	1,550,000	77,500	(70,000)-	-	-	7,500
Shares issued pursuant to property option agreements	475,000	25,750	-	-	-	25,750
Share issuance costs	-	(1,796)	-	-	-	(1,796)
Shares issued pursuant warrant exercises	230,000	11,500	-	-	-	11,500
Share based payments	-	-	-	34,180	-	34,180
Loss and comprehensive loss for the period	-	-	-	-	(157,328)	(157,328)
<b>Balance as at March 31, 2019</b>	<b>46,923,899</b>	<b>\$ 14,784,750</b>	<b>\$ -</b>	<b>\$ 1,252,408</b>	<b>\$ (13,309,581)</b>	<b>\$ 2,727,577</b>

The accompanying notes are an integral part of these financial statements

## AURAMEX RESOURCE CORP.

### Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(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 (“TSXV”). The Company is currently active in the acquisition, exploration and evaluation of mineral properties.

The address of the Company’s registered and corporate office 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 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, 2019	December 31, 2018
Working capital surplus / (deficiency)	\$ 151,404	\$ 314,471
Deficit	(13,309,581)	(13,152,253)

#### 2. BASIS OF PREPARATION

The financial statements of the Company are presented in Canadian dollars, unless otherwise indicated.

These condensed interim financial statements of the Company as at and for the three month period ended March 31, 2019, with comparative information as at December 31, 2018 and for the three month period ended March 31, 2018, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Canadian Institute of Chartered Accountants, as applicable to the preparation of interim financial statements including IAS 34. These unaudited interim financial statements do not include all of the disclosures required for annual financial statements and hence should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2018. These unaudited condensed interim financial statements follow the same significant accounting policies as those included in the Company’s most recent annual financial statements, except as described herein.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

### 2. BASIS OF PREPARATION (Continued)

#### Accounting Standards adopted during the period.

IFRS 16, Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has determined the impact of IFRS 16 to be not material.

#### Accounting standards and amendments issued but not yet adopted

There are no IFRS that are not yet effective that would be expected to have a material impact on the Company.

### 3. EXPLORATION AND EVALUATION ASSETS

#### Acquisition Costs

<b>Balance, December 31, 2017</b>	<b>\$ 351,760</b>
Additions	17,750
Option payments received	(75,000)
<b>Balance, December 31, 2018</b>	<b>\$ 294,510</b>
Additions	40,750
Option payments received	-
<b>Balance, March 31, 2019</b>	<b>\$ 335,260</b>

#### Deferred Exploration

<b>Balance December 31, 2017</b>	<b>\$ 1,852,350</b>
Geological, mapping and field expenses	305,100
Geophysics	40,050
Permits, taxes and assessment fees	1,290
<b>Balance, December 31, 2018</b>	<b>\$ 2,198,790</b>
Geological, mapping and field expenses	40,998
Geophysics	-
Permits, taxes and assessment fees	1,125
<b>Balance, March 31, 2019</b>	<b>\$ 2,240,913</b>

#### Total Exploration and Evaluation Assets

<b>Balance, December 31, 2018</b>	<b>\$ 2,493,300</b>
<b>Balance, March 31, 2019</b>	<b>\$ 2,576,173</b>

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. The Company has mineral property interests in Canada and formerly in México. The Company has investigated title to all of its mineral property interests, and, to the best of its knowledge, title to all of its interest are in good standing.

## **AURAMEX RESOURCE CORP.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

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### **3. EXPLORATION AND EVALUATION ASSETS (Continued)**

#### **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. Certain claims are subject to a net smelter royalty ("NSR") ranging from 1% - 2%, or are subject to ongoing option agreements.

During the three months ended March 31, 2019 the Company has entered into the following property agreements:

##### *Dorothy 2*

Entered an option to acquire a 100% interest in the Dorothy 2 property, located in the Stewart camp of British Columbia's Golden Triangle.

In order to exercise the option, the Company must deliver to the vendor \$5,000 (paid) and 100,000 shares upon regulatory approval (issued), 100,000 shares and \$10,000 on each of the first, second and third anniversaries, and 300,000 shares and \$10,000 before the fourth anniversary. The vendor retains a 2.5% net smelter return royalty, of which one-half percent can be purchased for \$1-million until 90 days after the start of commercial production. The Company is required to keep the property in good standing and carry out \$150,000 of work over 4 years.

##### *Bayview / Comet*

Acquired certain tenures covering the Bayview and Comet occurrences for consideration of 100,000 shares of the Company (issued).

##### *Rufus*

Entered an option to acquire a 75% interest in the Rufus property, located in the Stewart camp of British Columbia's Golden Triangle.

In order to exercise the option, Auramex must deliver to the vendor 175,000 shares upon regulatory approval (issued), 175,000 shares on each of the first and second anniversaries and 225,000 shares before the third anniversary. The vendor retains a 2% NSR royalty, of which one half can be purchased for \$1 million until 90 days after the start of commercial production.

##### *Silver Crown*

Entered an option to acquire a 100% interest in the Silver Crown property, located in the Stewart camp of British Columbia's Golden Triangle.

In order to exercise the option, the Company must pay to the vendor \$10,000 (paid) and 100,000 common shares of the Company on upon regulatory approval (issued). A further \$110,000 and 400,000 common shares of the Company are payable over four years. The vendor retains a 2% NSR, of which one-half can be purchased for \$1-million until 90 days after the start of commercial production, with an advance royalty commencing in 2026.

The Company has optioned to Mountain Boy the right to earn a 100% interest in a portion of the Silver Crown property. The Company and Mountain Boy will receive pre-determined portions of the property upon exercise of the underlying option agreement. In return, Mountain Boy has agreed to fund a *pro rata* portion of the underlying agreement, as determined by the relative areas of the properties to be received by each company.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

### 4. SHARE CAPITAL

#### a) Authorized

Unlimited number of common shares without par value

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

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.

230,000 warrants were exercised for gross proceeds of \$11,483.

#### b) Share Purchase Warrants

A summary of share purchase warrant activity for the period ended March 31, 2019 is as follows:

	Number of Warrants	Exercise Price
<b>Balance outstanding at December 31, 2017</b>	<b>2,340,000</b>	<b>0.05</b>
Issued	8,105,000	0.10
Exercised	(50,000)	0.05
<b>Balance outstanding at December 31, 2018</b>	<b>10,395,000</b>	<b>\$ 0.08</b>
Issued	775,000	0.05
Expired	(60,000)	0.05
Exercised	(230,000)	0.05
<b>Balance outstanding at March 31 2019</b>	<b>10,880,000</b>	<b>\$ 0.08</b>

As at March 31, 2019, the Company had the following share purchase warrants outstanding:

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.05	2,000,000	0.73	December 22, 2019
\$ 0.10	7,705,000	.88	February 16, 2020
\$ 0.10	400,000	1.67	November 29, 2019
\$ 0.10	775,000	1.84	January 29, 2020

#### c) Stock Options

The Company has a 10% rolling stock option plan.

The Company's stock option plan provides for the grant of incentive stock options 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.

**AURAMEX RESOURCE CORP.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

**4. SHARE CAPITAL (continued)**

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 and are subject to the policies and approval of the TSXV, and the Company's stock option plan.

A summary of share options activity for the period ended March 31, 2019 is as follows:

	Number of Stock Options	Exercise Price
<b>Balance outstanding at December 31, 2017</b>	<b>3,266,000</b>	<b>0.06</b>
Granted	518,000	0.06
Exercised	(250,000)	0.05
Expired	(150,000)	0.05
<b>Balance outstanding at December 31, 2018</b>	<b>3,384,000</b>	<b>0.05</b>
Granted	782,000	0.05
<b>Balance outstanding at March 31, 2019</b>	<b>4,166,000</b>	<b>\$ 0.06</b>

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

Exercise price	Number outstanding and exercisable	Remaining years	Expiry date
\$ 0.10	350,000	0.02	April 6, 2019 <sup>1</sup>
\$ 0.05	1,050,000	0.02	April 6, 2019 <sup>1</sup>
\$ 0.05	150,000	0.31	July 23, 2019
\$ 0.05	518,000	4.48	July 12, 2023
\$ 0.05	400,000	5.49	September 24, 2024
\$ 0.05	500,000	7.87	February 8, 2027
\$ 0.05	416,000	8.73	December 19, 2027
\$ 0.05	782,000	4.83	January 28, 2024

<sup>1</sup>Expired unexercised subsequent to March 31, 2018.

**Share-based payments**

The Company recognizes share-based payment expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options. The risk free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average term is the average expected period to exercise, based on the historical activity. The expected volatility is based on the historical volatility of the Company.

## AURAMEX RESOURCE CORP.

### Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

#### 4. SHARE CAPITAL (continued)

During the three months ended March 31, 2019 the Company recognized share-based payment expense of \$34,180 (2018 - \$Nil) using the following weighted average assumptions:

	March 31, 2019	March 31, 2019
Share price	\$0.05	-
Risk-free interest rate	1.83%	-
Expected life of options	5 years	-
Annualized volatility	195.9%	-
Expected forfeitures	0%	-
Dividend rate	0%	-
Fair value per option	\$0.044	-

#### 5. 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:

	Three months ended March 31,	
	2019	2018
Directors' fees	\$ -	\$ 300
Management and consulting fees	56,000	42,300
Geological consulting fees	31,671	2,100
Share based payments	23,252	-
	<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.

#### 6. FINANCIAL INSTRUMENTS

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the statement of financial position due to their short terms to maturity or ability of prompt liquidation. The Company's other financial instrument, cash, under the fair value hierarchy is measured at fair value based on level one quoted prices in active markets for identical assets and liabilities.

## **AURAMEX RESOURCE CORP.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

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### **6. FINANCIAL INSTRUMENTS (Continued)**

**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 ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company has cash of \$215,329 to settle current liabilities of \$74,009. The Company is exposed to liquidity risk.

#### 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 receivables. 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. Receivables consist of input tax credits receivable from the Government of Canada. The Company does not believe it is subject to significant credit risk in relation to its 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 interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand 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 March 31, 2019, the Company had no funds invested in investment-grade short-term deposit certificates.

##### b) Foreign currency risk

The Company's exposure to foreign currency risk or fluctuations related to amounts, denominated in US Dollars is minimal, subsequent to the disposal of its subsidiary.

##### 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.

### **7. 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.

**AURAMEX RESOURCE CORP.**

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2019

(Expressed in Canadian Dollars)

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**8. SUBSEQUENT EVENTS**

Subsequent to March 31, 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.