AURAMEX RESOURCE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2005

The following discussion and analysis of financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at May 20, 2005, and should be read in conjunction with the unaudited consolidated financial statements of the Company, and the notes thereto, for the period ended March 31, 2005 and with the audited financial statements for the year ended December 31, 2004. 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. Additional information relating to the Company is available on SEDAR at www.sedar.com.

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. While the Company has acquired and explored a number of properties over the years, it has yet to identify and develop an economic mineral deposit. 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, it has no source of cash other than debt financing and equity financing from the sale of its common shares and share purchase warrants. The cash raised in this manner is used to cover ongoing administrative expense 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.

Working capital at March 31, 2005 was $389,731 compared to $52,048 (after deducting $53,600 share subscriptions received) at March 31, 2004. The cash component of working capital at the same dates was $453,601 and $108,906 (after deducting the $53,600 in share subscriptions received), respectively. During the quarter, the Company received $100,000 on a private placement, and received $97,750 from the exercise of warrants. In the same period in the previous year, the Company received $53,600 in share subscriptions on a private placement offering of up to $200,000 and $68,500 from debt financing on a loan transaction of up to $100,000.

At December 31, 2004 the Company's working capital was $242,686 and the cash component was $382,251.

Overall, the Company was able to raise sufficient funds during the quarter to cover its administrative expenses and to conduct a mapping and soil sampling program on the Magenta property in Mexico. This performance was in line with management's expectations for the period.

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.

As stated previously, the Company is dependent on equity and debt financing to raise funds to explore its properties. The availability of such financing is directly affected by world prices for metals, particularly gold, as higher metal prices increase the potential value of any resource containing those metals that the Company might discover. Typically, higher metal prices also favourably influence the performance of stock markets, including the TSX Venture Exchange on which the Company's shares are listed, thereby improving the Company's prospects for selling its debt and equity securities and potentially enhancing the price at which such securities can be sold.

Gold and other metal prices were higher in the first quarter of 2005 than in 2004. At the beginning of January 2005, gold was US$427.75 (January 2004 – US$415.20) and at the end of March 2005 it was US$427.50 (March 2004 – US$423.00). Subsequent to the quarter end the price of gold had declined, but at US$418.00 per ounce on May 20 2005, it should not adversely affect the Company's ability to raise equity financing. There can be no assurance that relatively high gold and other metal prices will continue.

At March 31, 2005 the Company held three mineral exploration properties, the Summit/Oldtimer property, British Columbia, the Magenta property, Mexico, and the Brandywine property, British Columbia. A description of each project is contained in the following.

Summit/Oldtimer Property, British Columbia

The Summit/Oldtimer property, when acquired in 2004, consisted of 30 mineral claims totaling 54 units and covering 1100 hectares, mostly on the south side of Clearwater creek, approximately 10 kilometers northeast of Ymir, in the Nelson Mining Division, British Columbia. The area under option has been expanded in 2005 by the addition of contiguous ground totaling approximately 1900 hectares, at a staking cost of $563. The Ymir property is situated in the northeastern part of the Ymir gold camp and straddles a complex contact zone between granodiorite of the Nelson Plutonic series and Ymir Group metasediments. Access to the property is by 4X4 vehicle along 12 kilometers of the Clearwater Creek Forestry road, off highway #6 approximately 10 kilometers south of Nelson, B.C.

The property is held under an option agreement entered into in February 2004. Under the agreement, the Company has the right to acquire up to a 100% interest in the property by paying $50,000 to the optionor (paid), incurring property expenditures of $50,000 per year in 2004 ($63,000 incurred in 2004) through 2008, and making payments to the optionor of $30,000 in 2006, $35,000 in 2007 and $40,000 in 2008. These latter payments are reduced by the amount of any net smelter returns royalties paid to the optionor pursuant to the royalty referred to hereafter. Having made the payments and incurred the property expenditures referred to in the foregoing, the Company can acquire an interest of from 25% to 100% in the property by paying, on or before January 31, 2008, $6500 for each 1% interest purchased, less the amount of all payments received by the optionor to that date other than the initial $50,000 payment. The property is subject to a 2% net smelter returns royalty in favour of the optionor, capped at $650,000 less the amount of all non-royalty payments previously received by the optionor, other than the initial $50,000 payment.

The Company completed a four hole diamond drill program at the end of July of 2004. Three holes in the Summit area of the property intersected a quartz vein and returned anomalous values in gold, but less than 0.5 grams/tonne. The fourth hole, drilled in the Oldtimer area, intersected 13.3 grams per tonne gold over a true width of 4.4 metres from 100.8 metres to 105.6 metres down hole. The Company views this hole as potentially significant because of its 300 metre strike distance from seven historical holes with similarity of grade and thickness. The Company plans to drill test the continuity of mineralization in the vicinity of the historic drill holes and this recent hole, and has raised $300,000 in flow-through financing for this purpose. The Company intends to conduct this program in June of 2005.

In a 43-101 compliant report, dated April 5, 2005, David St. Clair Dunn reports on the details of the diamond drilling to date and outlines the proposed 2005 drilling program. This report has been filed on SEDAR and is available both on the SEDAR website at www.sedar.com and on the Auramex website at www.auramex.com. Further particulars concerning the Summit/Oldtimer property can be obtained by reference to this report entitled “Report on Diamond Drilling on the Summit/Oldtimer Property”.

Magenta Property, Mexico

The Company’s Magenta property, located near Culiacan, Sinaloa State, Mexico, comprises 4,748 hectares of staked ground and the El Fierro concession covering 732 hectares.

With respect to the 732 hectare El Fierro exploration concession, Exploracion Auramex S. A. de C. V., the Issuer’s wholly owned Mexican subsidiary (“Auramex Mexico”), entered into an option agreement dated April 8, 2003, as amended, with Exploracion Azteca S.A. de C.V. (“Azteca”), the wholly owned subsidiary of Nordic Gold Corp., a reporting company listed on the NEX Board of the TSX Venture Exchange. Under the agreement, Auramex Mexico can earn an 85% interest in the acreage by causing back taxes of approximately US$6,000 to be paid on the concession, causing the Company to issue 20,000 common shares and incurring property expenditures totaling US$200,000 over five years, of which US$140,000 need not be spent until the last year (2007). To date the back taxes have been paid, the 20,000 shares have been issued and exploration expenditures of approximately CDN$146,000 have been incurred on the El Fierro concession. Upon Auramex Mexico earning its interest, Azteca may either participate in a joint venture for the remaining 15% or convert to a 2% net smelter returns royalty. Azteca will automatically convert to a 2% NSR in the event that its interest under the joint venture is diluted to 10% or less.

4,672 hectares comprising the original area of the Magenta property was acquired by staking, at a cost to the Company of approximately $14,900. The staked ground surrounds the El Fierro concession on all sides and surrounds certain other claims, totaling 700 hectares, not controlled by the Company. In the current year, the Company has staked 76 hectares of the aforementioned 700 hectares at a staking cost of approximately $3,000. Formal title has not yet been issued.

Since acquisition of the property in 2003, the Company has conducted several exploration programs under the supervision of David St. Clair Dunn, P.Geo. (“Dunn”). An initial evaluation of the property consisting of a property examination, reviewing historic reports and sampling, was conducted in the spring of 2003. An exploration program of trenching and soil sampling was conducted in the fall of 2003. Total exploration expenditures on the Magenta property during 2003 amounted to $110,399.

In the spring of 2004, Dunn supervised a program of Induced Polarization and Resistivity Surveying and some sampling. Results of the IP survey, conducted by Pacific

Geophysical Limited, is reported by Dunn in a report dated June 15, 2004 entitled "Report on Geochemical and Geophysical Progress on the Magenta Property". The Company expended approximately $50,000 on the work. Several drill targets were identified, as well as areas that should have additional geophysical work to determine if drill targets exist there. A 700 metre drill program consisting of five holes was completed October 23, 2004. Total exploration expenditures on the Magenta property during 2004 amounted to $224,535.

The drill program tested three locations, namely La Prieta #1, copper/gold porphyry zone and El Fierro zone. The assays at La Prieta #1 and El Fierro, although anomalous in gold, copper, silver, nickel and cobalt, were too low to be considered potentially economic. The results at the copper/gold porphyry zone were encouraging and indicative of the need for additional exploration. The report, entitled "Report on Diamond Drilling on the Magenta Property" has been filed on SEDAR and is available on the SEDAR website at www.sedar.com and on the Auramex website at www.auramex.com.

There have been additional expenditures on the property in the current year. The Company is evaluating the copper/gold porphyry zone over a north/south length of 1.5 kilometres, and one kilometre east/west. Prospecting, mapping, and soil sampling were conducted in April, and approximately ten days more mapping is currently being conducted. The scope of this exploration program has been outlined in a report by Dunn dated April 5, 2005.

Brandywine Property, British Columbia

The Brandywine property comprises a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual payments of $50,000 following commencement of commercial production, in a mining lease and five located mineral claims consisting of 51 units located in the Vancouver Mining Division, British Columbia. The property is approximately 1,320 hectares in area.

A geological report in accordance with National Instrument 43-101 was prepared by David St. Clair Dunn, P.Geo., and is dated June 3, 2003 (the "Brandywine Report"). The Brandywine Report reviews previous work conducted on the property and recommends a Phase 1 exploration program consisting of geological mapping and geophysical surveying at an estimated cost of $70,000. Contingent upon the results from Phase 1, the report recommends a Phase 2 program consisting of diamond drilling at an estimated cost of $475,000. The Brandywine Report has been filed on SEDAR and is available on the SEDAR website at www.sedar.com.

While the Company considers the Brandywine property to warrant further work, due to the outstanding issues related to a penstock and power lines erected on the property by a third party and the Company's limited financial resources, management has determined that, for the short term at least, the Company's interests will be better served by allocating its available exploration dollars to the Summit/Oldtimer and Magenta properties.

The Company has utilized Portable Assessment Credits to maintain the claims in good standing until April 13, 2010, but has no immediate plans for further expenditures on the property.

Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with GAAP, for each of the last eight quarters ending March 31, 2005.

			2005		**2004**				
			First quarter		Fourth quarter		Third quarter		Second quarter
(a)	Revenue	$	Nil	$	Nil	$	Nil	$	Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	$	72,677	$	(265,039)	$	(94,295)	$	(106,269)
(c)	Income (Loss) per share:								
	Basic -	$	0.007	$	(0.03)	$	(0.012)	$	(0.006)
	Fully Diluted -	$	0.004	$	(0.03)	$	(0.012)	$	(0.006)
(d)	Net Income (loss)	$	72,677	$	(265,039)	$	(94,295)	$	(106,269)
(e)	Net Income (loss) per share:								
	Basic -	$	0.007	$	(0.03)	$	(0.015)	$	(0.006)
	Fully Diluted -	$	0.004	$	(0.03)	$	(0.015)	$	(0.006)

			2004		**2003**				
			First quarter		Fourth quarter		Third quarter		Second quarter
(a)	Revenue	$	Nil	$	Nil	$	Nil	$	Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	$	(40,404)	$	(312,164)	$	(12,459)	$	(39,308)
(c)	Loss per share:								
	Basic -	$	(0.06)	$	(0.08)	$	(0.03)	$	(0.009)
	Fully Diluted -		(0.06)	$	(0.08)	$	(0.03)	$	(0.009)
(d)	Net loss	$	(40,404)	$	(312,164)	$	(12,459)	$	(39,308)
(e)	Net loss per share:								
	Basic -	$	(0.06)	$	(0.08)	$	(0.03)	$	(0.009)
	Fully Diluted -	$	(0.06)	$	(0.08)	$	(0.03)	$	(0.009)

Losses for the fourth quarter of 2003 have been restated to recognize the change in accounting policy related to stock based compensation.

The income shown in the first quarter of 2005 is due to the recognition of the Income Tax effect of the renunciation of qualified Canadian exploration expenditures in the amount of $106,860.

Fluctuations in results from quarter to quarter will be caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and will not be indicative of any particular trend in the Company's overall performance. Fourth quarter losses are higher than the first three quarters because of year end entries, mainly the recognition of stock based compensation expense for stock options.

Liquidity and Capital Resources

The Company has two sources of cash: equity financing and debt financing.

The primary method of equity financing is 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.

Debt financing is achieved by borrowing money from small groups of lenders. Typically, the lenders are paid interest on the money loaned and issued bonus shares as additional consideration for the loans. The Company often attempts to borrow money from holders of its in-the-money share purchase warrants, with a view to offsetting the amount required to repay the funds borrowed with the amount required to exercise the warrants, thereby effectively converting the debt to equity.

During the current financial year to the date hereof, the Company has raised an additional $100,000 by the issue of 500,000 common shares and an equivalent number of share purchase warrants, and has raised $166,730 from the exercise of warrants. Of these amounts, the $100,000 in private placement proceeds and $97,750 from the exercise of warrants was received during the quarter ended March 31, 2005. At the date hereof, the Company has working capital of $298,542.

In the last fiscal year, and in this fiscal year to date the Company has successfully raised sufficient equity and debt financing to pay its administrative costs as they become due and to carry out modest exploration programs on its mineral exploration properties. While certain of its administrative costs are fixed and unavoidable, the Company is able in large part to tailor its expenditures to the amount of capital available at any given time. This is particularly true with respect to exploration expenditures. For this reason, the Company has been able, to date, to generate sufficient amounts of cash in the short term to fund its ongoing activities.

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.

One trend that has favourably influenced the Company's capital resources has been rising world prices for gold and a number of other precious and base metals. As the Company's

Magenta property, in particular, is prospective for gold, silver, nickel, cobalt, copper and other metals, increased prices assist the Company in raising money for property exploration. Obviously, falling prices for these metals could be expected to have the opposite effect. The Company does not know of any other trends, nor does it expect any fluctuations, that may have an impact on its capital resources, but such trends and fluctuations cannot be accurately predicted and may arise.

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

During the quarter ended March 31, 2005, general and administrative expense totaled $35,341. At the date hereof, the Company has working capital of $298,542 and expects that approximately $200,000 will be required to fund general and administrative expense for the balance of the year.

Exploration expense is much more discretionary in that the Company can tailor the amount and timing of such expenditures to fit available capital. During the quarter ended March 31, 2005, the Company expended $2,700 on property acquisition and $29,942 on exploration and related property expenditures. A further $43,000 has been advanced toward the drill program scheduled to begin at Ymir in June. The Company estimates that a minimum of $410,000 will be needed to fund the exploration the Company intends to undertake during the balance of 2005.

Loans in the amount of $100,000 were taken down in 2004. Some of these loans have been repaid and the balance are repayable, together with interest, on July 1, 2005. The Company will require the sum of $43,900 to fund the repayment of these loans.

Given the foregoing estimate of administrative expense, the intended amount of exploration expense and loan repayment requirements, the Company will require approximately $325,000 in new capital for the balance of the year. Management expects that at least this amount can be raised from the Company's conventional sources of financing.

There are 1,971,000 warrants outstanding that are exercisable at $0.12 on or before October 27, 2005 that are in the money. If these warrants are exercised, $236,520 will be added to the treasury.

Transactions With Related Parties

The Company was party to the following transactions with related parties during the quarter ended March 31, 2005.

Heather Conley, the Company's President, received $7,500 in management consulting fees. The management contract in this regard is ongoing and Ms. Conley has received a further $5,000 pursuant to the contract in April and May.

Ms. Conley is also an associate of Robert A. Young & Associates ("RAYA") and is the spouse of its principal, Robert Young. RAYA provides investor relations services under a contract dated December 1, 2004. During the quarter ended March 31, 2005, the Company paid $4,500 to RAYA under this contract, and a further $3,000 has been paid to date.

Judie Whitby, the Company's Chief Financial Officer and Secretary, receives $3,500 per month for providing accounting, office and general management services to the Company. During the quarter ended March 31, 2005, Ms. Whitby received the sum of $10,500 pursuant to this arrangement, and has received a further $3,500 to date.

Ms. Whitby also received $2,679 as reimbursement for out-of-pocket costs during the quarter ended March 31, 2005.

Ms. Whitby loaned $15,000 to the Company as part of the $100,000 debt financing referred to in the discussion under Liquidity and Capital Resources. The loan bears interest at 5% and is repayable on July 1, 2005. Ms. Whitby received 10,000 shares as a bonus for the loan. Ms. Whitby was repaid $10,000 of the loan plus interest on April 4, 2005.

Kamaka Resources Ltd. loaned $4,000 to the Company as part of the same $100,000 debt financing. Kamaka Resources Ltd. is wholly owned by Peter Dasler, a director and President of the Company's Mexican subsidiary. Kamaka received 2,667 shares as a bonus for the loan. Kamaka Resources Ltd. was repaid in full on April 4, 2005.

The Company's primary supplier of legal services is Forth & Company, which is a sole proprietorship of Clive Forth, a director of the Company. During the quarter ended March 31, 2005, Forth & Company was paid the sum of $26,415 in legal fees, which included disbursements, and taxes that Forth & Company is required to remit to the provincial and federal governments. Of this amount, $17,973 is recorded as a cost against capital for share issuance related costs.

Forth & Company and Robert Lee, a director of the Company, have agreed to extend to April 1, 2006 the time of payment of certain obligations totaling $179,815 as referred to in the notes to the audited financial statements at December 31, 2004. Robert Lee was owed the sum of $26,579, which amount was repaid on April 6, 2005. The Company had an accrued liability of $153,236 to Forth & Company for unbilled legal work from previous periods. At the date hereof, $18,257 had been billed and paid. The remaining long term liability is $134,979.

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

Financial Instruments

As at May 20, 2005, the Company has cash in the amount of $362,744 (At March 31, 2005 - $453,600) The Company's accounts receivable consist of GST refundable of $4,867 and interest receivable on bank accounts and term deposits, in the amount of $639. (At March 31, 2005, $2,003 and $12 respectively)

The current liabilities of the Company as at May 20, 2005 are $69,069 consisting of accounts payable of $16,334 including unpaid exploration expenditures of $6,917 and trade payables of $7,578, shareholder loans of $43,672 including accrued interest of $2,172, accrued audit expense of $6,400 and accrued tax of $2,330 on flow through funds not yet spent. At March 31, 2005, current liabilities were $68,022 consisting of accounts payable of $3,998 (all trade payables), shareholder loans of $58,024, including accrued interest of $2,524, and accrued audit expense of $6,000.

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 in the first quarter of this year and of last year.

	Quarter ending Mar.31/05	Quarter ending Mar.31/04
Capitalized or expensed exploration and development costs		
• Magenta property, Mexico	10,529	126,223
• Brandywine property, B.C.	Nil	10,353
• Ymir property, B.C.	625	Nil
Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Ni
General and administrative expenses	35,341	40,404
Material costs not referred to in the foregoing	Nil	Nil

Disclosure of Outstanding Share Data

The Company has the follow securities outstanding at the date hereof.

- 11,730,749 common shares.

- share purchase warrants entitling the holders thereof to purchase a total of 1,971,000 common shares of the Company on or before October 27, 2005 at a price of $0.12 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 321,500 common shares of the Company on or before May 3, 2006 at a price of $0.40 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 353,500 common shares of the Company on or before July 29, 2006 at a price of $0.40 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 625,000 common shares of the Company on or before Sept 22, 2006 at a price of $0.40 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 587,500 common shares of the Company on or before November 17, 2006 at a price of $0.50 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 500,000 common shares of the Company on or before December 30, 2006 at a price of $0.25 per share.

- share purchase warrants entitling the holders thereof to purchase a total of 500,000 common shares of the Company on or before March 16, 2007 at a price of $0.20 per share.

- stock options entitling the holders thereof to purchase a total of 825,000 common shares of the Company on or before August 26, 2008, at a price of $0.15 per share.

- stock options entitling the holders thereof to purchase a total of 380,000 common shares of the Company on or before December 12, 2008, at a price of $0.33 per share

- stock options entitling the holders thereof to purchase a total of 50,000 common shares of the Company on or before August 19, 2009, at a price of $0.40 per share.

- stock options entitling the holders thereof to purchase a total of 150,000 common shares of the Company on or before September 22, 2009, at a price of $0.50 per share.

- stock options entitling the holders thereof to purchase a total of 100,000 common shares of the Company on or before May 5, 2010, at a price of $0.20 per share.

Other

The Company has no off-balance sheet arrangements. There are no proposed asset or business acquisitions or dispositions that the Company has decided to proceed with. The

Company did not change its accounting policies during the most recently completed quarter, nor are any such changes contemplated during the current tear.