

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018



The following Management Discussion and analysis (“MD&A”) of financial position and results of operations of Auramex Resource Corp. (the “Company”) is prepared as at November 28, 2018 and should be read in conjunction with the condensed interim financial statements of the Company, and the notes thereto, for the three and nine months ended September 30, 2018, and with the audited financial statements of the Company, and the notes thereto, for the year ended December 31, 2017. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol AUX, and classified as a junior natural resource company. The Company is subject to the specific risks inherent in the mineral exploration business as well as general economic and business conditions. For more information on the Company, readers should review the Company's disclosure that is available on the Company's website at www.auramex.com as well as at www.sedar.com.

Corporate Update

On January 22, 2018, the Company finalized the sale of its Mexican subsidiary, Exploración Auramex S.A. de C.V. and transferred ownership to the purchaser. As consideration for the transfer, the purchaser provided an indemnification to the Company against all of the debts of the subsidiary. Furthermore, the Company is to receive 100,000 shares in a reporting issuer when the purchaser transfers mineral titles held by the subsidiary to a reporting issuer.

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, 2019. 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 in the period for total proceeds of \$12,500, and a total of 50,000 share purchase warrants were exercised for total proceeds of \$2,500.

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.

In August 2018 the Company issued 2,337,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$116,850. The company paid \$1,109 finders fees in relation to the issue.

The composition of the board and management team has undergone significant change in the period. As of the date of this report the members of the board of directors are: Lawrence Roulston (CEO and President), Paul Metcalfe (VP Exploration), B. Marie Brannstrom (VP Operations), and Sorin Posescu. Michael O'Brien is the CFO, Nancy Curry is the VP Corporate Development, and Janice Davies is the Corporate Secretary.

Mineral Properties and Review of Operations

Auramex holds mineral tenures, comprising in excess of 20,000 hectares (200 square kilometres) in four project areas, in the highly prospective Stewart gold camp in the Golden Triangle region of northwest British Columbia (Skeena Mining Division).

The Georgie River (or GR) project lies at or near tidewater along the Portland Canal south of Stewart. The Lower Bear project extends from the edge of Stewart 12 kilometres north. The Bear Pass project encompasses properties that straddle Highway 37A for 25 kilometres along the Bear Valley and over the Bear Pass. The Tide North project lies on the upper Bowser River, 12 km north of the past producing Scottie gold mine and 20 km southeast of Pretium's Brucejack Mine.

During 2017, interests in several non-core tenures were optioned to other companies in return for cash, work commitments and assessment credits. (See Note 5 to the Financial Statements, under Option Agreements, for full details.) The credits were applied to extend the expiry dates on 9,606 hectares by five years to December 31, 2022.

The Georgie River, Lower Bear and Bear Pass projects are being explored for their potential to host intrusion related gold mineralization associated with the Texas Creek Plutonic Suite, similar to other gold deposits in the Golden Triangle, including Premier, Snip and Brucejack. Tide North is underlain by Salmon River formation basinal rocks and is being explored for its potential to host volcanic exhalative precious and base metal mineralization similar to that at the past-producing Eskay Creek mine.

In December 2017, the Company commissioned a Synthetic Aperture Radar (SAR) survey over the Georgie River property, with the interpretation continuing through the first quarter 2018. The survey used data from Canada's RadarSat constellation. These data were processed by Auracle Geospatial Science Inc., using proprietary software and techniques, to produce a fused 3-D red/blue stereo radar model. Interpretation of this image enabled sub-surface geological features to be identified and these features are helping to interpret previous geological mapping and geophysical data obtained through airborne and ground surveys, in order to direct further exploration on the property. This approach has been shown to be very effective, as radar can effectively "see" through soil, river alluvium, swamp, shallow water, ice, vegetation and snow cover. Use of SAR allowed exploration at Georgie River to extend through the winter, providing a first pass structural interpretation that is being followed up on the ground during the current field season.

In the January-February period, Auramex similarly interpreted SAR data over the newly acquired Heather tenure (Tory property).

In May 2018 and on the basis of anomalous results from the SAR survey, 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.

In August 2018, the Company acquired an option to acquire the Bay Silver property, located in the Stewart Camp of BC's Golden Triangle. The 1393-hectare (13.9 square kilometres) property augments the Auramex Lower Bear property, extending west to the Alaska border and north to the Premier property of Ascot Resources Ltd. The Company made an initial payment of \$10,000 and the issued 100,000 shares to the Vendors. To complete the option, payments aggregating a further \$110,000 and 400,000 shares are required over the next four years. The vendors will retain a 2% NSR, one half of which can be bought down for \$1 million, with a minimum advance annual royalty of \$50,000 to begin after 7 years.

The Company's geological team is now compiling and interpreting preliminary results from an extremely successful field season.

The program was conducted in conjunction with Mountain Boy Minerals Ltd (MTB-TSXV) under a cooperative exploration agreement by which the companies pooled their extensive geological data bases and explored their adjacent properties in a coordinated manner.

Pooling of historic data and working across property lines provided the geological team the first-ever comprehensive view of the geological settings that produced the numerous gold-silver occurrences in the region. Results of the recent field work, together with the extensive data base of previous results, are being interpreted with leading-edge scientific approaches, leading to refined interpretations of the geological systems. The team is now beginning to outline broad and robust mineralizing systems capable of generating large deposits.

Over the coming weeks, the geological team will receive analytical results from more than 500 samples. Those results and the other results of the summer program, will be integrated into a comprehensive data set. Further geophysical surveys are planned to complete coverage of the area. The work over the next few months is expected to generate multiple exploration targets in advance of next summer's program. Auramex holds a 100% interest in mineral tenures spanning nearly 20,000 hectares and has interests of 25% to 40% in four individual properties which are being funded by other companies.

Financial Conditions and Performance

Financial Condition

During the nine months ended September 30, 2018, the Company's working capital increased by \$893,612 to \$141,404 owing to the capital raised in the period, the conversion of debt to equity, and the sale of the subsidiary with its associated debt, offset by exploration expenditures in the period.

Performance

The operating loss for the nine months ended September 30, 2018 amounted to \$242,911, compared to \$124,711 in the same period in the prior year. The increase in the operating loss of \$118,200 is attributable to an increase in activity made possible by the capital raised including a fully active management team.

The company recorded a net gain of \$301,301 on the sale of its subsidiary and recorded a gain on the sale of tax benefits resulting from flow-through expenditure amounting to \$33,572, resulting in net comprehensive income of \$91,965 for the nine month period.

The loss for the 3 months ended September 30, 2018 amounted to \$101,876 compared to \$9,196 in the prior year. The increase of \$92,680 is attributable results from the return to an active status for the Company and the issuance of stock options in the period.

Liquidity and Capital Resources

The Company is an exploration stage company and has to raise funds by the issuance of its common share or other financial instruments, or by entering partnering or joint venture arrangements. As at September 30, 2018 the Company had cash on of \$230,254 and will need to raise additional capital to fund its planned exploration activities.

Related party transactions

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

| | Nine months ended September 30, | |
|--------------------------------|--|------------------|
| | 2018 | 2017 |
| Directors' fees | \$ 450 | \$ 1,000 |
| Management and consulting fees | 136,000 | 36,225 |
| Geological consulting fees | 16,550 | - |
| Share based payments | 27,703 | 23,755 |
| | \$ 180,703 | \$ 60,980 |

At September 30, 2018, an amount of \$28,153 (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 September 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 nine months ended September 30, 2018, the principal and interest of \$12,983 was repaid.

Risks and uncertainties

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on its results, business prospects or financial position.

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's regulatory filings prior to making an investment in the Company. For a comprehensive list of the risks and uncertainties applicable to the Company, please refer to the Company's Annual MD&A for the year ended December 31, 2017.

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.