

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



March 31, 2017 and 2016
(Unaudited – Expressed in Canadian dollars)

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.

Consolidated Interim Statements of Financial Position

March 31, 2017 and December 31, 2016 (Unaudited – Expressed in Canadian dollars)

	March 31 2017	December 31 2016
ASSETS		
Current		
Cash and cash equivalents	\$ 12,872	\$ 20,556
Receivable	-	5,702
Prepaid expenses	<u>3,907</u>	<u>854</u>
	<u>16,779</u>	<u>27,112</u>
Reclamation Deposits (Note 4)	-	-
Property and equipment (Note 3)	1,545	1,545
Exploration and evaluation assets (Note 5)	<u>2,258,084</u>	<u>2,256,874</u>
	<u>\$ 2,276,408</u>	<u>\$ 2,285,531</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 720,678	\$ 714,769
Shareholder loans (Note 7)	<u>62,000</u>	<u>50,000</u>
	<u>782,678</u>	<u>764,769</u>
STOCKHOLDERS' EQUITY		
Capital Stock (Note 6)	13,288,653	13,274,153
Equity reserves	1,117,332	1,093,577
Deficit	<u>(12,912,255)</u>	<u>(12,846,968)</u>
	<u>1,493,730</u>	<u>1,520,762</u>
	<u>\$ 2,276,408</u>	<u>\$ 2,285,531</u>

Approved, and authorized by the board of directors on May 18, 2016

*"Wayne Crocker"**"Judie Whitby"*_____
Director_____
Director

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

AURAMEX RESOURCE CORP.**Consolidated Interim Statements of Operations and Comprehensive Loss
March 31, 2017 and 2016 (Unaudited – Expressed in Canadian dollars)**

	Quarters ended March 31	
	2017	2016
Expenses		
Bank charges, interest and penalties	\$ 32	\$ 21
Currency exchange loss (gain)	11,645	(13,958)
Insurance	986	986
Management and consulting fees	10,009	7,500
Marketing and promotion	412	-
Office and sundry	740	669
Professional fees	5,500	6,300
Property tax expense	-	10,829
Shareholder communications	1,654	-
Stock-based compensation	23,755	-
Transfer agent and filing fees	10,525	7,685
Travel	31	-
	<u>(65,289)</u>	<u>(20,032)</u>
Interest Income	<u>2</u>	<u>10</u>
Net loss and comprehensive loss for the period	<u>(65,287)</u>	<u>(20,022)</u>
Loss per share – basic and diluted	<u>\$ (0.003)</u>	<u>\$ (0.001)</u>
Weighted average number of common shares outstanding – basic and diluted	<u>21,586,616</u>	<u>18,999,149</u>

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

AURAMEX RESOURCE CORP.
Consolidated Interim Statements of Cash Flows
For the quarters ended March 31, 2017 and 2016
(Unaudited – Expressed in Canadian dollars)

	Quarters ended March 31	
	2017	2016
Operating Activities		
Income (loss) for the period	\$ (65,287)	\$ (20,022)
Items not involving cash:	23,754	-
	<u>(41,533)</u>	<u>(20,022)</u>
Changes in operating assets and liabilities		
Amounts receivable and prepaid expenses	2,650	(272)
Accounts payable and accrued liabilities	17,910	(16,358)
	<u>(20,973)</u>	<u>(36,652)</u>
Investing Activities		
Acquisition of exploration and evaluation assets	(1,211)	(75)
Reclamation deposits	-	(10)
	<u>(1,211)</u>	<u>(85)</u>
Financing Activities		
Shares issued for cash	14,500	
Share subscriptions received	-	25,000
Share issuance costs	-	-
	<u>14,500</u>	<u>25,000</u>
Increase (decrease) in cash	(7,684)	(11,737)
Cash and cash equivalents, beginning of period	20,556	25,465
Cash and cash equivalents, end of period	\$ 12,872	\$ 13,728
Supplemental disclosure of cash flow Information		
Interest received	\$ 2	\$ 50
Supplemental disclosure of non-cash investing and financing activities		
Accounts payable included in mineral property expenditures	\$ 75	\$ 75

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

AURAMEX RESOURCE CORP.
Consolidated Interim Statement of Changes in Equity
March 31, 2017 (Unaudited – Expressed in Canadian dollars)

Issued and outstanding	Capital Stock		Equity reserves	Deficit	Total Equity
	Number of shares	Amount			
Balance as at December 31, 2015	18,999,149	\$ 13,249,265	\$ 1,093,577	\$ (12,770,893)	\$ 1,571,949
Share subscriptions received		25,000			25,000
Net comprehensive loss for the three months ended March 31, 2016				(20,022)	(20,022)
Balance as at March 31, 2016	18,999,149	13,274,265	1,093,577	(12,790,915)	1,576,927
Shares issued	2,500,000				-
Share issuance costs		(112)			(112)
Net comprehensive loss for the nine months ended December 31, 2016				(56,053)	(56,053)
Balance as at December 31, 2016	21,499,149	13,274,153	1,093,577	(12,846,968)	1,520,762
Share 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 three months ended March 31, 2017				(65,287)	(65,287)
Balance as at March 31, 2017	21,827,149	\$ 13,288,653	\$ 1,117,332	\$ (12,912,255)	\$ 1,493,730

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
March 31, 2017 and 2016 (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 engaged in the acquisition and exploration of mineral properties in British Columbia.

The head office, principal address and registered and records office of the Company is located at 750 Grand Boulevard, North Vancouver, British Columbia, Canada, V7L 3W4.

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 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. The carrying value of the Company’s mineral properties does not reflect current or future values.

These condensed consolidated interim 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. The Company will need to raise cash in fiscal 2017 in order to meet its obligations.

	March 31, 2017	December 31, 2016
Working capital (deficiency)	\$ (765,899)	\$ (737,657)
Deficit	(12,912,255)	(12,846,968)

2. BASIS OF PREPARATION AND CONSOLIDATION

These condensed consolidated 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 consolidated 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, 2016 and the notes to the financial statements.

These condensed consolidated interim financial statements have been prepared on an historical cost basis. These condensed consolidated interim financial statements are presented in Canadian dollars, the Company’s functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting.

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements.

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

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.

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
March 31, 2017 and 2016 (Unaudited – Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONSOLIDATION (continued)

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.

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.

3. PROPERTY AND EQUIPMENT

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized using the declining balance method at the flowing annual rates. There have been no additions or disposals in the three months ended March 31, 2017. Depreciation is calculated annually.

Property and equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, is regularly identified and written off.

	Computer and Office Equipment	Exploration Equipment	Furniture and Fixtures	TOTAL
Cost				
Balance at December 31, 2015, December 31, 2016, and at March 31, 2017	\$ 7,985	\$ 5,143	\$ 2,025	\$ 15,153
Accumulated depreciation				
Balance at December 31, 2015	\$ (6,807)	\$ (4,989)	\$ (1,361)	\$ (13,157)
Depreciation for the year	(304)	(29)	(118)	(451)
Balance at December 31, 2016 and at March 31, 2017	\$ (7,111)	\$ (5,018)	\$ (1,479)	\$ (13,608)
Net Book Value				
At December 31, 2015	\$ 1,178	\$ 154	\$ 664	\$ 1,996
At December 31, 2016 and March 31, 2017	\$ 834	\$ 125	\$ 546	\$ 1,545

4. RECLAMATION DEPOSITS

Reclamation deposits are the funds required by the Mines Department to be held on deposit against future reclamation and remediation of environmental disturbance as a result of mining exploration and development activity. After reclamation and remediation, the funds can be recovered.

The following table shows the reclamation deposits by property:

	Stewart Properties
Balance as at December 31, 2015	\$ 5,003
Interest (received) accrued	10
Balance as at March 31, 2016	5,013
Deposits released	(5,000)
Interest (received) accrued	(13)
Balance as at December 31, 2016 and at March 31, 2017	-

AURAMEX RESOURCE CORP.Notes to the Condensed Consolidated Interim Financial Statements
March 31, 2017 and 2016 (Unaudited – Expressed in Canadian Dollars)**5. EXPLORATION AND EVALUATION ASSETS**

	March 31, 2017	
	STEWART	
	PROPERTIES	
Acquisition Costs		
Balance, December 31, 2016	\$	410,623
Additions		1,137
Balance, March 31, 2017	\$	411,760
Deferred Exploration		
Balance, December 31, 2016	\$	1,846,249
Geological, mapping and field expenses		75
Balance March 31, 2017	\$	1,846,324
Total	\$	2,258,084
	March 31, 2016	
	STEWART	
	PROPERTIES	
Acquisition Costs		
Balance, December 31, 2014	\$	410,623
Additions		-
Balance, March 31, 2015	\$	410,623
Deferred Exploration		
Balance, December 31, 2014	\$	1,718,077
Geological, mapping and field expenses		0
		75
Balance March 31, 2015	\$	1,718,152
Total	\$	2,128,775

AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements
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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 option agreements have been exercised.

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

6. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value

During the quarter ended March 31, 2017, the Company issued 290,000 shares for cash and issued 38,000 bonus shares on a loan transaction.

During the year ended December 31, 2016, the Company issued 2,500,000 shares for cash.

b) Share Purchase Warrants

At March 31, 2017, there are 9,740,000 share purchase warrants outstanding:

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.25	6,733,334	0.66	27 November 2017
\$ 0.05	50,000	0.93	7 March 2018
\$ 0.05	290,000	1.93	7 march 2019

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 generally vest immediately upon grant.

During the quarter ended March 31, 2017, 1,200,000 stock options were granted.

AURAMEX RESOURCE CORP.

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6. SHARE CAPITAL (continued)

c) Stock Options (continued)

The following table summarizes information about the stock options outstanding at March 31, 2017:

Exercise price	Number outstanding and exercisable	Weighted average Remaining years	Expiry date
\$ 0.10	350,000	2.71	December 16, 2019
0.05	150,000	0.29	July 16, 2017
0.05	950,000	7.49	September 24, 2024
0.05	1,200,000	9.87	February 8, 2027
	<u>2,650,000</u>		

7. SHAREHOLDER LOANS

On March 7, 2017, the Company borrowed \$12,000 from a small group of lenders. The loans are repayable on March 7, 2018, with 10% interest. \$9,500 was loaned by directors.

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 have been treated as shareholders' loans. These loans are still outstanding and will only be repaid from future financings or shares for debt settlement.

8. COMPENSATION OF KEY MANAGEMENT

Key management comprises executive officers. The Company has no post-employment benefits or other long-term benefits.

	Three months ended March 31,	
	2017	2016
Consulting fees	\$ 9,900	\$ 7,500
Directors fees	-	-
	<u>\$ 9,900</u>	<u>\$ 7,500</u>

9. RELATED PARTY TRANSACTIONS

The following fees and expenses were incurred in the normal course of operations:

	Three months ended March 31,	
	2016	2016
Whitby & Tower Moving Ltd. ⁽¹⁾	\$ 315	315
	<u>\$ 315</u>	<u>\$ 315</u>

⁽¹⁾ Whitby & Tower Moving Ltd. is a company controlled by an officer and director that provides moving and storage services.

AURAMEX RESOURCE CORP.

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10. 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.

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 March 31, 2017. The Company is not subject to externally imposed capital requirements.

Taxes recoverable and prepaid expenses

	March 31, 2017		December 31, 2016	
GST receivable	\$	-	\$	5,702
Prepaid expenses and advances		3,907		854
	\$	3,907	\$	6,556

11. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as interest receivable is from deposits with Canadian chartered banks and taxes receivable consist mainly of input tax credits receivable from the Government of Canada.

Liquidity risk

The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company held cash in the amount of \$12,872 (December 31, 2016 - \$20,556) to settle current liabilities of \$782,678 (December 31, 2016 - \$764,769). Included in the current liabilities of \$782,678 are shareholder loans in the amount of \$62,000, and consulting fees of \$419,835 owing to officers and directors.

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 at March 31, 2017, the Company held no investment-grade short-term deposit certificates.

b) Foreign currency risk

Foreign currency risk is the risk that variation in exchange rates between the Canadian dollar and the Mexican peso will affect the Company's operating and financial results. The Company does not have material balances in foreign currencies.

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Notes to the Condensed Consolidated Interim Financial Statements
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12. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

The Company has cash, receivables, taxes recoverable and accounts payable and accrued liabilities denominated in Mexican pesos. A 10% fluctuation in the Mexican pesos against the Canadian dollar would affect net income for the quarter by approximately \$21,000.

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 prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. SEGMENT INFORMATION

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

	At March 31,	At December 31,
	2017	2016
Capital assets		
Exploration and evaluation assets		
Canada	\$ 2,258,084	\$ 2,256,874
Equipment		
Canada	\$ 1,545	\$ 1,545

13. SUBSEQUENT EVENTS

On April 10, 2017, the Company granted an option to Decade Resources Ltd. To earn a 75% interest in 161 hectares at the historic Georgia river Gold Mine on the following term: payment of \$50,000 upon signing (paid), payment of \$75,000 on or before the first anniversary of the agreement, payment of \$150,000 on or before the second anniversary of the agreement, and \$200,000 on or before the third anniversary of the agreement; with work requirements of \$250,000 by the first anniversary date, \$500,000 by the second anniversary date, \$750,000 by the third anniversary date, and \$1,000,000 by the fourth anniversary date. Upon Decade earning the 75% interest, the Company will receive a Net Smelter Return royalty (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.