

CONDENSED INTERIM FINANCIAL STATEMENTS



**As at and for the three and six-month periods ended June 30, 2018
(Unaudited – Expressed in Canadian dollars)**

NOTICE TO READER

The accompanying condensed interim financial statements of Auramex Resource Corp. as at and for the Three and Six Months ended June 30, 2018, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

AURAMEX RESOURCE CORP.
Interim Statements of Financial Position
As at June 30 2018 and December 31, 2017
(Unaudited – Expressed in Canadian dollars)

	June 30 2018	December 31 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 313,203	\$ 134,403
Receivable	-	2,422
Prepaid expenses	3,878	857
	317,081	137,862
Exploration and evaluation assets (Note 5)	2,164,403	2,204,110
	\$ 2,481,484	\$ 2,341,792
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 9,773	\$ 826,907
Shareholder loans (Note 7)	-	62,983
	9,773	889,890
STOCKHOLDERS' EQUITY		
Share Capital (Note 6)	14,088,993	13,383,553
Equity reserves	1,345,552	1,191,452
Deficit	(12,962,834)	(13,123,103)
	2,471,711	1,451,902
	\$ 2,481,484	\$ 2,341,792
Nature and continuance of operations (Note 1)		
Subsequent events (Note 11)		

Approved, and authorized by the board of directors on August 23, 2018

"Lawrence Roulston"
Director

"Marie Brannstrom"
Director

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

AURAMEX RESOURCE CORP.

Interim Statements of Operations and Comprehensive Loss
For the three and six months ended June 30, 2018 and 2017
(Unaudited – Expressed in Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Expenses				
Bank charges, interest and penalties	402	\$ 50	858	\$ 82
Currency exchange loss (gain)	(37)	(748)	(107)	10,897
Directors fees	150	2,150	450	2,150
Insurance	1,000	998	1,986	1,984
Management and consulting	43,000	13,048	85,353	23,057
Marketing and promotion	1,316	7,893	3,419	9,959
Office and sundry	958	599	1,625	1,339
Professional fees	12,684	8,785	27,314	14,285
Property expense	-	13,200	-	13,200
Stock-based compensation	-	-	-	23,755
Transfer agent and filing fees	3,166	2,973	19,207	13,498
Travel	919	1,278	930	1,309
	(63,558)	(50,226)	(141,035)	(115,515)
Interest Income	-	-	3	2
Gain on sale of subsidiary	-	-	301,301	-
Net income (loss) and comprehensive income (loss) for the period	(63,558)	(50,226)	160,269	(115,513)
Earnings (loss) per share – basic and diluted	(0.002)	(0.002)	0.005	(0.005)
Weighted average number of common shares outstanding – basic and diluted	35,345,899	21,827,149	35,345,899	21,706,882

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

AURAMEX RESOURCE CORP.

Interim Statements of Cash Flows

For the three and six months ended June 30, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

	Six Months ended June 30	
	2018	2017
Operating Activities		
Income (loss) for the period	\$ 160,269	\$ (115,513)
Items not involving cash:		
Debt Settlement	241,100	-
Stock-based compensation	-	23,755
	<u>401,369</u>	<u>(91,758)</u>
Changes in operating assets and liabilities		
Amounts receivable and prepaid expenses	(599)	1,563
Accounts payable and accrued liabilities	<u>(817,134)</u>	<u>52,380</u>
	<u>(416,364)</u>	<u>(37,815)</u>
Investing Activities		
Option payments received	75,000	-
Acquisition of exploration and evaluation assets	<u>(35,293)</u>	48,952
Reclamation deposits	-	-
	<u>39,707</u>	<u>48,952</u>
Financing Activities		
Shares issued for cash, net of share issuance costs	603,440	14,500
Shares issued on exercise of stock options	12,500	
Shares issued on exercise of warrants	2,500	
Repayment of shareholder loans	<u>(62,983)</u>	
	<u>555,457</u>	<u>14,500</u>
Increase (decrease) in cash	178,800	25,637
Cash and cash equivalents, beginning of period	<u>134,403</u>	<u>20,556</u>
Cash and cash equivalents, end of period	\$ 313,203	\$ 46,193

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

AURAMEX RESOURCE CORP.

Interim Statement of Changes in Equity

For the six-month periods ended June 30, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

Issued and outstanding	Capital Stock				
	Number of shares	Amount	Equity reserves	Deficit	Total Equity
Balance as at December 31, 2016	21,499,149	\$ 13,274,153	\$ 1,093,577	\$ (12,846,968)	\$ 1,520,762
Shares issued for cash	290,000	14,500	-	-	14,500
Bonus shares issued	38,000	-	-	-	-
Share based payments	-	-	23,755	-	23,755
Net comprehensive loss for the six months ended June 30, 2017	-	-	-	(115,513)	(115,513)
Balance as at June 30, 2017	21,827,149	\$ 13,288,653	\$ 1,117,332	\$ (12,962,481)	\$ 1,443,504
Balance as at December 31, 2017	24,327,149	\$ 13,383,553	\$ 1,191,452	\$ (13,123,103)	\$ 1,451,902
Shares issued pursuant private placements	7,705,000	616,400	-	-	616,400
Share issuance costs	-	(167,060)	154,100	-	(12,960)
Shares issued for debt	3,013,750	241,100	-	-	241,100
Shares issued pursuant warrant exercises	50,000	2,500	-	-	2,500
Shares issued pursuant stock option exercises	250,000	12,500	-	-	12,500
Net comprehensive income for the six months ended June 30, 2018	-	-	-	160,269	160,269
Balance as at June 30, 2018	35,345,899	\$ 14,088,993	\$ 1,345,552	\$ (12,962,834)	\$ 2,471,711

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Auramex Resource Corp. (“Auramex” or the “Company”) is a Canadian company incorporated in the province of British Columbia and trades on the TSX Venture Exchange. The Company is currently active in the acquisition, exploration and evaluation of mineral properties.

The address of the Company’s registered and corporate office and principal place of business is 20th Floor, 250 Howe Street, Vancouver, British Columbia, Canada, V6C 3R8.

The Company is in the process of exploring its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

The Company's condensed interim financial statements are prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and will require additional financing or outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. Future operations of the Company are dependent on its ability to raise additional equity financing and the attainment of profitable operations. These material uncertainties may cast a significant doubt on the Company’s ability to continue as a going concern.

		June 30, 2018		December 31, 2017
Working capital surplus / (deficiency)	\$	307,308	\$	(752,208)
Deficit		(12,962,834)		(13,123,103)

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparative balances, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full annual financial statements and they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017 and the notes to the financial statements.

The significant accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements except that the results and financial position of the subsidiary have been excluded since its sale in January 2018.

Certain comparative period amounts have been reclassified to conform with the current year’s presentation. Comparatives are shown on a consolidated basis and include the results and financial position of the principal subsidiary Exploracion Auramex S.A de C.V. (“Exploracion”). The subsidiary was sold in January 2018 as further described in note 4.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the accounting policies set out in Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended December 31, 2017 to all the periods presented in these unaudited condensed interim consolidated financial statements.

On January, 1 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 on a retrospective basis. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of our financial instruments at the transition date.

4. SALE OF SUBSIDIARY

On January 22, 2018, the Company finalized the sale of Exploracion and transferred ownership of the subsidiary to the purchaser. As consideration for the transfer, the purchaser provided an indemnification to the Company against all of the debts of the subsidiary. Further, the Company is to receive 100,000 shares in a reporting issuer when the purchaser transfers mineral titles held by Exploracion to a reporting issuer.

5. EXPLORATION AND EVALUATION ASSETS

Acquisition Costs

Balance, December 31, 2016	\$ 410,623
Additions(Disposals)	1,137
Disposals	(60,000)
Balance, December 31, 2017	\$ 351,760
Disposals	(75,000)
Balance, June 30, 2018	\$ 276,760

Deferred Exploration

Balance, December 31, 2016	\$ 1,846,251
Geological, mapping and field expenses	34,326
Permits, taxes and assessment fees	165
Government tax credit recovery	(28,392)
Balance December 31, 2017	\$ 1,852,350
Geological, mapping and field expenses	35,293
Balance June 30, 2018	\$ 1,887,643

Total Exploration and Evaluation Assets

Balance, December 31, 2016	\$ 2,256,874
Balance, December 31, 2017	\$ 2,204,110
Balance, June 30, 2018	\$ 2,164,403

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

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. 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.

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. All purchase option agreements have been exercised.

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

Georgie River

In April 2017, the Company entered into an agreement by which Decade Resources Ltd. ("Decade") could earn a 75% interest in claims encompassing 161 hectares, or less than 3% of the overall property. The piece of the property optioned to Decade encompasses the past producing Georgia River mine.

Subsequent to this transaction, in order to make it clear that Auramex had optioned an interest in the Georgia River Mine, the Company changed the project name to that of the dominant geographical feature on the property, being the Georgie River.

On May 10, 2018, the Company expanded its Georgie River property holdings by acquiring the Exdale tenure in a non-related party transaction. The 654-hectare mineral tenure is located on the northern edge of the Company's Georgie River property. The 100% acquisition of the tenure is in consideration of 50,000 shares of Auramex and a retained 2% net smelter return royalty in favour of the vendor.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2018
(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Option Agreements

Georgia River

On April 10, 2017, the Company granted an option to Decade Resources Ltd. (“Decade”) to earn a 75% interest in certain mineral claims within the Georgia River area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$50,000 on execution of the agreement (received);
 - ii. \$75,000 on or before the first anniversary of the agreement (received);
 - iii. \$150,000 on or before the second anniversary of the agreement; and
 - iv. \$200,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$500,000 on or before the second anniversary of the agreement;
 - ii. \$750,000 on or before the third anniversary of the agreement; and
 - iii. \$1,000,000 on or before the fourth anniversary of the agreement.

Upon Decade earning the 75% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. A joint venture agreement provides for Decade to spend approximately \$13 million to earn an additional 20% if the Company does not contribute. At a 5% diluted interest, the Company will receive a 1.5% NSR for its 5% interest and Decade will hold a 100% property interest.

West George Copper

On August 30, 2017, the Company granted an option to Mountain Boy Minerals Ltd. (“Mountain Boy”) to earn a 60% interest in certain mineral claims within the West George Copper area of the Stewart Properties. In order to exercise its option, Mountain Boy must:

- a) Make cash payments to the Company as follows:
 - i. \$10,000 on or before the second anniversary of the agreement; and
 - ii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$30,000 on or before the second anniversary of the agreement;
 - ii. \$50,000 on or before the third anniversary of the agreement; and

After earning 60% interest, each \$250,000 work expenditure performed will change the percentage ownership by 5%. If Mountain Boy earns 95% interest, the remaining 5% converts to a 1.5% NSR royalty. Once the option is exercised, the Company will receive a 2% NSR royalty of which 1% can be purchased for one million dollars.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2018
(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Surprise Creek

On September 7, 2017, the Company granted an option to Decade to earn a 60% interest in certain mineral claims within the Surprise Creek area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$5,000 on execution of the agreement (received);
 - ii. \$15,000 on or before the second anniversary of the agreement; and
 - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$50,000 on or before the second anniversary of the agreement;
 - ii. \$70,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 60% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

Red Cliff

On September 7, 2017, the Company granted an option to Decade to earn an 80% interest in certain mineral claims adjacent to Decade's Red Cliff property within the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$5,000 on execution of the agreement (received);
 - ii. \$10,000 on or before the second anniversary of the agreement; and
 - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$30,000 on or before the second anniversary of the agreement;
 - ii. \$50,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 80% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

Portable Assessment Credits acquired from the foregoing transactions were used to extend the expiry dates of 39 tenures totalling 9,607 hectares by five years. As the Company applied the Portable Assessment Credits to the exploration and evaluation assets, the Company has recorded the transaction on a net basis which results in a \$nil impact on exploration and evaluation assets.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2018
(Unaudited – Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value

During the six-months ended June 30, 2018, the Company had the following share transactions:

The Company issued 7,705,000 units in a private placement at \$0.08 per unit for gross proceeds of \$616,400. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at a price of \$0.10 per share until February 16, 2020. The warrants were allocated a value of \$154,100 using the residual value allocation method. The Company paid \$12,960 finders fees in relation to the issue.

The Company issued 3,013,750 shares at a price of \$0.08 per share to settle debt in the amount of \$241,100 owing to related parties.

A total of 250,000 incentive stock options were exercised for total proceeds of \$12,500.

A total of 50,000 share purchase warrants were exercised for total proceeds of \$2,500.

b) Share Purchase Warrants

A summary of share purchase warrant activity for the six-month period ended June 30, 2018 is as follows:

	Number of Warrants	Exercise Price
Balance outstanding at December 31, 2017	2,340,000	\$ 0.05
Issued	7,705,000	0.10
Exercised	(50,000)	0.05
Balance outstanding at June 30, 2018	9,995,000	\$ 0.09

As at June 30, 2018, the Company had the following share purchase warrants outstanding:

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.05	290,000	0.76	7 March 2019
\$ 0.05	2,000,000	1.55	22 December 2019
\$ 0.10	7,705,000	1.71	16 February 2020

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

c) Stock Options

The Company's stock option plan provides for the grant of incentive stock options for up to 3,266,000 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 vest at the discretion of the directors. Options granted for investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period.

A summary of share options activity for the six-month period ended June 30, 2018 is as follows:

	Number of Stock Options	Exercise Price
Balance outstanding at December 31, 2017	3,266,000	\$ 0.06
Exercised	(250,000)	0.05
Balance outstanding at June 30, 2018	3,016,000	\$ 0.06

The following table summarizes information about the stock options outstanding at June 30, 2018:

Exercise price	Number outstanding and exercisable	Weighted average Remaining years	Expiry date
\$ 0.10	150,000	0.43	December 4, 2018
\$ 0.05	350,000	1.46	December 16, 2019
\$ 0.05	950,000	6.24	September 24, 2024
\$ 0.05	950,000	8.62	February 8, 2027
\$ 0.05	100,000	9.27	October 4, 2027
\$ 0.05	516,000	9.48	December 19, 2027
	<u>3,016,000</u>		

7. SHAREHOLDER LOANS

On March 7, 2017, the Company borrowed \$12,000 from a small group of lenders. The loans were repaid on March 7, 2018, with 10% interest.

On August 2, 2011, certain related parties subscribed to a private placement that was not completed. In that regard, the deposits on shares of \$50,000 had been treated as shareholders' loans. These loans were repaid January 31, 2018 by shares for debt settlement.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Six months ended June 30,	
	2018	2017
Directors' fees	\$ 450	\$ 2,150
Management and consulting fees	85,000	29,940
Geological consulting fees	2,100	-
Share based payments	-	-
	<u>\$ 87,550</u>	<u>\$ 32,090</u>

At June 30, 2018, an amount of \$Nil (December 31, 2017 - \$472,448) was included in accounts payable and accrued liabilities for unpaid amounts relating to fees and expenses owed to officers and directors, and to companies controlled by them.

As at June 30, 2018, there were no shareholder loans due. As at December 31, 2017, shareholder loans of \$50,000 were due to the former CFO and director and to the previous CEO and director of the Company (Note 8).

During the year ended December 31, 2017, the Company received loans totalling \$12,000 from directors of the Company (Note 8). During the six months ended June 30, 2018, the principal and interest of \$12,983 was repaid.

9. FINANCIAL INSTRUMENTS

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2018, the Company's financial instruments are comprised of cash and cash equivalents, other receivables (excluding GST), accounts payable and accrued liabilities. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. Cash and cash equivalents are measured at fair value and categorised as Level 1 in the fair value hierarchy.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

For the three and six months ended June 30, 2018

(Unaudited – Expressed in Canadian Dollars)

10. SEGMENT INFORMATION

The Company has one reportable operating segment in Canada, being the acquisition, exploration and evaluation of mineral resources. All the Company's long-term assets are located in Canada.

11. SUBSEQUENT EVENTS

In July 2018 the Company amended the stock option plan to increase the number of options available for issuance and granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 518,000 treasury shares. The options are exercisable at a price of \$0.055 per share for a period of 5 years and are subject to the policies and approval of the TSX Venture Exchange, and the Company's stock option plan.