



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
September 30, 2011 and 2010 *(Unaudited prepared by Management)*

NOTICE TO READER

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.

Condensed Consolidated Interim Balance Sheets

September 30, 2011 and December 31, 2010 and January 1, 2010 (Unaudited –
Prepared by Management)

	September 30, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current			
Cash and cash equivalents	\$ 143,039	\$ 540,809	\$ 1,185,592
Receivables	44,536	45,206	19,960
Prepaid expenses	2,472	12,032	13,072
Deferred share issue costs	3,272	-	-
	<u>193,319</u>	<u>598,047</u>	<u>1,218,624</u>
Reclamation Deposits	29,052	10,025	5,038
Equipment (Note 4)	6,843	4,721	2,686
Exploration and evaluation assets (Note 5)	<u>3,255,968</u>	<u>3,056,856</u>	<u>1,900,357</u>
	<u>\$ 3,485,182</u>	<u>\$ 3,669,649</u>	<u>\$ 3,126,705</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 46,296	\$ 96,761	\$ 65,160
	<u>46,296</u>	<u>96,761</u>	<u>65,160</u>
Non-current liabilities			
Deposit on shares	50,000	-	-
Flow-through liability	-	-	110,000
	<u>96,296</u>	<u>96,761</u>	<u>175,160</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 6)	12,682,252	12,682,252	11,939,720
Contributed Surplus	1,053,877	1,053,877	1,053,877
Deficit	<u>(10,347,243)</u>	<u>(10,163,241)</u>	<u>(10,042,052)</u>
	<u>\$ 3,388,886</u>	<u>3,572,888</u>	<u>2,951,545</u>
	<u>\$ 3,485,182</u>	<u>\$ 3,669,649</u>	<u>\$ 3,126,705</u>

Notes and continuance of operations

(Note 1)

Approved and authorized by the Board of Directors November 16, 2011

"Wayne Crocker"
Director

"Judie Whitby"
Director

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

AURAMEX RESOURCE CORP.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2011 and 2010 (Unaudited – Prepared by Management)

	Three month period ended		Cumulative nine month period ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
Expenses				
Directors' fees	\$ -	\$ -	\$ 3,250	\$ 3,250
Exchange loss	1,320	3,842	2,517	3,763
Investor relations	-	-	6,000	-
Management and consulting fees	23,907	20,543	74,645	58,521
Marketing and promotion	1,474	-	24,441	12,965
Office and sundry	2,472	2,073	5,968	7,191
Part XII.6 tax	-	-	399	5,921
Professional fees	19,380	13,138	45,806	46,353
Property expenses	1,286	-	2,815	-
Transfer agent and filing fees	1,999	3,948	10,237	13,819
Travel	4,861	3,098	9,115	6,395
Loss before the following	(56,699)	(46,640)	(185,193)	(158,178)
Interest Income	49	412	1,191	2,047
Tax refund	-	-	-	22,777
Sale of iron ore	-	55,649	-	55,649
Gain (loss) for period	\$ (56,650)	\$ 9,421	\$ (184,002)	\$ (77,705)
Other comprehensive income	-	90,000	-	110,000
Comprehensive income (loss) for the period	(56,650)	99,421	(184,002)	32,295
Earnings (loss) per share	(0.001)	0.001	(0.002)	0.001
Weighted average number of shares used in the calculation of earnings (loss) per share	81,291,459	77,816,459	81,291,459	71,132,783
Weighted average number of shares used in the calculation of diluted earnings (loss) per share	n/a	107,433,595	n/a	107,431,921

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

AURAMEX RESOURCE CORP.

Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended Sept. 30, 2011 and 2010 (Unaudited – Prepared by Management)

	Cumulative nine month period ended	
	Sept. 30, 2011	Sept. 30, 2010
Cash flows from operating activities		
Comprehensive income (loss) for the period	\$ (184,002)	\$ 32,295
Items not involving cash		
Stock based compensation	-	-
Recovery of future income tax	-	(110,000)
	(184,002)	(77,705)
Changes in operating assets and liabilities		
Amounts receivable	670	(83,053)
Prepaid expenses	6,288	2,327
Accounts payable and accrued liabilities	(55,776)	(10,502)
	(232,820)	(168,933)
Cash flows from investing activities		
Acquisition costs – Mineral claims	-	(21,848)
Exploration expenditure	(193,802)	(741,616)
Reclamation deposit	(19,027)	(4,982)
Computer software & equipment	(2,121)	(3,509)
	(214,950)	(771,955)
Cash flows from financing activities		
Share subscriptions received	50,000	-
Shares issued for cash	-	519,000
Share issuance costs	-	(1,593)
	50,000	517,407
Increase (decrease) in cash	(397,770)	(423,481)
Cash, beginning of period	540,809	1,185,592
Cash, end of period	\$ 143,039	\$ 762,111
Supplemental Disclosure of Cash Flow Information		
Interest received	\$ 1,191	\$ 50
Interest paid	\$ -	\$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Shares issued as consideration for interest in mineral properties	\$ -	\$ 165,000

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

AURAMEX RESOURCE CORP.
Condensed Consolidated Interim Statement of Changes in Equity
September 30, 2011 (Unaudited – Prepared by Management)

Issued and outstanding	Share Capital				
	Number of shares	Amount	Equity reserves	Deficit	Total Equity
Balance as at January 1, 2010	67,186,459	\$ 11,939,720	\$ 1,053,877	\$ (10,042,052)	\$ 2,951,545
Issued for cash					
Exercise of warrants	8,880,000	444,000			444,000
Private placement	1,000,000	75,000			75,000
Shares issued on property acquisitions	3,000,000	165,000			165,000
Comprehensive loss gain (loss) for the nine months ended September 30, 2010				32,295	32,295
Balance as at September 30, 2010	80,066,459	12,623,720	1,053,877	(10,009,757)	3,667,840
Issued for cash					
Shares issued on property acquisitions	1,225,000	60,125			60,125
Share issue costs		(1,593)			(1,593)
Comprehensive gain (loss) for three months ended December 31, 2010				(153,484)	(153,484)
Balance as at December 31, 2010	81,291,459	12,682,252	1,053,877	(10,163,241)	3,572,888
Comprehensive gain (loss) for the nine months ended September 30, 2011				(184,002)	(184,002)
Balance as at September 30, 2011	81,291,459	12,682,252	1,053,877	(10,347,243)	3,388,886

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

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. The Company is currently active in the acquisition, exploration and development of mineral properties.

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company, unless otherwise indicated.

The Company is developing its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for mineral properties 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.

These consolidated financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern.

	September 30, 2011	December 31, 2010	January 1, 2010
Working capital	\$ 147,023	\$ 501,286	\$ 1,153,464
Deficit	(10,347,243)	(10,163,241)	(10,042,052)

2. BASIS OF PREPARATION

Basis of measurement

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

These condensed financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standards (“IAS”) 34 Interim Financial reporting. The condensed financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In previous annual periods, the Company prepared its consolidated financial statements in accordance with Canadian GAAP. The disclosures concerning the transition from Canadian GAAP to IFRS are presented in Note 10.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

2. BASIS OF PREPARATION (continued)

Assumptions

The preparation of these Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The recoverability of the receivables and prepayments that are included in the interim condensed consolidated statement of financial position.
- ii) The carrying value and the recoverability of exploration and evaluation assets, which are included in the interim condensed consolidated statement of financial position.
- iii) The valuation allowance applied to deferred tax assets.
- iv) Estimates used in the calculation of share-based payments.
- v) The estimated useful lives of equipment which are included in the consolidated statement of financial position and the related amortization included in the consolidated statement of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

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 intercompany transactions and balances have been eliminated upon consolidation.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized profit or loss.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 *(Unaudited – Prepared by Management)*

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized using the declining balance method at the following annual rates.

Exploration equipment	30%
Computer and office equipment, including computer software	30%
Furniture and fixtures	20%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

Exploration and evaluation assets

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. Each of the Company's mineral properties are considered to be a cash generating unit. 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.

Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. Mineral property interest option payments are recorded when receivable and are charged against the related mineral properties.

If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method.

Recorded costs of mineral properties and capitalized exploration and development expenditures are not intended to reflect present or future values of resource properties. The Company does not accrue the estimated future costs of maintaining its mineral property interests in good standing. Capitalized costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recorded amounts.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflow, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with the corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are revised annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

As at September 30, 2011, December 31, 2010 and January 1, 2010, there are no significant rehabilitation obligations. As at September 30, 2011, December 31, 2010 and January 1, 2010 respectively, there are reclamation deposits of \$29,000, \$10,000 and \$ 5,000 held which are refundable when a property is disposed of, if reclamation is completed.

Basic and diluted loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. Potential issuable common shares were not included in the calculation as their inclusion would be anti-dilutive. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

Share based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 *(Unaudited – Prepared by Management)*

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income tax

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in equity at the same time the qualifying expenditures are made.

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.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Gains and losses that would otherwise be recorded as part of net earnings are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (Unaudited – Prepared by Management)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The presentation of comprehensive income (loss) and its components in a separate financial statement is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity.

Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity (deficiency), and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported. In particular, the Black-Scholes stock price valuation model used to value warrants and stock options require the input of highly subjective assumptions regarding stock price volatility. Changes in these assumptions can materially affect the fair value estimate, and therefore, the Black-Scholes model does not necessarily provide a reliable measure of fair value. Other significant estimates used relate to the impairment of exploration and evaluation assets and the valuation allowance for future income tax assets. Actual results may differ significantly from estimates and assumptions.

New accounting pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2011 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material effect on the consolidated financial statements of the Company.

4. EQUIPMENT

Nine months ended September 30, 2011

	Cost	Additions	Disposals	Total	Accumulated amortization	Net Book Value
Computer and office equipment	\$ 5,349	\$ 68	\$ -	\$ 5,417	\$ (2,897)	\$ 2,520
Computer software	2,758	29	-	2,787	(1,410)	1,377
Exploration equipment	5,143	-	-	5,143	(4,223)	920
Furniture	-	2,025	-	2,025	-	2,025
	13,250	2,025	-	15,372	(25,590)	6,842

Year ended December 31, 2010

	Cost	Additions	Disposals	Total	Accumulated amortization	Net Book Value
Computer and office equipment	\$ 5,056	\$ 2,604	\$ (2,311)	\$ 5,349	\$ (2,897)	\$ 2,452
Computer software	975	1,784	-	2,758	(1,410)	1,349
Exploration equipment	5,143	-	-	5,143	(4,223)	920
	11,174	4,388	(2,311)	13,250	(8,530)	4,721

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 *(Unaudited – Prepared by Management)*

5. EXPLORATION AND EVALUATION ASSETS

	September 30, 2011			
	BRANDYWINE PROPERTY	MAGENTA PROPERTY	STEWART PROPERTIES	TOTAL
Acquisition Costs				
Balance, December 31, 2010	\$ 40,066	\$ 94,727	\$ 402,136	\$ 536,929
Additions	-	-	2,703	2,703
Balance, end of period	40,066	94,727	404,839	539,632
Deferred Exploration				
Balance, December 31, 2010	98,605	881,630	1,539,692	2,519,927
Geological, mapping and field expenses	1,125	65,635	88,961	155,721
Permits, taxes and assessment fees	1,197	31,865	7,626	40,688
Balance, September 30, 2011	100,927	979,130	1,636,278	2,716,336
Total	\$ 140,993	\$ 1,073,857	\$ 2,041,118	\$ 3,255,968

	December 31, 2010				
	BRANDYWINE PROPERTY	MAGENTA PROPERTY	LA PERLA II CONCESSION	STEWART PROPERTIES	TOTAL
Acquisition Costs					
Balance, January 1, 2010	\$ 40,066	\$ 94,727	\$ 4,559	\$ 144,289	\$ 283,641
Additions	-	-	-	257,847	257,847
Write off			(4,559)		(4,559)
Balance, end of period	40,066	94,727	-	402,136	536,929
Deferred Exploration					
Balance, January 1, 2010	43,564	801,746	19,547	751,859	1,616,716
Geological, mapping and field expenses	54,093	98,278	1,439	740,315	883,711
Permits, taxes and assessment fees	948	37,255	2,722	47,518	98,857
Recovery		(55,649)	-		(55,649)
Write off			(23,708)		(23,708)
Balance, December 31, 2010	98,605	881,630	-	1,539,692	2,519,927
Total	\$ 138,671	\$ 976,357	\$ -	\$ 1,941,828	\$ 3,056,856

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 México.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Magenta Property, Mexico

El Fierro Concession

The Company, through its Mexican subsidiary, entered into an option agreement to acquire an 85% interest in the El Fierro concession, an exploration concession located in Culiacan, Sinaloa State, Mexico, by the payment of back taxes of \$8,810 (paid), 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. During 2008, the Company issued 25,000 common shares to acquire a one year extension to the option, such that the work had to be completed by January 1, 2009. The work was completed and a formal joint venture agreement is still to be executed.

Magenta Concessions

The Company, through its Mexican subsidiary, has acquired by staking, 4,954 hectares located in Culiacan, Sinaloa State, Mexico. The staked ground encompasses the El Fierro exploration concession.

Ana Concession

The Company, through its Mexican subsidiary, has purchased a mining concession within the boundaries of the Magenta property in Mexico. The terms of the acquisition were the payment of US\$10,000 (paid) to the vendor and the payment of back taxes of approximately \$US18,000 (paid).

La Perla II Concession

The Company, through its Mexican subsidiary, has acquired by staking, the La Perla II mining concession located in northern Sinaloa State, Mexico.

In 2010, all capitalized costs related to the property were written off to operations as the Company is unlikely to pursue further exploration targets on the property. As the Company still holds the property, the taxes are being expensed.

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. During 2010, the Company issued 225,000 shares with a value of \$10,125 pursuant to an option agreement under which the Company is required to issue a further 300,000 common shares on or before October 31, 2011 to exercise an option to purchase the tenures under one agreement. All other option agreements have been exercised.

Certain claims are subject to a net smelter royalty ranging from 1% - 2%.

6. CAPITAL STOCK

a) Authorized

Unlimited number of common shares without par value

b) Share Purchase Warrants

At September 30, 2011, the following share purchase warrants are outstanding:

	Exercise price	Number outstanding	Weighted average remaining years	Expiry date
\$	0.15	10,260,000	.75	19 Oct 11
\$	0.20	5,759,210	.42	21 Oct 11
\$	0.15	1,740,000	.13	2 Nov 11
		17,759,210		

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6. CAPITAL STOCK (continued)

c) Share Purchase Warrants (continued)

A summary of share purchase warrant activity for the period ended March 31, 2011 is as follows:

	Number of warrants	Weighted average exercise price
Balance, January 1, 2010	31,009,210	0.09
Exercised	(8,880,000)	0.05
Expired	(3,250,000)	0.10
Balance, December 31, 2010	18,879,210	0.11
Expired	(1,120,000)	0.10
Balance, September 30, 2011	17,759,210	\$ 0.15

d) Stock Options

The Company's stock option plan provides for the grant of incentive stock options for up to 13,437,290 common shares 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 generally vest immediately upon grant.

A summary of share option activity for the nine months ended September 30, 2011 is as follows:

	Number of options	Weighted average exercise price
Balance, January 1, 2010	10,100,000	0.10
Expired	(50,000)	0.20
Balance, December 31, 2010	10,050,000	0.10
Terminated	(200,000)	0.10
Expired	(500,000)	0.10
Balance, September 30, 2011	9,350,000	0.10

No stock options were granted during the six months ended June 30, 2011.

The following table summarizes information about the stock options outstanding at September 30, 2011:

Exercise price	Number outstanding and exercisable	Weighted average remaining years	Expiry date
\$ 0.10	100,000	.28	January 11, 2012
0.10	9,250,000	8.21	December 16, 2019
	<u>9,350,000</u>		

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7. RELATED PARTY TRANSACTIONS

The following related party transactions were in the normal course of operations and were incurred in the nine months ended September 30:

RELATED PARTY	TYPE OF TRANSACTION	TERMS AND CONDITIONS	2011		2010	
Director	Directors' fees	Normal Commercial	\$	750	\$	750
Business controlled by a Director	Legal fees	Normal Commercial	\$	6,768	\$	37,588
	Legal fees in connection with mineral property acquisitions	Normal Commercial		293		2,206
	Legal fees in connection with private placements	Normal commercial		3,272		
	Directors' fees			750		750
Director and Officer	Consulting fees	Normal commercial	\$	40,500	\$	40,500
	Expense reimbursement	Cost reimbursement		9,317		17,448
	Directors' fees			500		500
Director and Officer	Consulting fees	Normal commercial	\$	27,515	\$	23,250
	Expense reimbursement	Cost reimbursement		3,204		3,124
	Director's fees			500		500
Director	Directors' fees		\$	750	\$	750

At September 30, 2011, an amount of \$19,318 (December 31, 2010 - \$23,901, January 1, 2010 - \$12,942) included in accounts payable and accrued liabilities represents unpaid amounts relating to fees and expenses owed to related parties.

8. CAPITAL DISCLOSURES

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the management of capital, the Company considers cash balances and components of shareholders' equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the quarter ended September 30, 2011. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

The fair value of the Company's receivables, accounts payable and accrued liabilities approximate carrying value which is the amount recorded on the consolidated statement of financial position. The Company's other financial instrument, cash and cash equivalents, 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:

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9. FINANCIAL INSTRUMENTS (continued)

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 September 30, 2011, the Company has cash and cash equivalents of \$143,039 (December 31, 2010 - \$540,809, January 1, 2010 - \$1,185,892) to settle current liabilities of \$46,296 December 31, (2010 - \$ 96,761, January 1, 2010 \$65,160).

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. 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 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 June 30, 2011, 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.

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.

10. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral exploration properties. Geographical information is as follows:

	At September 30,	At December 31,	At January 1,
	2011	2010	2010
Exploration and evaluation assets			
Canada	\$ 2,182,111	\$ 2,080,499	\$ 979,778
Mexico	1,073,857	976,357	920,579
	<u>\$ 3,255,968</u>	<u>\$ 3,056,856</u>	<u>\$ 1,900,357</u>

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Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (*Unaudited – Prepared by Management*)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

This is the Company’s third consolidated interim financial statements prepared in accordance with IFRS. The accounting policies in Note 3 have been applied.

In preparing the opening IFRS financial statements, the Company has adjusted amounts reported previously in financial statements that were prepared in accordance with GAAP. An explanation of how the transition from GAAP to IFRS has affected the Company’s financial position is set out in the following table. The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first time adopters of IFRS.

In order for users of the consolidated financial statements to better understand the changes, the Company’s consolidated balance sheet and statements of operations prepared under Canadian GAAP have been reconciled to consolidated financial statements prepared under IFRS. The following reconciliations have been provided.

- a) Reconciliation of Consolidated Statements of Financial Position as at:
 - a) January 1, 2010
 - b) September 30, 2010, and
 - c) December 31, 2010.
- b) Reconciliation of Shareholders’ Equity as at:
 - a) January 1, 2010 and
 - b) September 30, 2010.
- c) Reconciliation of Consolidated statement of operations and comprehensive income (loss) for:
 - a) Three months ended September 30, 2010
 - b) Nine months ended September 30, 2010
 - c) Year ended December 31, 2010.

Mandatory exceptions

The Mandatory exception applicable to the Company includes the following:

Estimates – in accordance with IFRS 1, hindsight is not used to create or revise estimates. The estimates previously made by the Company under GAAP were not revised for application of IFRS except where necessary to reflect any differences in accounting policies between GAAP and IFRS.

Optional exceptions

The Company elected to take the following IFRS 1 optional exemptions:

To apply the requirements of IFRS 2, Share-based payment, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition date.

Flow-through shares

GAAP has specific guidance for the treatment of flow-through shares, which are an equity instrument unique to Canada. There is no specific equivalent guidance under IFRS. Under the IFRS framework, the Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and then included in income at the time the qualifying expenditures are made.

As a result of this change in policy, on January 1, 2010, a flow through liability of \$110,000 was reallocated from share capital and taken into income as the expenditures were made throughout 2010.

As stated in Note 3, these consolidated financial statements are for the period covered by the Company’s first interim condensed consolidated financial statements prepared in accordance with IFRS.

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Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (Unaudited – Prepared by Management)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Reconciliation of Consolidated Statements of Financial Position as at January 1, 2010

	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Balance Sheet				
Assets				
Cash and cash equivalents	\$ 1,185,592		\$ -	\$ 1,185,592
Amounts receivable	19,960			19,960
Prepaid expenses	12,072		-	12,072
	1,218,624		-	1,218,624
Reclamation Bond	5,038		-	5,038
Equipment	2,686		-	2,686
Exploration and evaluation assets	1,900,357		-	1,900,357
Total Assets	3,126,705		-	3,126,705
Liabilities				
Accounts payable and accrued liabilities	\$ 65,160		\$ -	\$ 65,160
				-
Future reclamation costs	-			-
Deferred tax liability		(a)	110,000	110,000
	65,160		110,000	175,160
Shareholders' Equity				
Share capital	12,049,720	(a)	(110,000)	11,939,720
Equity settled employee benefit reserve	1,053,877			1,053,877
Deficit	(10,042,052)			(10,042,052)
	3,061,545		(110,000)	2,951,545
Total Shareholders' Equity and Liabilities	\$ 3,126,705		\$ -	\$ 3,126,705

(a) 5,500,000 flow-through shares issued in 2009 at a premium of \$0.02 per share, but flow-through funds not spent in the year.

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Notes to the Condensed Consolidated Interim Financial Statements
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11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Reconciliation of Consolidated Statements of Financial Position as at December 31, 2010

	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Balance Sheet				
Assets				
Cash and cash equivalents	\$ 540,809		\$ -	\$ 540,809
Receivables	45,206			45,206
Prepaid expenses	12,032		-	12,032
	598,047		-	598,047
Reclamation Bond	10,025		-	10,025
Equipment	4,952	(b)	(231)	4,721
Exploration and evaluation assets	3,056,856		-	3,056,856
Total Assets	3,669,880		(231)	3,669,649
Liabilities				
Accounts payable and accrued liabilities	\$ 96,761		\$ -	\$ 96,761
Flow-through liability	-		-	-
	96,761		-	96,761
Shareholders' Equity				
Share capital	12,642,877	(c)	149,375	12,792,252
Stock option reserve	1,053,877			1,053,877
Deficit	(10,123,635)		(149,606)	(10,273,241)
	3,573,119			3,572,888
Total Shareholders' Equity and liabilities	\$ 3,669,880		\$ (231)	\$ 3,669,649

(b) Reversal of amortization of \$99 taken on a fixed asset within a pool that was disposed of in 2010 at which time it had a residual value of \$330.

(c) Future income tax under GAAP, not recorded under IFRS

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Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (Unaudited – Prepared by Management)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Reconciliation of consolidated statement of operations and comprehensive loss for the year
ended December 31, 2010

	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Expenses				
Amortization	\$ 2,122	(b)	\$ (99)	\$ 2,023
Bank charges, interest and penalties	620			620
Currency exchange loss	4,277			4,277
Directors fees	5,500			5,500
Management and consulting fees	84,794			84,794
Marketing and promotion	17,914			17,914
Office and sundry	13,427			13,427
Professional fees	67,105			67,105
Shareholder communications	4,117			4,117
Transfer agent and filing fees	17,606			17,606
Travel	11,517			11,517
Loss before the following	(228,999)		99	(228,900)
De-recognition of fixed asset		(b)	(330)	(330)
Interest income	3,531			3,531
Other income	22,777			22,777
Write off mineral property	(28,267)			(28,267)
Loss before income tax recovery	(230,958)		(231)	(231,189)
Future income tax	149,375	(a)(c)	(39,375)	110,000
Comprehensive income (loss) for the period	(81,583)		(39,606)	(121,189)

(a) 1,000,000 flow-through shares issued during 2010 at no premium. Funds spent during fiscal 2010. As a result \$18,750 is removed from deferred tax liability.

(b) Reversal of amortization of \$99 taken on a fixed asset within a pool that was disposed of in 2010 at which time it had a residual value of \$330.

(c) Future income tax recorded of \$130,625 on 5,500,000 flow-through shares recorded under GAAP and \$110,000 income recorded under IFRS on flow-through expenditures.

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Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (Unaudited – Prepared by Management)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Reconciliation of consolidated statement of operations and comprehensive loss for three months ended September 30, 2010

	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Expenses				
Directors' fees	-			-
Exchange loss (gain)	-	(c)	3,842	3,842
Management and consulting fees	20,543			20,543
Marketing and promotion	-			-
Office and sundry	2,073			2,073
Professional fees	13,138			13,138
Transfer agent and filing fees	3,946			3,946
Travel	\$ 3,098		\$	\$ 3,098
	(42,798)		(3,842)	(46,640)
Interest income	412			412
Sale of iron ore	55,649			55,649
Gain (loss) for the period	13,263		(3,842)	9,421
Income from flow-through expenditures			90,000	90,000
Comprehensive income (loss) for the period	13,263			99,421

Reconciliation of consolidated statement of operations and comprehensive loss for nine months ended September 30, 2010

	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Expenses				
Directors' fees	\$ 3,250		\$	\$ 3,250
Exchange loss (gain)	-	(c)	3,763	3,763
Management and consulting fees	58,521			58,521
Marketing and promotion	12,965			12,965
Office and sundry	7,191			7,191
Part XII.6 tax	5,921			5,921
Professional fees	46,353			46,353
Transfer agent and filing fees	13,819			13,819
Travel	6,395			6,395
Loss before the following	(154,415)			(158,178)
Interest income	2,047			2,047
Sale of iron ore	55,649			55,649
Tax refund	22,777			22,777
Loss before income tax	(73,942)			(77,705)
Future income tax recovery	130,625	(a)	(130,625)	-
Income (loss) for the period	56,683			(77,705)
Other comprehensive income (loss)		(b)	110,000	110,000
Comprehensive income (loss) for the period	56,683			32,295

(a) Future tax liability under GAAP, not recorded under IFRS.

(b) Flow-through expenditures made

(c) Currency exchange gain or loss calculated each reporting period under IFRS, reported only annually previously.

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September 30, 2011 and 2010 (Unaudited – Prepared by Management)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) (continued)

Reconciliation of Consolidated Condensed Statement of Financial Position as at September 30, 2010

Balance Sheet	Per GAAP	Note	Effect of Transition to IFRS	IFRS
Assets				
Cash and cash equivalents	\$ 762,111	(b)	\$ (3,763)	\$ 758,348
Amounts receivable	103,014			103,014
Prepaid expenses	10,744			10,744
	875,869			872,106
Reclamation Bond	10,020			10,020
Equipment	6,195			6,195
Mineral properties	2,864,800			2,864,800
Total Assets	3,756,884			3,753,121
Liabilities				
Accounts payable and accrued liabilities	\$ 85,281		\$	\$ 85,281
Future reclamation costs	-			-
Flow-through liability		(a)(b)	20,625	20,625
	85,281			105,906
Shareholders' Equity				
Share capital	12,603,095			12,603,095
Stock option reserve	1,053,877			1,053,877
Opening deficit	(10,042,052)			(10,042,052)
Net income for the period	56,683	(a)(b)	(24,388)	32,295
	3,671,603			3,647,215
Total Shareholders' Equity and Liabilities	\$ 3,756,884		\$	\$ 3,753,121

(a) Future income tax recorded of \$130,625 on 5,500,000 flow-through shares removed from deferred tax liability to adjust from GAAP and \$110,000 future tax liability recorded under IFRS.

(b) Currency exchange loss recorded at each reporting period under IFRS, but was recorded only annually previously.