

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011



The following discussion and analysis of financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at November 15, 2011 and should be read in conjunction with the unaudited financial statements of the Company, and the notes thereto, for the nine months ended September 30, 2011, and with the audited financial statements of the Company, and the notes thereto, for the years ended December 31, 2010 and 2009. In this discussion, unless the context otherwise dictates, a reference to the business and operations of the Company includes the business and operations of the Company's wholly owned Mexican subsidiary, Exploración Auramex S. A. de C. V. ("Auramex Mexico"). Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward Looking Statements

All statements in this discussion, other than statements of historical facts, that address future exploration drilling, exploration activities, anticipated metal production, internal rate of return, estimated ore grades, commencement of production estimates and projected exploration and capital expenditures (including costs and other estimates upon which such projections are based) and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include metal prices, exploration success, continued availability of capital and financing, as well as general economic, market or business conditions. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of the Business

The Company is engaged in the business of acquiring interests in mineral properties with exploration potential and exploring those properties to determine if they may host economic deposits of minerals. While the Company has acquired and explored a number of properties over the years, it has yet to 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 expenses and to fund exploration activities on its mineral exploration properties. The amount of money available for exploration is directly related to the amount that the Company is able to raise from these sources, after administrative expenses have been paid.

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

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

During 2009, through private placements, the Company raised \$602,500 in flow-through funds and raised \$1,150,000 in non-flow through funds.

During 2010, the Company raised \$75,000 in flow-through funds and \$444,000 from the exercise of warrants.

During the first nine months of 2011, the Company did no equity financing. Exploration work conducted on the Company's properties in 2011 is detailed in the following.

Results of Operations

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

At September 30, 2011 the Company held four mineral exploration properties, the Magenta property, Mexico, the La Perla II concession, Mexico, the Stewart properties, British Columbia and the Brandywine property, British Columbia. A description of each project is contained in the following.

Magenta Property, Mexico

The Company's Magenta property is located near Culiacan, Sinaloa State, Mexico. In 2003, the Company optioned a 733 hectare concession known as El Fierro and staked 4,686 hectares called

the Magenta concession. Since 2003, the Company has staked an additional 269 hectares and has purchased a 275 hectare parcel known as the Ana concession.

During 2010, a private Mexican company contracted to extract iron ore from the Ana concession on the Magenta property. The Company received a deposit of \$US 50,000. No further funds were received. The Company provided the Mexican company with notice of termination and the contractor removed his equipment from the property in December. The contract with the Mexican company required that they do all remediation and reclamation which they have not done. The remediation costs were approximately \$10,000 paid by the Company.

With respect to the El Fierro concession, Auramex Mexico entered into an option agreement with Exploración Azteca S. A. de C.V. ("Azteca") under which Auramex Mexico can earn an 85% interest in the property by payment of back taxes of \$8,810 (paid), spending US\$200,000 (incurred) and issuing 45,000 common shares in the Company (issued). 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. A formal joint venture agreement has not yet been executed.

An initial evaluation of the Magenta property consisting of a property examination, reviewing historic reports and sampling, was conducted in the spring of 2003. Exploration programs have been conducted twice yearly, in the spring and fall of each year from 2003 until the spring of 2008. Trenching and soil sampling was conducted in the southwest area of the property, an Induced Polarization and Resistivity Survey and surface sampling were conducted in the La Prieta area and in the El Fierro area. Drill programs have tested three locations, the La Prieta #1 vein, La Prieta copper porphyry zone and the El Fierro zone. The drill core 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. Assays from the porphyry zone identified it as a copper/molybdenum/gold porphyry system returning 0.021% copper and anomalous molybdenum from continuous samples over 313 metres. A 187 metre hole returned anomalous copper values but entered a weakly mineralized diorite in the last 20 metres of the hole. A soil geochemical, induced polarization and mapping program is considered necessary to further evaluate the La Prieta copper/molybdenum/gold porphyry.

There are several anomalies and showings that require further exploration. Two areas of the property that had not previously been explored in detail were sampled by Dr. Paul Metcalfe, P. Geo., in November and December of 2010. One of these areas is on the Ana concession and comprises a sequence of calcareous volcanosedimentary rocks intensely metamorphosed near a contact with an underlying quartz monzonite intrusion of considerable size. The metamorphosed rocks host iron oxide mineralization with significant amounts of Au and Cu, identified as a skarn. Samples were also taken from iron oxide mineralization previously mined from the skarn and stored on the Magenta property. In March 2011, Dr. Metcalfe mapped an area on the north-eastern part of the property that is adjacent to a high grade molybdenum property, not owned by Auramex. His report, entitled "Geological map of the Northeastern parts of the Magenta and El Fierro Concessions" is available on the Company website at www.auramex.com.

A limited amount of structural mapping was carried out peripheral to a third party concession in the north eastern part of the Magenta property covering underground workings from which Mo and Cu were previously mined. Low grade molybdenite and chalcopyrite were discovered on the Auramex ground, south of the old mine, evidence that there is potential for other, similar

occurrences on Auramex ground. The mineralizing system at Magenta is interpreted as a large porphyry hydrothermal system with Cu-Mo mineralization and peripheral, related Fe oxide-Cu-Au mineralization and hydrothermal Ni-Co veins. The economic potential of this large hydrothermal system is as yet untested.

The most recent technical report prepared in accordance with National Instrument 43-101 was authored by David St. Clair Dunn, P. Geo., and dated April 5, 2005. The report, entitled "Report on Diamond Drilling on the Magenta Property" is available on the SEDAR website at www.sedar.com and on the Auramex website at www.auramex.com.

La Perla II, Mexico

During 2005, the Company staked a 300 hectare concession in northern Sinaloa State, Mexico at a staking cost of \$2,831. A soil geochemical survey was conducted in April 2006 over an area of artisanal pitting. An area 200 metres by 50 metres returned anomalous gold values. Trenching of this area was conducted in 2007, and again returned anomalous gold values. Management has determined that Auramex is unlikely to advance this property in the immediate future as it is not a priority area. For this reason, the Company has written off its investment in the property and is expensing the costs of holding the property.

Stewart Properties, British Columbia

Under several agreements the Company has acquired a 100% interest in properties near Stewart, British Columbia for cash totalling \$27,900 and the issuance of 1,350,000 common shares. These tenures are subject to net smelter returns royalty interests, two of which entitle the vendor to receive a royalty equivalent to 1% of net smelter returns capped at \$2,000,000, the third of which entitles the vendor to receive a royalty equivalent to 2% of net smelter returns capped at \$1,000,000, and the fourth of which entitles the vendor to receive a royalty equivalent to 1% capped at \$1,000,000.

Additionally, the Company has acquired the 324 hectare VON property contiguous to the Bear River/Surprise Creek for the sum of \$3,000 and a 449 hectare tenure contiguous to the Tide North claims for the sum of \$10,000. Also, the Company has acquired the Georgia River Gold property for the issuance of 2,500,000 shares. No net smelter returns royalty interests are retained by the vendors. The Company has acquired the 1,750 hectare Ashwood property, contiguous to existing claims in the Georgie River area by the cash payment of \$10,000 and the issuance of 1,000,000 shares. The vendor retains a royalty interest equivalent to 1% of net smelter returns capped at \$2,000,000. The company staked additional claims contiguous to these various Georgie River claim blocks.

The Stewart properties consist of three mineral claim blocks covering approximately 41,000 hectares located in the Skeena Mining Division, near Stewart, British Columbia. The properties are the 29,000 hectare Bear River/Surprise Creek, which is north and northeast of Stewart, the 10,500 hectare Georgie River 15 kilometres south of Stewart, and the 2,260 hectare Tide North 45 kilometres north northwest of Stewart.

During 2009 the Company contracted a VTEM-M airborne survey by Geotech Ltd. covering 1,053 line kilometres over parts of the Tide North claim block and over parts of the Bear River area of the Bear River/Surprise Creek block. The program was completed on September 15, 2009 at a cost of \$236,000. During 2010, the Company contracted two VTEM-M surveys by Geotech Ltd., the first covering 744.3 line kilometres on the Surprise Creek area at a cost of \$122,143,

and the second covering 681.4 line kilometres on the Georgie River claim block at a cost of \$126,755.

In May 2011, the Company conducted an MMI survey over two VTEM anomalies at a cost of \$19,060.

In August 2011, fieldwork was conducted on the Georgie River property, but it was limited in scope because of weather conditions. A two day field survey was conducted on the Tide north property. The total cost of the August fieldwork was \$57,357.

Exploration on the three claim blocks to date is summarized as follows:

Bear River/Surprise Creek– Numerous VTEM conductors were identified on the Bear River area by the 2009 survey. Two anomalies (Gravel and Gravel North) have been further evaluated in 2011, using MMI soils sampling (see news release dated November 29, 2010). A report interpreting the results was received from Mount Morgan Resources Ltd. in August 2011. Readers are referred to the MD&A for the quarter ended September 30, 2009 and a news release dated October 2, 2007 that describe some of the exploration results from 2006 and 2007. A 2010 drilling program conducted on the Enterprise zone consisted of three holes collared above several old tunnels and pits completed before WW II. Although the drilling did not encounter any ore grade mineralization, the area still has good exploration potential as the area with alteration and mineralization is quite extensive and only a small portion of this zone was drill tested. The VTEM-M airborne survey of 744.3 line kilometres on the eastern section of the property (Surprise Creek area) was completed on August 21, 2010. A 2010 survey identified five Surprise Creek anomalies which require ground follow up to assess priority for drilling. Applications for drill permits are in progress for several targets.

Georgie River – A hand held magnetic and VLF-em geophysical survey in 2007 outlined an anomaly of about 700 metres by 250 metres lying north of the historic Lydden showing where copper (4.3%) and anomalous gold were obtained along 25 metres of northerly strike, across 1.1 metres of width. Drilling has been recommended. Readers are referred to a news release dated January 10, 2008. A VTEM-M airborne survey conducted by Geotech Ltd. designed to cover the properties contiguous to the Georgia River gold mine and the Lydden showing, was completed on August 30, 2011. Five anomalies were identified; the strongest occurred 500 metres west of the Southwest vein of the old Georgia River mine, and is being identified as the Hume zone for future reference. A drill permit application for a three year period is in progress.

Tide North - The VTEM survey outlined a conductor of approximately 1,000 metres in the area where previously reported gold values were obtained in 2006 and 2007 from rocks at surface and stream sediment samples. The Company will seek input from its consulting geologists and geophysicists to determine whether the Tide North target should be drilled in 2012. Interpretation was provided by Mira Geoscience on a 900 x 300 metre anomaly identified by this survey. A drill permit for a three year period has been issued.

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 seven mineral claims located in the Vancouver Mining Division, British Columbia. The property is approximately 1,490 hectares in area. A 2010 drill

program conducted on the Dave's Pond area of this property consisted of three holes designed to confirm previous drill results. Gold assays did not confirm previous results from 1993 to 1995.

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.

Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars for each of the last eight quarters ended September 30, 2011:

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009 ⁽¹⁾
Income (loss) for the period	(56,650)	(66,837)	(60,505)	(153,863)	99,421	(41,344)	(25,403)	(478,429)
Earnings (loss) per share basic	(0.001)	(0.001)	(0.001)	(0.002)	0.001	(0.001)	(0.001)	(0.007)
Earnings (loss) per share - diluted	n/a	n/a	n/a	n/a	0.001	n/a	n/a	n/a
Cash and cash equivalents	143,039	242,559	417,446	540,809	758,348	1,421,462	1,126,560	1,185,592
Working capital	147,023	260,460	362,815	501,286	766,202	1,302,073	1,071,606	1,153,464

(1) The information for this period was reported under GAAP.

During the last eight quarters ended September 30, 2011, the Company had no revenue, and had no discontinued operations.

The Company's business of exploring mineral exploration properties with available equity and debt financing is a long term endeavour that may take several years to yield any meaningful results. Fluctuations in results from quarter to quarter are caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and are not indicative of any particular trend in the Company's overall performance.

There are no unusual items reflected in the 2011 losses.

Third quarter income in 2010 resulted from the extraction of iron ore on the Magenta property for \$55,649, interest income of \$413 less general and administration expenses of \$46,638. Third quarter income also reflected \$90,000 in deemed income from expenditure of flow-through premium per IFRS. The fourth quarter loss in 2010 included the reclassification of the \$55,649 from other income to a recovery of mineral property expenditures on the Magenta mineral property. The loss also included a mineral property write-off of \$28,267.

Fourth quarter losses in 2009 were higher than the first three quarters because of stock-based compensation expense recorded at year end.

Liquidity and Capital Resources

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

During the nine months ended September 30, 2011, the Company did not conduct any equity financing.

During 2010, 8,880,000 warrants were exercised providing \$444,000 in cash. Additionally, the Company raised gross proceeds of \$75,000 by the issuance of 1,000,000 flow-through common shares.

During the quarter ended September 30, 2011, general and administrative expense totalled \$56,699, compared to \$46,640 in the same period of 2010. The increase is due mainly to higher management and consulting fees in 2011 of \$23,907 (\$20,643 in 2010), and higher professional fees (accounting and legal) in 2011 of \$19,380 (\$13,138 in 2010). During the nine months ended September 30, 2011, general and administration expense totalled \$185,193 compared to \$158,178 in the same period of 2010. The increase is due mainly to the increased marketing and investor relations expense of \$24,441 in 2011, compared to \$12,965 in 2010, and to increased management and consulting fees of \$74,645 in 2011, compared to \$58,521 in the same period of 2010.

The monies raised from equity financing in 2010 and in 2009 were sufficient to meet the Company's obligations during the two years and during the current year to date. The monies were also sufficient to pay outstanding administration costs from 2008. The Company was also able to incur \$137,166 of exploration expenditures on its mineral properties with reports, taxes and assessment fees of \$59,243 in the first nine months of 2011 (total mineral property expenditures in the first nine months of 2010 were \$741,618).

At the end of 2010, the Company had cash on hand in the sum of \$540,809, \$416,661 in short term deposits, and working capital of \$501,286. At the date hereof the Company has working capital of \$147,023.

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. Currently, the Company's stock price is under \$0.05 which is the minimum at which equity financing may be conducted under TSX Venture Exchange rules. On July 21, 2011, the Company announced a private placement of up to 2,000,000 units at a price \$0.25 per unit, with each unit consisting of five common shares and five share purchase warrants. Three of the shares comprised in each unit will be flow-through shares, with the remaining two being non-flow through shares. Each of the warrants will entitle the holder to purchase one non-flow-through share at a price of \$0.10 for a period of two years. Wayne Crocker, the Company's President, advanced \$40,000 as a subscription for units under the private placement, and Judie Whitby, the Company's CFO, advanced \$10,000. No further subscriptions have been received to date, and completion of the private placement is therefore in doubt. If the placement is not completed, the funds received from Mr. Crocker and Ms. Whitby will be treated as an unsecured loan to the Company.

At the present time, the Company has sufficient funds for ongoing general and administrative expense, but inadequate funding for the exploration programs planned.

Transactions with Related Parties

The Company was party to the following transactions with related parties during the nine months ended September 30, 2011.

Wayne Crocker, the Company's President, CEO and a director, billed \$27,515 for consulting services and \$3,204 in expenses. Mr. Crocker also received \$500 in directors' fees. Mr. Crocker does not have a formal consulting contract with the Company but bills for professional services at a per diem rate of \$600.

Judie Whitby, the Company's Chief Financial Officer and a director, receives \$4,500 per month for providing accounting, office and general management services to the Company, for a total of \$40,500. The contract is ongoing and Ms. Whitby has received \$4,500 in the current quarter to date. Ms. Whitby submits expense claims for expenses incurred on the Company's behalf, such as Mines Department work assessment filings and travel expenses. In this regard Ms. Whitby submitted reimbursement claims in the amount of \$9,317. Ms. Whitby also received \$500 in directors' fees.

The Company's primary supplier of legal services is Venex Law, which is a sole proprietorship of Clive Forth, a director of the Company. During the nine months ended September 30, 2011, the fees from Venex Law for services totalled \$10,333. Mr. Forth received \$750 in directors' fees.

Company directors, Mr. Robert Lee and Ms. Heather Conley, each received \$750 in directors' fees in the first nine months of 2011.

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

Changes in Accounting Policies

Transition to International Financial Reporting Standards ("IFRS")

On January 1, 2011, the Canadian Accounting Standards Board replaced Canadian GAAP with IFRS for publicly accountable enterprises, with a transition date of January 1, 2010. IFRS represents standards and interpretations approved by the IASB and are comprised of IFRSs, IASs, and interpretations issued by the IFRICs or the former SICs. The Company's IFRS conversion plan addressed matters including changes in accounting policies, IT and data systems, restatement of comparative periods, organizational and internal controls and any required changes to business processes.

The Company's unaudited condensed interim consolidated financial statements as at and for the nine months ended September 30, 2011 have been prepared in accordance with existing IFRS standards with restatements of comparative balance sheets as at December 31, 2010, September 30, 2010 and January 1, 2010, and statements of earnings and comprehensive income for the three and nine months ended September 30, 2010 and year ended December 31, 2010, as previously reported and prepared in accordance with Canadian GAAP. In the preparation of these financial statements, the Company did not utilize any of the elections provided under IFRS 1 for first time IFRS adopters.

The most significant areas of impact of IFRS on the Company's consolidated financial statements are as follows:

a) Flow through shares

In 2009, the Company issued 5,500,000 flow-through shares at a premium of \$0.02 per share. At January 1, 2010, the money had not yet been spent, requiring the recording of a liability of \$110,000 until the flow-through funds were expended.

The Company has calculated the Company's opening balance sheet under IFRS as at January 1, 2010, and has completed its first, second and third consolidated interim financial statements for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011.

IFRS 1 - Business Combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS. The Company takes advantage of this election and applies IFRS 3 to business combinations that occurred on or after January 1, 2010. There is no adjustment required to the January 1, 2010 statement of financial position on the transition date.

Reclassification within Equity Section

IFRS requires an entity to present for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. The company examined its "contributed surplus" account and concluded that as at the Transition Date of January 1, 2010, the entire amount relates to stock options granted to management, consultants and directors and should therefore be reclassified as "equity reserve".

Cumulative Translation differences

IFRS requires that the functional currency of each entity of the company be determined separately and record the foreign exchange resulting from the consolidation in equity rather than in the statement of operations. The functional currency of the Company is the Canadian dollar, so no adjustment is required.

Financial Instruments

At November 15, 2011 the Company has cash and other current assets in the amount of \$159,174. The cash component is \$108,778, taxes recoverable \$20,257, receivables \$25,490 and prepaid amounts \$4,649. At December 31, 2010, cash amounted to \$124,148, term deposits totalled \$416,661, taxes recoverable were \$18,213 and prepaid amounts were \$12,032. The current liabilities of the Company as at November 15, 2011 are \$6,429 and as at December 31, 2010, \$96,761.

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 this year and last year.

	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Capitalized or expensed exploration and development costs		
• Magenta property, Mexico	\$ 97,500	\$ 38,909
• Brandywine property, B.C.	2,322	54,940
• Stewart properties, B.C.	96,587	679,342
• La Perla II, Mexico	2,799	2,722
Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Nil
General and administrative expenses	185,193	158,178
Material costs not referred to in the foregoing	Nil	Nil

Disclosure of Outstanding Share Data

The Company has the following securities outstanding at November 15, 2011:

81,591,459 common shares.

9,350,000 incentive stock options to acquire common shares.

Details are as follows:

Common Shares

Balance at December 31, 2010	81,291,459
Share issuance for mineral property acquisition	300,000

Balance at November 15, 2011	81,591,459
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Warrants:

There are no outstanding warrants at November 15, 2011.

Options:

Options Outstanding	Exercise Price	Expiry Date
100,000	\$0.13	January 12, 2012
9,250,000	\$0.10	December 16, 2019
9,350,000		

Other

The Company has no off-balance sheet arrangements.

While the Company is in discussions regarding property acquisitions and disposals on an ongoing basis, the Company has no proposed material asset or business acquisition or disposition that the Company's Board of Directors has decided to proceed with, or that the Company's senior management has decided to proceed with in the belief that confirmation by the Board is probable.