

**AURAMEX RESOURCE CORP.**

**CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
(UNAUDITED-PREPARED BY MANAGEMENT)**

**SEPTEMBER 30, 2006**

## REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# AURAMEX RESOURCE CORP.

## CONSOLIDATED INTERIM BALANCE SHEETS

(Unaudited – Prepared by Management)

|   | <b>Sept. 30<br/>2006</b> | December 31<br>2005 |
|---|--------------------------|---------------------|
| <b>ASSETS</b>                                   |                          |                     |
| <b>Current</b>                                  |                          |                     |
| Cash and cash equivalents                       | \$ 50,898                | \$ 116,165          |
| Amounts receivable                              | 9,845                    | 3,925               |
|   | 60,743                   | 120,090             |
| <b>Reclamation Deposits (Note 3)</b>            | <b>7,047</b>             | <b>7,044</b>        |
| <b>Equipment</b>                                | <b>5,038</b>             | <b>5,001</b>        |
| <b>Interests In Mineral Properties (Note 4)</b> | <b>1,319,810</b>         | <b>935,298</b>      |
| <b>Other Assets</b>                             | <b>4,390</b>             | <b>23,800</b>       |
|   | <b>\$ 1,397,028</b>      | <b>\$ 1,091,233</b> |
| <b>LIABILITIES</b>                              |                          |                     |
| <b>Current</b>                                  |                          |                     |
| Accounts payable and accrued liabilities        | \$ 82,147                | \$ 48,690           |
|   | 82,147                   | 48,690              |
| <b>Due To Related Parties (Note 5)</b>          | <b>78,645</b>            | <b>134,979</b>      |
|   | <b>160,792</b>           | <b>183,669</b>      |
| <b>STOCKHOLDERS' EQUITY</b>                     |                          |                     |
| <b>Capital Stock (Note 6)</b>                   | <b>8,324,524</b>         | <b>7,727,502</b>    |
| <b>Share Subscriptions Received</b>             | <b>20,250</b>            | <b>128,000</b>      |
| <b>Contributed Surplus</b>                      | <b>438,913</b>           | <b>438,913</b>      |
| <b>Deficit</b>                                  | <b>(7,547,451)</b>       | <b>(7,386,851)</b>  |
|   | <b>1,236,236</b>         | <b>907,564</b>      |
|   | <b>\$ 1,397,028</b>      | <b>1,091,233</b>    |

**Subsequent Events (Note 8)**

Approved on Behalf of the Board:

“Heather Conley”  
Director

“Judie Whitby”  
Director

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

## AURAMEX RESOURCE CORP.

### CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited – Prepared by Management)

|  | Three month period<br>ended |                | Cumulative nine month period<br>ended |                   |
|--|-----------------------------|----------------|---------------------------------------|-------------------|
|  | Sept. 30, 2006              | Sept 30, 2005  | Sept 30, 2006                         | Sept 30, 2005     |
| <b>Expenses</b>  |                             |                |                                       |                   |
| Audit and related services   | \$ 1,590                    | \$ 1,590       | \$ 9,170                              | \$ 5,090          |
| Accounting   | 769                         | -              | 5,846                                 | -                 |
| Bank charges and interest  | 201                         | 1,480          | 1,203                                 | 8,131             |
| Entertainment and promotion  | 2,095                       | -              | 3,030                                 | 143               |
| Investor relations   | 4,500                       | 4,500          | 13,500                                | 13,500            |
| Legal fees   | 11,578                      | 6,366          | 39,653                                | 29,729            |
| Management consulting fees   | 18,000                      | 18,000         | 54,000                                | 54,000            |
| Marketing  | 730                         | -              | 1,300                                 | 1,661             |
| Office   | 518                         | 64             | 1,104                                 | 1,186             |
| Property investigation   | -                           | -              | 40                                    | -                 |
| Shareholders communications  | 4,777                       | 800            | 6,315                                 | 6,528             |
| Telephone  | 686                         | 473            | 1,442                                 | 1,622             |
| Transfer agent and filing fees   | 5,921                       | 1,578          | 19,621                                | 11,402            |
| Travel   | 3,704                       | -              | 4,484                                 | 1,739             |
| Loss before the following  | <b>(55,069)</b>             | (34,851)       | <b>(160,708)</b>                      | (134,731)         |
| Interest Income  | <b>38</b>                   | 517            | <b>107</b>                            | 3,387             |
| Loss before Income Tax   | <b>(55,031)</b>             | (34,334)       | <b>(160,601)</b>                      | (131,344)         |
| Future income tax  |                             |                |                                       | 106,860           |
| <b>Loss for period</b>   | <b>(55,031)</b>             | (34,334)       | <b>(160,601)</b>                      | 24,484            |
| <b>Deficit, beginning of period</b>  | <b>(7,492,421)</b>          | (7,135,575)    | <b>(7,386,851)</b>                    | (7,145,425)       |
| <b>Deficit, end of period</b>  | <b>\$ (7,547,452)</b>       | \$ (7,169,909) | <b>(7,546,452)</b>                    | \$ (7,169,909)    |
| <b>Earnings (loss) per share – basic</b>   | <b>\$ (0.003)</b>           | \$ (0.003)     | <b>(0.010)</b>                        | \$ 0.002          |
| <b>Earnings per share – fully diluted</b>  | <b>\$ n/a</b>               | \$ n/a         | <b>\$ n/a</b>                         | \$ 0.000          |
| <b>Weighted average number of shares used in the calculation of basic earnings(loss) per share</b>   | <b>17,739,254</b>           | 11,178,106     | <b>16,351,947</b>                     | 11,106,116        |
| <b>Weighted average number of shares used in the calculation of fully diluted earnings per share</b> | <b>n/a</b>                  | n/a            | <b>n/a</b>                            | <b>17,736,514</b> |

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

# AURAMEX RESOURCE CORP.

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

|   | Three month period<br>ended |                   | Cumulative six month<br>period ended |                   |
|---|-----------------------------|-------------------|--------------------------------------|-------------------|
|   | Sept 30, 2006               | Sept 30, 2005     | Sept 30, 2006                        | Sept 30, 2005     |
| <b>Cash flows from operating activities</b>                                   |                             |                   |                                      |                   |
| Net income/(loss)   | \$ (55,031)                 | \$ (34,334)       | \$ (160,601)                         | \$ (24,484)       |
| Items not involving cash  |                             |                   |                                      |                   |
| Shares issued for other than cash   |                             |                   | 7,500                                |                   |
| Recovery of future income tax   |                             |                   |                                      | (106,860)         |
|   | <b>(55,031)</b>             | <b>(34,334)</b>   | <b>(153,101)</b>                     | <b>(131,344)</b>  |
| Changes in operating assets and liabilities                                   |                             |                   |                                      |                   |
| Accounts receivable   | (4,142)                     | (5,598)           | (5,919)                              | (9,506)           |
| Prepaid expenses  | (2,641)                     | (2,503)           | (4,391)                              | (713)             |
| Accounts payable and accrued liabilities                                      | 57,667                      | (57,614)          | 33,457                               | (37,402)          |
|   | <b>(4,147)</b>              | <b>(95,043)</b>   | <b>(129,954)</b>                     | <b>(178,965)</b>  |
| <b>Cash flows from investing activities</b>                                   |                             |                   |                                      |                   |
| Acquisition costs – Mineral claims  | (2,838)                     | (4,155)           | (19,058)                             | (10,271)          |
| Exploration expenditure   | (159,456)                   | (153,038)         | (365,453)                            | (275,574)         |
| Reclamation deposit   | (12)                        | -                 | (3)                                  | 45                |
| Other   |                             | -                 | 23,763                               | (3,276)           |
|   | <b>(162,306)</b>            | <b>(157,193)</b>  | <b>(360,751)</b>                     | <b>(289,076)</b>  |
| <b>Cash flows from financing activities</b>                                   |                             |                   |                                      |                   |
| Repayment of long term debt   | (10,700)                    | -                 | (56,334)                             | (44,836)          |
| Share subscriptions received  | 20,250                      | -                 | (107,750)                            | -                 |
| Shareholder loans repaid  | -                           | (6,000)           |                                      | (54,500)          |
| Shares issued for cash  | 100,000                     | -                 | 670,000                              | 164,000           |
| Shares issued from exercise of warrants                                       |                             | -                 |                                      | 168,410           |
| Share issuance costs  | (12,460)                    | -                 | (80,478)                             | (24,418)          |
|   | <b>97,090</b>               | <b>(6,000)</b>    | <b>425,438</b>                       | <b>208,656</b>    |
| Increase (decrease) in cash   | <b>69,363</b>               | <b>(258,236)</b>  | <b>65,267</b>                        | <b>(259,385)</b>  |
| Cash, beginning of period   | <b>120,261</b>              | <b>381,102</b>    | <b>116,165</b>                       | <b>382,251</b>    |
| <b>Cash, end of period</b>  | <b>\$ 50,898</b>            | <b>\$ 122,866</b> | <b>\$ 50,898</b>                     | <b>\$ 122,866</b> |
| <b>Supplemental Disclosure of Cash Flow Information</b>                       |                             |                   |                                      |                   |
| Interest received   | \$ 38                       | \$ 518            | \$ 107                               | \$ 3,388          |
| Interest paid   | \$ -                        | \$ 454            | \$ -                                 | \$ 1,629          |
| <b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b> |                             |                   |                                      |                   |
| Shares issued as consideration for interest in mineral property               | \$ -                        | \$ -              | \$ 7,500                             | \$ -              |

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

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 1. CONTINUING OPERATIONS

The financial statements for the quarter ended September 30, 2006 are prepared on a going-concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company is in the development stage and currently derives no revenues from its operations. The Company has financed its operations principally through debt and equity financing. Substantial external financing will be required by the Company in order to fund its future operations, exploration of interests in mineral properties and meet listing requirements of the TSX Venture Exchange. The ultimate realization of the amounts shown as interests in mineral properties (Note 4) is dependent upon the continuance of rights to tenure of the areas of interest, the results of future exploration, the successful development and exploitation of the areas of interest or alternatively by their sale. The financial statements do not include any adjustments, which might result from the outcome of these uncertainties.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Exploración Auramex S.A. de C.V. (incorporated in Mexico). All significant intercompany transactions and balances have been eliminated upon consolidation.

#### b) Cash and cash equivalents

Cash and cash equivalents consist of cash and short term deposits with maturities of 90 days or less when acquired.

#### c) Equipment

Equipment is recorded at cost. Amortization is recorded annually on the diminishing balance basis over the estimated useful lives of the assets as follows:

|                               |      |
|-------------------------------|------|
| Exploration equipment         | 30%  |
| Computer and office equipment | 30%  |
| Computer software             | 100% |

#### d) Interests in Mineral Properties

The Company follows the method of accounting for its interests in mineral properties whereby all costs related to acquisition, exploration and development are capitalized by area of interest. These expenditures are carried forward where rights to tenure of the areas of interest are current, and it is expected the expenditure will be recovered through successful development and exploitation of the area of interest or alternatively by its sale and/or the activities are continuing in the area of interest but have not yet reached a stage of development which permits reasonable assessments of existence or otherwise of economically recoverable reserves. Expenditures which no longer satisfy the above criteria, are written off. The carrying value of each of its interests in mineral properties is reviewed on a regular basis.

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Interests in Mineral Properties (Continued)

On commencement of commercial production, net costs will be charged to operations on the unit-of-production method by property based upon estimated recoverable reserves.

e) Share Issuance Costs

Costs directly identifiable with the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are presented as other assets until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to operations if the shares are not issued.

f) Loss Per Share

Loss per share computations are based upon the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Diluted loss per share is not disclosed, as the effect of conversion of outstanding options and warrants is anti-dilutive.

g) Foreign currency transactions

Transactions denominated in Mexican Pesos and in American Dollars have been translated into Canadian dollars at the rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the year-end exchange rate. Exchange gains and losses are included in annual operating results.

h) Financial Instruments

The carrying value of financial instruments, not otherwise disclosed separately in the financial statements, approximate their fair values. These financial instruments include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, loans payable, and amounts due to related parties. Their fair values approximate carrying values, since they are short term in nature and are receivable or payable on demand.

# **AURAMEX RESOURCE CORP.**

## **NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)**

**September 30, 2006**

### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **i) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination or impairment of deferred mineral property costs and reclamation obligations. Financial results as determined by actual events could differ from those estimates.

### **3. RECLAMATION DEPOSITS**

As at September 30, 2006 the company had reclamation deposits with the province of British Columbia totalling \$7,047 (2005 - \$7,036) with regard to the Brandywine and Summit/Oldtimer properties.

### **4. INTERESTS IN MINERAL PROPERTIES**

#### **Brandywine Property**

The Company holds a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual royalty payments of \$50,000 following commencement of commercial production, in 5 located claims consisting of 51 units located in the Vancouver Mining Division of British Columbia. In consideration thereof, the Company paid \$10,000 and issued 6,667 shares valued at \$30,000.

#### **Magenta Property**

##### **a) El Fierro Concession**

The Company, through its Mexican subsidiary, Exploración Auramex S.A. de C.V., entered into an option agreement to acquire an 85% interest in the El Fierro concession, an exploration concession consisting of 733 hectares located in Culiacan, Sinaloa State, Mexico, by the payment of back taxes of \$8,810, the issuance of 20,000 common shares (issued), and the incurring of exploration expenses of US\$200,000 over five years commencing on January 1, 2003.

##### **b) Magenta concessions**

The Company, through its Mexican subsidiary, Exploración Auramex S.A. de C.V., has acquired by staking, 4,898 hectares located in Culiacan, Sinaloa State, Mexico. The staked ground encompasses the El Fierro exploration concession.

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 4. INTERESTS IN MINERAL PROPERTIES (continued)

#### La Perla II Concession

The La Perla II mining concession, consisting of 300 hectares in northern Sinaloa State, Mexico, was acquired by staking at a cost of \$2,831.

#### Summit/Oldtimer Property

The Summit/Oldtimer property consists of 22 mineral claims and 143 cell claims covering 3003 hectares located in the Nelson Mining Division, British Columbia, approximately 10 kilometres from Ymir. The property is held under an option agreement entered into February 11, 2004, and amended December 28, 2005. 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 by May 14, 2004(paid), incurring property expenditures of \$50,000 per year (\$226,435 was incurred in 2005, and \$63,055 in 2004) through 2008, and making payments to the optionor of \$65,000 in 2007, and \$40,000 in 2008. These 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, the Company can acquire an interest of from 25% to 100% in the property by paying, on or before January 31, 2008, \$6,500 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 paid a finder's fee of \$10,000 in connection with the acquisition.

#### Bear River Properties

Under an option agreement dated September 21, 2005, the Company has the right to acquire a 100% interest in the Bear River property by paying \$11,000 (paid), issuing 200,000 common shares over a two year period (50,000 issued), and incurring property expenditures of \$25,000 by March 3, 2006 and \$50,000 in each of 2006 and 2007.

Under two option agreements dated February 1, 2006, the Company has the right to acquire certain additional mineral claims located in the Skeena Mining Division. The terms of the first of these option agreements requires the payment of \$6,000 (paid) and the issuance of 60,000 common shares (15,000 issued) in the Company over a period of 20 months for claims that are contiguous to the claims referenced in the earlier option agreement date September 21, 2005. The second option agreement requires the payment of \$1,000 (paid) and the issuance of 140,000 common shares (35,000 issued) in the Company over a period of two years for claims that are not contiguous to those referenced under the foregoing option agreements.

Under an option agreement dated September 15, 2006, The Company has the right to acquire certain additional mineral claims located in the Skeena Mining Division. The terms of the option agreement require payment to the optionor of \$3,500, and 25,000 common shares in the Company over a period of 13 months.

In March 2006, the Company acquired by staking two adjacent claims of 235 hectares, bringing the total area of the Bear River properties to approximately 27,000 hectares

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 4. INTERESTS IN MINERAL PROPERTIES (Continued)

|  | 2006 ACQUISITION AND DEFERRED EXPLORATION COSTS |                     |                               |                                 |                           |                     |
|--|---|---------------------|-------------------------------|---------------------------------|---------------------------|---------------------|
|  | BRANDYWINE<br>PROPERTY                          | MAGENTA<br>PROPERTY | LA PERLA II<br>CONCESSIO<br>N | SUMMIT/<br>OLDTIMER<br>PROPERTY | BEAR<br>RIVER<br>PROPERTY | TOTAL               |
| Acquisition Costs                      |   |                     |                               |                                 |                           |                     |
| Balance, beginning of year             | \$ 40,000                                       | \$ 50,890           | \$ 2,831                      | \$ 65,761                       | \$ 20,135                 | \$ 179,617          |
| Additions                              | -   | 1,253               | 279                           | 160                             | 15,887                    | 17,579              |
| Balance, end of period                 | 40,000  | 52,143              | 3,110                         | 65,921                          | 36,022                    | 197,196             |
| Deferred Exploration                   |   |                     |                               |                                 |                           |                     |
| Balance, beginning of year             | 24,130  | 426,598             | Nil                           | 289,489                         | 15,464                    | 755,681             |
| Geological, mapping and field expenses | 250   | 167,489             | 4,639                         | 438                             | 154,451                   | 327,267             |
| Permits, taxes and assessment fees     | 448   | 9,952               | 3,594                         | 6,737                           | 17,456                    | 38,187              |
| Balance, end of period                 | 24,828  | 604,039             | 8,233                         | 296,664                         | 187,371                   | 1,121,135           |
| <b>Total</b>                           | <b>\$ 64,828</b>                                | <b>\$ 656,182</b>   | <b>\$ 11,343</b>              | <b>\$ 362,585</b>               | <b>\$ 223,393</b>         | <b>\$ 1,318,331</b> |
| Site Investigation                     |   |                     |                               |                                 |                           | 1,479               |
|  |   |                     |                               |                                 |                           | <u>1,319,810</u>    |

### 5 DUE TO RELATED PARTIES

An amount of \$78,645 (2005 - \$134,979) included in due to related parties is due to a director for unbilled legal services for prior years to November 1, 2003. The amount is unsecured, bears no interest and it has been agreed that payment will not be demanded prior to January 1, 2008.

### 6. CAPITAL STOCK

#### a) Authorized

Unlimited number of common shares without par value

#### b) Issued

|  | NUMBER OF<br>SHARES | AMOUNT              |
|--|---------------------|---------------------|
| Balance, December 31, 2005                       | 12,194,749          | \$ 7,727,502        |
| Shares issued for cash – private placements      | 6,000,000           | 670,000             |
| Shares issued on acquisition of mineral property | 50,000              | 7,500               |
| Share issuance costs                             | -                   | (80,478)            |
| <b>Balance, September 30, 2006</b>               | <b>18,244,749</b>   | <b>\$ 8,324,524</b> |

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 6. CAPITAL STOCK (Continued)

On January 4, 2006 and January 24, 2006, the Company completed non-brokered private placements of 1,355,000 and 660,000 units respectively at a price of \$0.10 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional share at a price of \$0.12 per share for a period of two years from date of closing. Finders' fees of \$10,800 and \$6,500 were paid respectively in connection with the placements.

In February 2006, the Company completed a private placement of 985,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.12 per share up to February 14, 2008. The Company paid finders' fees of \$8,500 in connection with this transaction.

On March 8, 2006, the Company granted 839,000 stock options to directors and consultants to purchase common shares at a price of \$0.13 per share until March 8, 2011.

On April 6, 2006, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.12 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional common share at a price of \$0.15 for a period of two years, expiring April 6, 2008. Finders' fees of \$2,400 were paid in connection with this placement.

On May 2, 2006, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.15 per unit. Each unit consists of one flow-through common share and one share purchase warrant to acquire one additional common share at a price of \$0.15 per share for a period of two years expiring May 2, 2008. Finders' fees of \$10,800 were paid in connection with this placement.

On August 15, 2006, the Company completed a non-brokered private placement of 1,000,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one share purchase warrant to acquire one additional common share at a price of \$0.15 per share for a period of two years expiring August 15, 2008. Finders' fees of \$7,500 were paid in connection with this placement.

#### c) Warrants:

At September 30, 2006, the following share purchase warrants are outstanding:

| <u>NUMBER OF<br/>WARRANTS</u> | <u>EXERCISE<br/>PRICE</u> | <u>EXPIRY<br/>DATE</u> |
|-------------------------------|---------------------------|------------------------|
| 587,500                       | \$ 0.50                   | November 17, 2006      |
| 500,000                       | \$ 0.25                   | December 30, 2006      |
| 500,000                       | \$ 0.20                   | March 16, 2007         |
| 400,000                       | \$ 0.19                   | June 6, 2007           |
| 1,355,000                     | \$ 0.12                   | January 4, 2008        |
| 660,000                       | \$ 0.12                   | January 24, 2008       |
| 985,000                       | \$ 0.12                   | February 14, 2008      |
| 1,000,000                     | \$ 0.15                   | April 6, 2008          |
| 1,000,000                     | \$ 0.15                   | May 2, 2008            |
| 1,000,000                     | \$ 0.15                   | Aug. 15, 2008          |
| <u>7,987,500</u>              |                           |                        |

## AURAMEX RESOURCE CORP.

### NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

#### 6. CAPITAL STOCK (Continued)

##### d) Stock Options

The Company's stock option plan provides for the grant of incentive stock options for up to 2,344,350 common shares to employees, consultants, officers and directors of the company. Options are granted for a term of up to five years from the date of grant. Stock options granted generally vest over a period of eighteen months.

The changes in stock options are as follows:

|                             | NUMBER<br>OF<br>OPTIONS | WEIGHTED<br>AVERAGE<br>EXERCISE<br>PRICE |
|-----------------------------|-------------------------|--|
| Balance, December 31, 2005  | 1,505,000               | 0.24                                     |
| Granted                     | 839,000                 | 0.13                                     |
| Balance, September 30, 2005 | 2,344,000               | \$ 0.14                                  |

The following table summarizes information about the stock options outstanding at September 30, 2006:

| OPTIONS OUTSTANDING |                        |  | OPTIONS EXERCISABLE    |                   |
|---------------------|------------------------|--|------------------------|-------------------|
| EXERCISE<br>PRICE   | NUMBER<br>OF<br>SHARES | REMAINING<br>CONTRACTUAL<br>LIFE (YEARS) | NUMBER<br>OF<br>SHARES | EXERCISE<br>PRICE |
| \$ 0.15             | 825,000                | 1.91                                     | 825,000                | \$ 0.15           |
| 0.13                | 380,000                | 2.17                                     | 380,000                | 0.13              |
| 0.13                | 50,000                 | 2.54                                     | 50,000                 | 0.13              |
| 0.13                | 150,000                | 2.75                                     | 150,000                | 0.13              |
| 0.20                | 100,000                | 3.58                                     | 100,000                | 0.20              |
| 0.13                | 839,000                | 4.41                                     | 419,500                | 0.13              |
|                     | 2,344,000              |  | 1,924,500              |                   |

# AURAMEX RESOURCE CORP.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited – Prepared by Management)

September 30, 2006

### 7. RELATED PARTY TRANSACTIONS

- a) The following table discloses the related party transactions for the nine months ended September 30, 2006 and 2005 as follows:

| RELATED PARTY                 | TYPE OF TRANSACTION  | TERMS AND CONDITIONS | 2006      | 2005      |
|-------------------------------|--|----------------------|-----------|-----------|
| Director and Officer          | Management Consulting Fees                                 | Normal Commercial    | \$ 22,500 | \$ 22,500 |
| Director                      | Legal fees in connection with private placements           | Normal Commercial    | \$ 36,154 | n/a       |
|                               | Legal fees   | Normal Commercial    | \$ 32,952 | \$ 22,211 |
|                               | Legal fees in connection with acquisition of Mining claims | Normal Commercial    | \$ 1,424  | n/a       |
|                               | Legal fees and expenses from prior years                   | Normal Commercial    | \$ 43,790 | Nil       |
| Director                      | Geological Consulting                                      | Normal Commercial    | \$ 85,106 | n/a       |
| Director and Officer          | Consulting fees  | Normal commercial    | \$ 31,500 | \$ 31,500 |
|                               | Expense reimbursement                                      | Cost reimbursement   | \$ 8,497  | \$ 16,222 |
| Company Related to a Director | Investor relations   | Normal commercial    | \$ 13,500 | \$ 13,500 |
|                               | Expense reimbursement                                      | Cost reimbursement   | \$ 2,774  |           |

- b) An amount of \$122,813 (2005 - \$138,724) which is included in accounts payable, accrued liabilities and due to related parties represents unpaid amounts relating to fees and expenses.

### 8. SIGNIFICANT AND SUBSEQUENT EVENTS

- a) On September 15, 2006 the Company announced a non-brokered private placement of up to 500,000 flow-through units at a price of \$0.15. Each unit will comprise one flow-through common share of the Company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company for a period of two years at a price of \$0.15. The Company also announced a non-brokered private placement of up to 1,500,000 units at a price of \$0.12. Each unit will comprise one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to purchase one additional common share of the Company for a period of two years, at a price of \$0.15.
- b) On November 8, 2006, the Company completed the flow-through private placement of 500,000 units. Finders fees in the amount of \$3,000 were paid in connection with this financing.

