

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**



**September 30, 2016 and 2015**  
**(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

September 30, 2016 and December 31, 2015 (Unaudited – Expressed in Canadian dollars)

	<b>Sept. 30 2016</b>	December 31 2015
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 20,722	\$ 25,465
Receivable	1,307	3,774
Prepaid expenses	1,863	855
	<u>23,892</u>	<u>30,094</u>
<b>Reclamation Deposits</b> (Note 4)	5,034	5,003
<b>Property and equipment</b> (Note 3)	1,996	1,996
<b>Exploration and evaluation assets</b> (Note 5)	2,182,028	2,128,701
	<u>\$ 2,212,950</u>	<u>\$ 2,165,794</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 623,560	\$ 543,845
Shareholder loans (Note 7)	50,000	50,000
	<u>673,560</u>	<u>593,845</u>
	673,560	593,845
<b>STOCKHOLDERS' EQUITY</b>		
<b>Capital Stock</b> (Note 6)	13,274,153	13,249,265
<b>Equity reserves</b>	1,093,577	1,093,577
<b>Deficit</b>	(12,828,340)	(12,770,893)
	<u>1,539,390</u>	<u>1,571,949</u>
	<u>\$ 2,212,950</u>	<u>\$ 2,165,794</u>

Approved, and authorized by the board of directors on November 15, 2016

*"Wayne Crocker"*

*"Judie Whitby"*

\_\_\_\_\_  
Director

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Director

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

## AURAMEX RESOURCE CORP.

### Condensed Consolidated Interim Statements of Operations and Comprehensive Loss September 30, 2016 and 2015 (Unaudited – Expressed in Canadian dollars)

	Three month period ended		Cumulative nine month period ended	
	Sept. 30, 2016	Sept. 30, 2015	Sept. 30, 2016	Sept. 30, 2015
<b>Expenses</b>				
Bank charges and interest	\$ 6	\$ 34	\$ 56	\$ 472
Currency exchange (gain) loss	(3,081)	(19,834)	(25,785)	2,275
Directors' fees	750	-	750	750
Insurance	1,008	1,008	2,992	3,100
Management and consulting fees	7,500	10,158	22,500	34,385
Marketing and promotion	-	-	959	52
Office and sundry	581	1,479	1,835	4,987
Professional fees	6,300	8,264	18,115	25,771
Property tax expenditures	13,021	11,438	24,350	41,644
Shareholder communications	-	-	-	-
Transfer agent and filing fees	902	857	11,724	11,226
Travel	-	303	17	1,008
<b>Loss before the following</b>	<b>\$ (26,987)</b>	<b>\$ (13,707)</b>	<b>\$ (57,513)</b>	<b>\$ (125,670)</b>
<b>Interest Income</b>	<b>45</b>	<b>56</b>	<b>66</b>	<b>132</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (26,942)</b>	<b>\$ (13,651)</b>	<b>\$ (57,447)</b>	<b>\$ (125,538)</b>
<b>Earnings (loss) per share</b>	<b>(0.001)</b>	<b>(0.001)</b>	<b>(0.003)</b>	<b>(0.007)</b>
<b>Weighted average number of shares used in the calculation of earnings(loss) per share</b>	<b>21,499,149</b>	<b>18,999,149</b>	<b>21,114,534</b>	<b>18,165,816</b>

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

**AURAMEX RESOURCE CORP.**  
**Consolidated Interim Statements of Cash Flows**  
**For the nine months ended September 30, 2016 and 2015**  
**(Unaudited – Expressed in Canadian dollars)**

	Nine months ended September 30,	
	2016	2015
<b>Operating Activities</b>		
Income (loss) for the period	\$ (57,447)	\$ (125,538)
Items not involving cash:	-	-
	<u>(57,447)</u>	<u>(125,538)</u>
Changes in operating assets and liabilities		
Amounts receivable and prepaid expenses	1,459	9,970
Accounts payable and accrued liabilities	79,715	85,722
Write-off exploration and evaluation assets	-	-
	<u>23,727</u>	<u>(29,846)</u>
<b>Investing Activities</b>		
Acquisition of exploration and evaluation assets	(53,327)	(3,137)
Reclamation deposits	(31)	7,564
Acquisition of property and equipment	-	-
	<u>(53,358)</u>	<u>4,427</u>
<b>Financing Activities</b>		
Shares issued for cash	25,000	40,000
Share issuance costs	(112)	(2,658)
	<u>24,888</u>	<u>37,342</u>
<b>Increase (decrease) in cash</b>	<b>(4,743)</b>	<b>11,923</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>25,465</b>	<b>13,293</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 20,722</b>	<b>\$ 25,216</b>
<b>Supplemental disclosure of cash flow Information</b>		
Interest received	\$ 10	\$ 101
Interest paid	-	-
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Accounts payable included in mineral property expenditures	\$ 70,077	\$ 17,478

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

**AURAMEX RESOURCE CORP.**  
**Consolidated Interim Statement of Changes in Equity**  
**September 30, 2016 (Unaudited – Expressed in Canadian dollars)**

<b>Issued and outstanding</b>	<b>Capital Stock</b>		Equity reserves	Deficit	Total Equity
	Number of shares	Amount			
Balance as at December 31, 2014	16,332,483	13,211,923	1,093,877	(12,605,689)	1,699,811
Shares issued for cash	2,666,666	40,000			40,000
Share issuance costs		(2,658)			(2,658)
Net comprehensive loss for the nine months ended September 30, 2015				(125,538)	(125,538)
Balance as at September 30, 2015	18,999,149	13,249,265	1,093,877	(12,731,227)	1,611,615
Net comprehensive loss for the three months ended December 31, 2015				(39,666)	(39,666)
Balance as at December 31, 2015	18,999,149	13,249,265	1,093,577	(12,770,893)	1,571,949
Shares issued for cash	2,500,000	25,000			25,000
Share issuance costs		(112)			(112)
Net comprehensive loss for the nine months ended September 30, 2016				(57,447)	(57,447)
<b>Balance as at September 30, 2016</b>	<b>21,499,149</b>	<b>\$ 13,274,153</b>	<b>\$ 1,093,577</b>	<b>\$ (12,828,340)</b>	<b>\$ 1,539,390</b>

## AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(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 Canada.

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 must raise cash in order to meet its obligations.

	September 30, 2016	December 31, 2015
Working capital (deficiency)	\$ (649,668)	\$ (590,751)
Deficit	(12,828,340)	(12,770,893)

### 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, 2014 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  
September 30, 2016 and 2015(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 following annual rates. Depreciation is calculated annually.

	Computer and Office Equipment	Computer Software	Exploration Equipment	Furniture and Fixtures	TOTAL
<b>Cost</b>					
Balance at December 31, 2015	\$ 7,985	\$ 1,075	\$ 5,143	\$ 2,025	\$ 16,228
Balance at September 30, 2016	\$ 7,985	\$ 1,075	\$ 5,143	\$ 2,025	\$ 16,228
<b>Accumulated depreciation</b>					
Balance at December 31, 2015	\$ (6,807)	\$ (1,075)	\$ (4,989)	\$ (1,361)	\$ (14,232)
<b>Net Book Value</b>					
At December 31, 2015	\$ 1,594	\$ -	\$ 220	\$ 830	\$ 2,644
At September 30, 2016	\$ 1,178	\$ -	\$ 154	\$ 664	\$ 1,996

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.

### 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:

	Brandywine Property	Stewart Properties	Total
Balance as at December 31, 2014	\$ 5,013	\$ 24,099	\$ 29,112
Refunded deposits	(5,000)	(14,000)	(19,000)
Interest (received) accrued	(13)	7	(6)
Balance as at September 30, 2015	-	10,106	10,106
Refunded deposits	-	(5,000)	(5,000)
Interest (received) accrued	-	(103)	(103)
Balance as at December 31, 2015	-	5,003	5,003
Interest (received) accrued	-	31	31
<b>Balance as at September 30, 2016</b>	<b>\$ -</b>	<b>\$ 5,034</b>	<b>\$ 5,034</b>



**AURAMEX RESOURCE CORP.**Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(Unaudited – Expressed in Canadian Dollars)**5. EXPLORATION AND EVALUATION ASSETS**

	<u>STEWART PROPERTIES</u>	
<b>Acquisition Costs</b>		
Balance, December 31, 2015	\$	410,623
Additions		-
Balance, September 30, 2016	\$	410,623
<b>Deferred Exploration</b>		
Balance, December 31, 2015	\$	1,718,078
Geological, mapping and field expenses		66,963
Permits, taxes and assessment fees		315
Mining Tax recoveries		(13,950)
Balance September 30, 2016	\$	1,771,406
<b>Total</b>	\$	<u>2,182,029</u>

	<u>STEWART PROPERTIES</u>	
<b>Acquisition Costs</b>		
Balance, December 31, 2014	\$	410,368
Additions		223
Balance, September 30, 2015	\$	410,591
<b>Deferred Exploration</b>		
Balance, December 31, 2014	\$	1,649,562
Geological, mapping and field expenses		3,424
Permits, taxes and assessment fees		890
Mining Tax Recoveries		(1,400)
Balance September 30, 2015	\$	1,652,476
<b>Total</b>	\$	<u>2,063,067</u>

## AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(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.

The Company has mineral property interests in Canada and Mexico.

#### Magenta Property, Mexico

The property was written off in 2014. Taxes continue to be 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, for total cash of \$47,583 and the issuance of 485,000 common shares in the Company. 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 nine months ended September 30, 2016, the Company had the following share transactions:

The Company issued 2,500,000 units at \$0.01 for gross proceeds of \$25,000 with each unit consisting of one common share and one half flow-through share purchase warrant. The warrants expired July 5, 2016. Share issuance costs were \$112 for this issuance.

#### b) Share purchase warrants

A summary of share purchase warrant activity for the period ended September 30, 2016 is as follows:

	Number of warrants	Average exercise price
Balance, January 1, 2015	9,400,000	\$ 0.16
Issued	1,250,000	
Expired	(1,250,000)	
Balance, September 30, 2016	9,400,000	\$ 0.16

## AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(Unaudited – Expressed in Canadian Dollars)

### 6. SHARE CAPITAL (continued)

#### b) Share purchase warrants (continued)

As at September 30, 2016, the Company has the following share purchase warrants outstanding:

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.10	2,666,666		27 Mar 2017
\$ 0.20	6,733,334 <sup>(1)</sup>		27 Nov 2017

<sup>(1)</sup>Each warrant is exercisable into one common share of the Company at a price of \$0.20 from November 28, 2015 until November 27, 2016; and \$0.25 from November 28, 2016 until November 27, 2017.

#### 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.

A summary of stock option activity for the period ended September 30, 2016 is as follows:

	Number of options	Weighted average exercise price
Balance, January 1, 2016	1,875,000	\$ 0.10
Expired	(300,000)	0.10
Balance, September 30, 2016	1,575,000	\$ 0.06

The following table summarizes information about the stock options outstanding at September 30, 2016:

Exercise price	Number outstanding and exercisable	Weighted average Remaining years	Expiry date
\$ 0.10	350,000	3.21	December 16, 2019
0.10	25,000	0.08	October 30, 2016
0.05	950,000	7.99	September 24, 2024
0.05	150,000	0.79	July 16, 2017
0.05	100,000	0.08	October 30, 2016
	<u>1,575,000</u>		

### 7. SHAREHOLDER LOANS

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.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(Unaudited – Expressed in Canadian Dollars)

### 8. RELATED PARTY TRANSACTIONS

#### Key Management Personnel

Key management consist of executive members of the Company's Board of Directors and corporate officers. The Company has no post-employment benefits or other long-term benefits.

	Nine months ended Sept. 30,	
	2016	2015
Consulting fees	\$ 23,625	\$ 24,225
Business controlled by an officer (geological consulting)	67,463	68,303
	<u>\$ 91,088</u>	<u>\$ 92,528</u>

As of September 30, 2016, these amounts are included in accounts payable.

Related party transactions with other than key management personnel

	Nine months ended Sept. 30,	
	2016	2015
Directors' fees	\$ 750	\$ 750
Company controlled by a director	945	945
	<u>\$ 1,695</u>	<u>\$ 1,695</u>

As of September 30, 2016, these amounts are recorded in current liabilities.

### 9. 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 nine months ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

### 10. 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 a 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 Governments of Canada and Mexico.

#### 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.

	September 30, 2016		December 31, 2015	
Cash	\$	20,722	\$	25,465
Liabilities	\$	673,560	\$	593,845

Included in the current liabilities of \$673,562 are amounts owing to management and directors of \$392,552.

## AURAMEX RESOURCE CORP.

Notes to the Condensed Consolidated Interim Financial Statements  
September 30, 2016 and 2015(Unaudited – Expressed in Canadian Dollars)

### 10. FINANCIAL INSTRUMENTS (continued)

#### *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 September 30, 2016, the Company did not hold any investment-grade short-term deposit certificates.

#### b) Foreign currency risk

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

#### *Sensitivity*

The Company has cash, receivables, taxes recoverable and accounts payable and accrued liabilities denominated in Mexican pesos. A 10% fluctuation in the Mexican peso and the US dollar against the Canadian dollar would affect net income for the nine months 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.

### 11. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition, exploration and evaluation of exploration and evaluation assets.

	2015	At Sept. 30, 2015
Capital assets		
Explorations and evaluation assets	\$ 2,182,028	\$ 2,063,067
	\$ 2,182,028	\$ 2,063,067
Equipment	\$ 1,996	\$ 2,644
	\$ 1,996	\$ 2,644