OREX MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED APRIL 30, 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Orex Minerals Inc.

We have audited the accompanying consolidated financial statements of Orex Minerals Inc., which comprise the consolidated statements of financial position as at April 30, 2014 and 2013, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Orex Minerals Inc. as at April 30, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Orex Minerals Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

July 9, 2014

OREX MINERALS INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	April 30, 2014	April 30, 2013
ASSETS		
Current		
Cash	$ 4,385,952	$ 574,468
Receivables	144,562	346,619
Prepaid expenses and deposits	303,765	152,288
	4,834,279	1,073,375
Deposits	71,043	65,043
IVA receivable (Note 13)	200,873	-
Exploration and evaluation assets (Note 6)	12,363,341	12,005,835
	$ 17,469,536	$ 13,144,253
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 470,649	$ 679,634
Current portion of deferred consideration (Note 4)	-	2,952,209
	470,649	3,631,843
Deferred income tax liability (Note 11)	296,748	-
Deferred consideration (Note 4)	-	871,823
	767,397	4,503,666
Shareholders' equity		
Share capital (Note 7)	43,584,696	33,842,338
Reserves (Note 7)	4,405,514	3,343,114
Deficit	(31,288,071)	(28,544,865)
	16,702,139	8,640,587
	$ 17,469,536	$ 13,144,253

Nature and continuance of operations (Note 1)
Commitments (Note 10)
Events after the reporting date (Note 15)

Approved and authorized by the board on July 9, 2014

/s/ Gary Cope Director *(s/ Rick Sayers* Director
Gary Cope Rick Sayers

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

OREX MINERALS INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
YEAR ENDED APRIL 30
(Expressed in Canadian Dollars)

	2014	2013
EXPLORATION EXPENSES		
Drilling	$ -	$ 105,064
Geological	887,823	758,159
Assay	55,113	216,258
General exploration	436,444	166,339
	1,379,380	1,245,820
GENERAL EXPENSES		
Consulting fees	91,083	-
Investor relations	439,004	469,074
Management fees	450,920	168,600
Office and administrative	485,782	186,666
Professional fees	414,422	401,687
Rent	144,829	79,775
Share-based payments (Note 7)	373,902	25,155
Transfer agent and filing fees	45,538	40,572
Travel and entertainment	220,263	233,044
	2,665,743	1,604,573
	(4,045,123)	(2,850,393)
Foreign exchange loss on deferred consideration (Note 4)	(85,541)	(70,268)
Gain on settlement of deferred consideration (Note 4)	1,804,291	-
Interest expense on deferred consideration (Note 4)	(64,833)	(265,728)
Interest income	681	3,864
Other foreign exchange loss	(8,908)	(12,607)
Exploration and evaluation impairment (Note 6)	(47,025)	-
	1,598,665	(344,739)
Loss before income taxes	(2,446,458)	(3,195,132)
Deferred income tax expense (Note 11)	(296,748)	-
Loss and comprehensive loss for the year	$ (2,743,206)	$ (3,195,132)
Basic and diluted loss per common share	$ (0.04)	$ (0.07)
Weighted average number of common shares outstanding	63,414,108	43,258,327

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

OREX MINERALS INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
Balance, April 30, 2012	39,801,179	$ 29,238,448	$ 3,352,764	$ (25,349,733)	$ 7,241,479
Private placements	6,206,800	3,103,400	-	-	3,103,400
Finders' fees	24,500	12,250	-	-	12,250
Share issuance costs	-	(82,159)	-	-	(82,159)
Shares issued for acquisition of subsidiaries	2,924,220	1,520,594	-	-	1,520,594
Options exercised	30,000	49,805	(34,805)	-	15,000
Share-based payments	-	-	25,155	-	25,155
Loss and comprehensive loss	-	-	-	(3,195,132)	(3,195,132)
Balance, April 30, 2013	48,986,699	33,842,338	3,343,114	(28,544,865)	8,640,587
Private placements	35,015,000	8,753,750	-	-	8,753,750
Finders' fees	10,500	2,625	-	-	2,625
Share issuance costs	-	(622,578)	107,534	-	(515,044)
Residual value of warrants attached to units	-	(580,964)	580,964	-	-
Shares issued for exploration and evaluation assets	1,165,000	277,025	-	-	277,025
Shares issued for deferred consideration	7,500,000	1,912,500	-	-	1,912,500
Share-based payments	-	-	373,902	-	373,902
Loss and comprehensive loss	-	-	-	(2,743,206)	(2,743,206)
Balance, April 30, 2014	92,677,199	$ 43,584,696	$ 4,405,514	$ (31,288,071)	$ 16,702,139

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

OREX MINERALS INC.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED APRIL 30
(Expressed in Canadian Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (2,743,206)	$ (3,195,132)
Items not affecting cash:		
Share-based payments	373,902	25,155
Interest expense on deferred consideration	64,833	265,728
Foreign exchange loss on deferred consideration	85,541	70,268
Gain on settlement of deferred consideration	(1,804,291)	-
Deferred income tax expense	296,748	-
Impairment of exploration and evaluation asset	47,025	-
	(3,679,448)	(2,833,981)
Changes in non-cash working capital items:		
Decrease in receivables	1,184	82,119
Increase in prepaid expenses	(151,477)	(6,787)
Increase in deposits	(6,000)	(45,043)
Decrease in accounts payable and accrued liabilities	(208,985)	(131,127)
Cash used in operating activities	(4,044,726)	(2,934,819)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(576,133)
Deferred consideration paid	(257,615)	-
Exploration and evaluation acquisition	(127,506)	-
Cash used in investing activities	(385,121)	(576,133)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	8,753,750	3,118,400
Share issue costs	(512,419)	(69,909)
Cash provided by financing activities	8,241,331	3,048,491
Increase (decrease) in cash during the year	3,811,484	(462,461)
Cash, beginning of year	574,468	1,036,929
Cash, end of year	$ 4,385,952	$ 574,468

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Orex Minerals Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on April 25, 1996. The Company's principal business activities include the acquisition and exploration of mineral properties in Mexico, Sweden and Canada.

The head office of the Company is located at Suite 1130 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

The Company's financial statements and those of its controlled subsidiaries ("consolidated financial statements") are presented in Canadian dollars.

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether any of its properties contain ore reserves that are economically recoverable. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the amounts shown for mineral properties is 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.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated 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. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis, except for deferred consideration classified as other financial liabilities, which were recognized at amortized cost and financial instruments classified at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd...)

Critical Accounting Estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The recoverability of receivables. The Company considers collectability and historical collection rates in estimating the recoverable amount of receivables. If the recoverable amount of receivables is estimated to be less than the carrying amount, the carrying amount of receivables is reduced to the recoverable amount and an impairment loss is recognized in profit or loss for the period.

b) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

c) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

d) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

e) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries (Note 12). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany balances and transactions have been eliminated upon consolidation.

Exploration and evaluation assets

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring concessions, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of operations and comprehensive loss.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the results of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the results of operations.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit or loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities and deferred consideration are classified as other financial liabilities.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the corporate entity is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the results of operations.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants.

The fair value of stock options granted to directors, officers, employees and consultants is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period as expense, with a corresponding increase in reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments (cont'd...)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

Loss per share

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards adopted

The following standards were adopted during the year ended April 30, 2014:

IFRS 10 Consolidated Financial Statements ("IFRS 10")

For annual periods beginning on January 1, 2013, IFRS 10 will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidation - Special Purpose Entities. The new standard requires consolidated financial statements to include all controlled entities under a single control model. The Company will be considered to control an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee. As required by this standard, control is reassessed as facts and circumstances change. Additional guidance is given on how to evaluate whether certain relationships give the Company the current ability to affect its returns, including how to consider options and convertible instruments, holding less than a majority of voting rights, how to consider protective rights, and principal agency relationships (including removal rights), all which may differ from current practice. The adoption of IFRS 10 did not have a significant impact on the Company's consolidated financial statements.

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 applies to accounting for interests in joint arrangements where there is joint control. The standard requires the joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation will be removed and replaced by equity accounting. The adoption of IFRS 11 did not have a significant impact on the Company's consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. Due to this new section, the Company will be required to disclose the following: judgments and assumptions made when deciding how to classify involvement with another entity, interests that non-controlling interests have in consolidated entities, and the nature of the risks associated with interests in other entities. The adoption of IFRS 12 did not have a significant impact on the Company's consolidated financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 will converge the IFRS requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. Upon adoption, the Company will provide a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied. In addition, fair value will be defined as the 'exit price' and concepts of 'highest and best use' and 'valuation premise' would be relevant only for non-financial assets and liabilities. The adoption of IFRS 13 did not have a significant impact on the Company's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards adopted (cont'd...)

IAS 28 Investments in Associates and Joint Ventures ("IAS 28")

IAS 28 was amended by the IASB in September 2011 and the amendments prescribe the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). The amendments to IAS 28 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The adoption of IAS 28 did not have a significant impact on the Company's consolidated financial statements.

New standards not yet adopted

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018.

IAS 32 Financial Instruments: Presentation ("IAS 32")

The IASB amended IAS 32, "Financial Instruments: Presentation" to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realization and settlement;
- the offsetting of collateral amounts; and
- the unit of account for applying the offsetting requirements.

The amended standard is effective for annual periods beginning on or after January 1, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards not yet adopted (cont'd...)

IAS 36 – Impairment of Assets ("IAS 36")

The amendments to IAS 36 restrict the requirement to disclose the recoverable amount of an asset or CGU to periods in which an impairment loss has been recognized or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less cost of disposal. The amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively.

4. ACQUISITION OF SUBSIDIARIES IN SWEDEN

On October 27, 2010, the Company signed a letter of intent with Barsele Guld A.B. ("Barsele Guld"), a wholly-owned subsidiary of Northland Resources S.A. to purchase all of the issued and outstanding shares of two Swedish companies, Gunnarn Mining A.B. ("Gunnarn Mining") and its wholly-owned subsidiary, Gunnarn Exploration A.B. ("Gunnarn Exploration"). The primary assets of Gunnarn Mining are mining claims for the Barsele Central, Avan, Skiråsen and Norra resource areas located in northern Sweden, collectively known as the Barsele property. Gunnarn Mining's operating results were recognized in the consolidated statements of operations and comprehensive loss beginning April 29, 2011, the effective date of the acquisition.

The Company and Barsele Guld completed the final agreement on April 29, 2011 and as the initial consideration, the Company paid $1,958,230 (US$2,000,000) and issued 1,153,997 common shares valued at $1,015,517 to the vendor. The Company also issued 250,000 common shares valued at $220,000 as a finder's fee. In addition, the Company agreed to make deferred consideration payments to Barsele Guld, in cash and issuances of common shares of the Company, with a total value on the acquisition date, after applying a 7.5% discount rate, of $4,428,940 (US$5,500,000, undiscounted).

During the year ended April 30, 2012, the Company fulfilled its 1st anniversary obligations by paying $996,200 (US$1,000,000) and issuing 852,764 common shares valued at $492,400 to Barsele Guld.

During the year ended April 30, 2013, the Company recorded interest expense on deferred consideration of $265,728, to reflect amortization of the discount, and a foreign exchange loss of $70,268, to reflect the impact of changes in the foreign exchange rate between the US dollar and the Canadian dollar. To fulfill its 2nd anniversary obligations, the Company was required to pay US$2,000,000 to Barsele Guld on April 29, 2013 but did not have sufficient funds available.

4. ACQUISITION OF SUBSIDIARIES IN SWEDEN (cont'd...)

On October 21, 2013 the deferred consideration valued at $3,974,406 was settled. The value of $3,974,406 was an increase of $150,374 from April 30, 2013 due to interest expense of $64,833 and foreign exchange of $85,541. The balance was settled with the issuance of 7,500,000 shares of the Company valued at $1,912,500, and cash of $257,615 (USD 250,000). As a result the Company recorded a gain on settlement of deferred consideration in the amount of $1,804,291.

The carrying value of deferred consideration at April 30, 2014 was $Nil and at April 30, 2013 was $3,824,032.

	April 30, 2014	April 30, 2013
Due immediately, US$2,000,000 in cash.	$ -	$2,015,000
Due on April 29, 2014, the lesser of 2,000,000 common shares or the number of common shares valued at US$1,000,000. If the value of the common shares issued is less than US$1,000,000, the balance shall be paid in cash.	-	937,209
Due on April 29, 2015, the lesser of 2,000,000 common shares or the number of common shares valued at US$1,000,000. If the value of the common shares issued is less than US$1,000,000, the balance shall be paid in cash.	-	871,823
Total deferred consideration	-	3,824,032
Current portion of deferred consideration	-	(2,952,209)
Long term portion of deferred consideration	$ -	$871,823

Barsele Guld will retain a 2% net smelter returns royalty on the Barsele property, which the Company may purchase at any time for US$2,000,000 per percentage point, or a total of US$4,000,000.

The allocation of the purchase cost to the subsidiaries' assets and liabilities was as follows:

Cash	$ 1,881
Receivables	9,489
Prepaid expenses	121,277
Deposits	4,911
Exploration and evaluation assets	7,611,607
Accounts payable and accrued liabilities	(126,478)
Total consideration	$ 7,622,687

5. ACQUISITION OF SUBSIDIARIES IN CANADA AND MEXICO

On October 15, 2012, the Company agreed to acquire Astral Mining Corporation ("Astral"), in which the Company would acquire all of the issued and outstanding common shares of Astral and its wholly-owned subsidiary, Astral Mexico S.A. de C.V. The Company completed the acquisition of Astral on February 12, 2013 and its operating results were recognized in the consolidated statements of operations and comprehensive loss beginning February 12, 2013. The transaction was accounted for as an asset acquisition.

Upon closing of the transaction, each Astral shareholder received 0.0834 common share of the Company for each common share of Astral held. A total of 2,083,795 common shares of the Company were issued to Astral shareholders, valued at $1,083,573.

In conjunction with the closing of the transaction, certain creditors and holders of notes of Astral converted debt owed to them into common shares of the Company in settlement of the debt. A total of 840,425 common shares of the Company were issued, valued at $437,021.

Astral's stock options and warrants continue to exist after the closing of the transaction but are now exercisable into common shares of the Company at prices that were adjusted in accordance with the exchange ratio used for the transaction. If all Astral options and warrants outstanding on the closing date were exercised, a total of 615,521 common shares of the Company would have been issued. The Company valued the options and warrants using the Black-Scholes option valuation model, resulting in a fair value of $Nil.

The total consideration for the acquisition of Astral was as follows:

Valuation of 2,924,220 common shares issued	$	1,520,594
Transaction costs		129,200
Advances made by Orex		465,939
Total consideration	$	2,115,733

The allocation of the purchase cost to the subsidiaries' assets and liabilities was as follows:

Cash	$	19,006
Receivables		59,577
Deposits		20,000
Exploration and evaluation assets		2,304,228
Accounts payable and accrued liabilities		(287,078)
Total	$	2,115,733

6. EXPLORATION AND EVALUATION ASSETS

	Coneto, Mexico	Barsele, Sweden	Jumping Josephine, Canada	Los Crestones, Mexico	Total
Balance, as at April 30, 2012	$ 2,090,000	$ 7,611,607	$ -	$ -	$ 9,701,607
Acquisition costs	-	-	500,000	1,804,228	2,304,228
Balance, as at April 30, 2013	$ 2,090,000	$ 7,611,607	$ 500,000	$ 1,804,228	$ 12,005,835
Acquisition costs	-	-	230,000	127,506	357,506
Balance, as at April 30, 2014	$ 2,090,000	$ 7,611,607	$ 730,000	$ 1,931,734	$ 12,363,341

Title to mineral properties 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 conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Coneto, Mexico

On July 16, 2009, the Company signed a letter of intent to purchase 100% of the core mineral concessions within the Coneto silver-gold mining camp in Durango State, Mexico, in exchange for 2,200,000 common shares of the Company. The definitive purchase agreement, signed on September 1, 2009, was subject to the approval of the TSX Venture Exchange. After receiving TSX Venture Exchange approval, on April 15, 2010, the Company issued 2,200,000 shares to the vendors of the Coneto concessions, valued at $2,090,000.

The Coneto property is subject to a 2.5% NSR royalty payable to the vendors.

During fiscal 2011, the Company signed a non-binding letter of intent with Fresnillo PLC ("Fresnillo") to jointly explore the contiguous mineral concessions held by the Company and Fresnillo in the Coneto mining district. A definitive Association Agreement was signed on February 2, 2012. The principal terms of the Agreement are:

a) Fresnillo will spend a minimum of US$2,000,000 on exploration during the first year after the necessary exploration permits are obtained (Fresnillo fulfilled this commitment during fiscal 2013). A minimum of 70% of this exploration was required to be conducted on the Company's concessions.

b) Fresnillo will have the option to spend an additional US$2,000,000 per year on exploration for each of the following two years. A minimum of 70% of this exploration must also be conducted on the Company's concessions.

c) Upon Fresnillo spending an aggregate of US$6,000,000 on exploration activities, the Company and Fresnillo will each contribute their respective Coneto mining concessions to a new company ("NewCo") that initially would be owned 55% by Fresnillo and 45% by the Company.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Coneto, Mexico (cont'd…)

d) Fresnillo will have the right to increase its ownership of NewCo to 70% by either completing a prefeasibility study or spending up to an additional US$21,000,000 in the process of preparing a prefeasibility study.

   If Fresnillo chooses to not exercise the right to increase its ownership of NewCo to 70%, the costs incurred to complete a prefeasibility study will be shared by Fresnillo and the Company in proportion to their ownership of NewCo; 55% by Fresnillo and 45% by the Company.

e) Any additional funding required by NewCo will be provided by the Company and Fresnillo in proportion to their respective ownership interests in NewCo at that time.

f) Fresnillo will have a right of first refusal to acquire the Company's ownership interest in NewCo if the Company receives an offer for its interest in NewCo that it proposes to accept.

g) During the life of the Association Agreement, in the event that the Company, or any of its subsidiaries, enters into a transaction to acquire an interest in any additional mineral properties in Mexico and then later decides to sell or option out that interest to a third party, Fresnillo will have a right of first refusal to participate in such transaction on the same terms and conditions as offered to the third party.

Barsele, Sweden

On April 29, 2011, the Company completed the final agreement with Barsele Guld to purchase all of the issued and outstanding shares of Gunnarn Mining and its wholly-owned subsidiary, Gunnarn Exploration (Note 4). The primary assets of Gunnarn Mining are mining claims for the Barsele Central, Avan, Skiråsen and Norra resource areas located in northern Sweden, collectively known as the Barsele property.

Per the terms of the agreement, the Company agreed to make direct exploration expenditures on the Barsele property as follows:

a) Before the 1st anniversary of completing the final agreement, US$1,000,000 of exploration expenditures (the Company fulfilled this commitment during fiscal 2012);

b) Before the 2nd anniversary of completing the final agreement, an additional US$2,000,000 of exploration expenditures (the Company fulfilled this commitment during fiscal 2013).

Barsele Guld will retain a 2% net smelter returns royalty on the Barsele property, which the Company may purchase at any time for US$2,000,000 per percentage point, or a total of US$4,000,000.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Jumping Josephine, Canada

On February 12, 2013, the Company completed the acquisition of Astral and as a result, acquired a 60% interest in mining claims, collectively known as the Jumping Josephine Property, located in the West Kootenay Mining District of British Columbia, Canada. The remaining 40% interest is held by Kootenay Silver Inc. On February 3, 2014 the Company acquired the remaining 40% of their Jumping Josephine Property from Kootenay Silver Inc. by issuing 1,000,000 common shares of the Company valued at $230,000.

Los Crestones, Mexico

On February 12, 2013, the Company completed the acquisition of Astral and as a result, the Company has the option to acquire a 100% interest in mining claims, collectively known as the Los Crestones Property, located in the Sinaloa State, Mexico.

During the fiscal year ended April 30, 2014, the Company paid $127,506 (US $120,000) to the optionors of the Los Crestones Property. To earn a 100% interest in the Los Crestones Property, the Company must make the following additional cash payments totalling US $385,000.

	Option Payments
July 12, 2014	US $ 192,500
January 12, 2015	192,500

Upon exercise of the option, the vendors will retain a 0.5% net smelter returns royalty on the Los Crestones Property, which the Company may purchase for US$400,000.

Persistence Property, Canada

On June 26, 2013 the Company entered into an option agreement with Cazador Resources Ltd. ("Cazodor") to earn a 100% interest in mining claims located in northern British Columbia, collectively known as the Persistence Property. The option agreement was subject to TSX Venture Exchange approval which was received on August 2, 2013. On July 31, 2013 Company made a share payment of 150,000 common shares to Cazador valued at $42,750 towards 100% interest in the Persistence Property and 15,000 shares issued for a finder's fee valued at $4,275. Subsequent to the share issuance the Company chose to terminate the agreement with Cazador effective March 27, 2014, returning the Persistence Property to the Vendor, and no further cash or share payments are necessary. Capitalized Persistence Property costs of $47,025 were written off.

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Private placements

On September 24, 2012, the Company issued 4,006,800 units at $0.50 per unit for gross proceeds of $2,003,400 under a non-brokered private placement. Each unit consisted of one common share and one-half of one transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.75 per common share, for a total of 2,003,400 shares. The full value of $2,003,400 was assigned to the common shares. In connection with the private placement, as a commission, the Company paid $32,340 in cash. The Company incurred other cash share issuance costs of $19,173 on the private placement.

On October 5, 2012, the Company issued 700,000 units at $0.50 per unit for gross proceeds of $350,000 under a non-brokered private placement. Each unit consisted of one common share and one-half of one transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.75 per common share, for a total of 350,000 shares. The full value of $350,000 was assigned to the common shares. In connection with the private placement, as a commission, the Company issued 24,500 units valued at $12,250 with terms similar to those issued under the private placement and paid $5,250 in cash. The Company incurred other cash share issuance costs of $4,282 on the private placement.

On April 26, 2013, the Company issued 1,500,000 common shares at $0.50 per share for gross proceeds of $750,000 under a non-brokered private placement. The Company incurred cash share issuance costs of $8,864 on the private placement.

On September 13, 2013, the Company completed a non-brokered private placement of 8,228,600 units at $0.25 per unit, of which 5,547,900 were flow-through units, for gross proceeds of $2,057,150. Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.30 per share until September 13, 2015. The shares were valued at $0.24 each based on the closing price the day the shares were issued and a value was assigned to the warrants based on the residual value method of $82,286 or $0.01 per warrant. In connection with the private placement the Company paid finders' fees of $69,650 in cash and incurred other cash share issuance costs in the amount of $24,428. In connection with the issuance of flow-through common, the Company has a commitment to incur $1,386,975 of qualifying flow-through expenditures by December 31, 2014, under the look-back rule. As at April 30, 2014 the Company has incurred $50,607 on qualifying flow-through expenditures.

7. SHARE CAPITAL AND RESERVES (cont'd...)

On November 21, 2013, the Company completed a non-brokered private placement of 6,786,400 units at $0.25 per unit, for gross proceeds of $1,696,600. Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.30 per share until November 21, 2015. The shares were valued at $0.205 each the value of the closing the day the shares were issued, and the warrants were assigned a residual value of $305,388 or $0.09 per warrant. In connection with the private placement the Company paid finders' fees of 10,500 shares valued at $2,625 and cash share issuance costs of $13,033.

On March 24, 2014, the Company completed a brokered private placement of 18,658,000 units at $0.25 per unit, for gross proceeds of $4,664,500. Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.30 per share, with 9,329,000 valid until March 24, 2016. The shares were valued at $0.24 each the value of the closing the day the shares were issued, and the warrants were assigned a residual value of $186,580 or $0.02 per warrant. In connection with the private placement, the Company issued 1,192,240 broker's warrants valued at $ 99,387, each warrant is exercisable into one common share at a price of $0.25 per share until March 24, 2016. The broker warrants were valued with the Black-Scholes option pricing model using the assumptions that they would have an expected life of 1.6 years, volatility of 72.85%, and risk-free rate of 1.06%. The Company also paid finder's fees of $298,060 and cash share issuance costs of $81,218.

On March 31, 2014, the Company completed a non-brokered private placement of 1,342,000 units at $0.25 per unit, for gross proceeds of $335,500. Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.30 per share until March 31, 2016. The shares were valued at $0.245 each the value of the closing the day the shares were issued, and the warrants were assigned a residual value of $6,710 or $0.01 per warrant. In connection with the private placement, the Company issued 93,940 broker's warrants valued at $8,147, each warrant is exercisable into one common share at $0.25 per share until March 31, 2016. The broker warrants were valued with the Black-Scholes option pricing model using the assumptions that they would have an expected life of 1.6 years, volatility of 72.85%, and risk-free rate of 1.06%. The Company also paid finder's fees of $23,485 and cash share issuance costs of $2,545.

Stock options and warrants

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

On February 12, 2013, the Company completed the acquisition of Astral. Astral's stock options and warrants continue to exist after the closing of the transaction but are now exercisable into common shares of the Company at prices that were adjusted in accordance with the exchange ratio used for the transaction. If all Astral options and warrants outstanding on the closing date were exercised, a total of 615,521 common shares of the Company would have been issued. All of Astral's options expired unexercised during the fiscal year ended April 30, 2014.

7. SHARE CAPITAL AND RESERVES (cont'd...)

Stock options and warrants (cont'd…)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock options	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, April 30, 2012	5,686,762	$ 0.91	3,894,800	$ 0.79
Granted	2,365,650	0.75	75,000	0.70
Granted on acquisition of Astral	568,692	5.92	46,829	2.73
Exercised	-	-	(30,000)	0.50
Expired	(2,614,712)	1.26	(462,670)	0.65
Forfeited	-	-	(37,500)	0.70
Outstanding, April 30, 2013	6,006,392	1.17	3,486,459	0.84
Granted	18,793,680	0.30	2,360,000	0.25
Exercised	-	-	-	-
Expired	(3,409,144)	0.93	(132,659)	1.23
Forfeited	-	-	(632,800)	0.83
Outstanding, April 30, 2014	21,390,928	0.44	5,081,000	0.55
Exercisable at April 30, 2014	21,390,928	0.44	4,856,000	0.57

The following stock options to acquire common shares of the Company were outstanding at April 30, 2014:

Number of Shares	Exercise Price	Expiry Date
Options		
107,000	0.50	June 7, 2014[(1)]
765,000	1.00	April 28, 2015
70,000	0.90	June 9, 2015
1,839,000	0.74	February 17, 2017
2,300,000	0.25	January 17, 2019

(1) Subsequent to the year ended April 30, 2014 107,000 options expired unexercised.

7. SHARE CAPITAL AND RESERVES (cont'd...)

Stock options and warrants (cont'd…)

The following warrants to acquire common shares of the Company were outstanding at April 30, 2014:

	Number of Shares	Exercise Price	Expiry Date
Warrants			
	2,003,400	0.75	September 24, 2014
	350,000	0.75	October 5, 2014
	12,250	0.75	October 5, 2014
	4,114,300	0.30	September 13, 2015
	3,393,200	0.30	November 21, 2015
	9,329,000	0.30	March 24, 2016
	671,000	0.30	March 31, 2016
	1,192,240	0.25	March 24, 2016
	93,940	0.25	March 31, 2016
	214,918	8.99	October 7, 2014
	16,680	8.99	November 2, 2014

Share-based payments

During the year ended April 30, 2014, the Company granted 2,360,000 stock options to consultants, employees and directors of the Company. The weighted average fair values of options granted are calculated using the Black-Scholes option pricing model. During the year ended April 30, 2014, the weighted average fair value of each option granted was $0.17 (2013 - $0.30) and was calculated using the following weighted average assumptions:

	2014	2013
Expected option lives	4 years	2 years
Risk-free interest rate	1.42%	1.3%
Expected dividend yield	0%	0%
Expected stock price volatility	120%	79%

The share-based payments expense for stock options, vesting during in the year ended April 30, 2014 was $373,902 (2013 - $25,155).

8. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the year.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the fiscal year ended April 30, 2014 included:

a) Issuing 165,000 common shares valued at $47,025 to acquire the Persistence Property (Note 6).

b) Issuing 1,000,000 common shares valued at $230,000 to acquire 40% of the Jumping Josephine Property (Note 6).

c) Issuing 7,500,000 common shares for settlement of deferred consideration valued at $1,912,500 (Note 4).

d) Issuing 17,507,500 warrants valued at $580,964 (Note 7).

e) Issuing 1,286,180 broker warrants valued at $107,534 (Note 7).

f) Issuing 10,500 finders' fee shares valued at $2,625 (Note 7).

Significant non-cash transactions during the fiscal year ended April 30, 2013 included:

g) Issuing 2,924,220 common shares valued at $1,520,594 to acquire subsidiaries (Note 5).

h) Issuing 24,500 units at a value of $12,250 as finder's fees for private placements (Note 7).

10. COMMITMENTS

The Company holds an option to acquire 100% interest in the Los Crestones Property in Sinaloa State, Mexico by making the following cash payments totalling US $385,000.

Fiscal Year	Option Payments
2015	US $ 385,000

On February 13, 2013, the Company entered into an agreement to lease office premises commencing March 1, 2013 and expiring November 30, 2016. The Company entered into an additional lease agreement effective November 1, 2013, expiring on November 30, 2016. The Company's lease commitment for the term of the lease is $499,107.

Fiscal Year	Lease Payments
2015	$ 194,233
2016	194,233
2017	110,641

In connection with the issuance of flow-through common shares in September 2013, the Company has a commitment to incur $1,386,975 of qualifying flow-through expenditures by December 31, 2014, under the look-back rule. As at April 30, 2014 the Company has incurred $50,607 on qualifying flow-through expenditures.

11. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

	2014	2013
Loss for the year – before income taxes	$ (2,446,458)	$ (3,195,132)
Expected income tax (recovery)	$ (667,000)	$ (801,000)
Change in statutory, foreign tax, foreign exchange rates and other	(872,000)	1,302,000
Permanent difference	(42,000)	40,000
Impact of initial recognition of 7.5% mining royalty in Mexico	297,000	-
Share issue cost	(133,000)	(21,000)
Impact of acquisition of Astral	-	(1,770,000)
Impact of Flow-through shares	13,000	-
Change in unrecognized deductible temporary differences	1,701,000	1,250,000
Total income tax expense (recovery)	$ 297,000	$ -
Current income tax expense	$ -	$ -
Deferred income tax expense	$ 297,000	$ -

11. INCOME TAXES (cont'd...)

The Canadian income tax rate increased during the year due to changes in the law that reduced federal corporate income tax rates in Canada. The future Canadian income tax rate increased during the year due to changes in the law that increased provincial corporate income tax rates in British Columbia.

On December 11, 2013, the Mexican government enacted a tax reform to introduce a mining royalty effective January 2014. This royalty is deductible for tax purposes and is calculated as 7.5% of a royalty base which is computed as taxable revenues for income tax purposes (except interest and inflationary adjustment), less allowable deductions for income tax purposes (except interest, inflationary adjustment, depreciation and mining fees), less prospecting and exploration expenses of the year. This new mining royalty was the significant item impacting the 2014 effective tax rate.

The Company has taken the position that the 7.5% mining royalty is an income tax in accordance with IFRS for financial reporting purpose, as it is based on a measure of revenue less certain specified costs. On substantial enactment, a taxable temporary difference arises, as exploration and evaluation assets have book basis but no tax basis for purposes of the royalty. The Company has recognized a deferred tax liability of $296,748 as at April 30, 2014 in respect of this royalty.

The significant components of the Company's temporary difference, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2014	2013	Expiry date range
Temporary Differences:			
Exploration and evaluation assets	$ 11,124,000	$ 9,658,000	No expiry date
Property and equipment	22,000	6,000	No expiry date
Share issue costs	665,000	311,000	2033-2037
Deferred consideration	-	502,000	No expiry date
Non-capital losses available for future period	20,750,000	10,591,000	2014 to onward

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Orex Minerals Inc. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
OVI Exploration de Mexico S.A. de C.V.	Mexico	100%	Mineral exploration
Servicios Mineros Orex Silver S.A. de C.V.	Mexico	100%	Mineral exploration
Con Exploraciones y Proyectos de Mexico S.A. de C.V.	Mexico	100%	Mineral exploration
Exploraciones y Desarrollos Mineros Coneto S.A.P.I.	Mexico	45%	Mineral exploration
Gunnarn Mining AB	Sweden	100%	Mineral exploration
Gunnarn Exploration AB	Sweden	100%	Mineral exploration
Astral Mining Corporation	Canada	100%	Mineral exploration
Astral Mining S.A. de C.V.	Mexico	100%	Mineral exploration
Barsele Minerals Corp.	Canada	100%	Mineral exploration

During the year ended April 30, 2014, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

Compensation paid or payable to key management personnel for services rendered are as follows:

	Year ended April 30, 2014	Year ended April 30, 2013
Management fees	$ 372,500	$ 168,600
Geological consulting fees	316,600	168,000
Share-based compensation	167,685	-
Total	$ 856,785	$ 336,600

	Year ended April 30, 2014	Year ended April 30, 2013
Administration fees*	$ 254,470	$ -
Rent	-	60,000
Total	$ 254,470	$ 60,000

*Administration fees are paid to a management service company controlled by the chief executive officer and director of the Company, who provides a corporate secretary, accounting and administration staff to the Company.

Included in accounts payable and accrued liabilities as at April 30, 2014 is $40,915 (2013 - $34,549) due to directors or officers or companies controlled by directors.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

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).

Fair value of financial instruments

The Company has various financial instruments including cash, receivables, accounts payable and accrued liabilities and deferred consideration. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments. Deferred consideration was carried at amortized cost and approximates its fair value using a level 3 fair value measurement.

Concentrations of business risk

The Company maintains a majority of its cash with a major Canadian financial institution and the remainder of its cash with a major Mexican financial institution and a major Swedish financial institution. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

As the Company operates in an international environment, some of the Company's transactions are denominated in currencies other than the Canadian dollar. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of value added tax (VAT), input value-added tax (IVA) and goods and services tax (GST), which are recoverable from the governing body in Sweden, Mexico and Canada, respectively. As the Company's exploration operations are conducted in Sweden, Mexico and Canada, the Company's operations are also subject to the economic risks associated with those countries.

As of April 30, 2014 the Company classified their IVA receivable of $200,873 due from the Government of Mexico from short-term to long-term due to an administrative slowdown in processing of IVA refunds.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Foreign exchange risk

A portion of the Company's operational transactions are originally or effectively denominated in US dollars. As well, because the Company's operations are in Mexico and Sweden, some costs are denominated in Mexican Pesos and Swedish Kronor. Accordingly, the results of the Company's operations and comprehensive loss as stated in Canadian dollars will be impacted by exchange rate fluctuations. The Company does not hedge its exposures to movements in the exchange rates at this time.

The Company's exposure to foreign currency risk is on its cash, receivables, accounts payable and accrued liabilities. At April 30, 2014, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have a negligible effect on loss and comprehensive loss; a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and the Mexican Peso would have a $19,000 effect; a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and the Swedish Krona would have a $16,000 effect.

Interest rate risk

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

Price risk

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

14. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	April 30, 2014	April 30, 2013
Exploration and evaluation assets		
Mexico	$ 4,021,734	$ 3,894,228
Sweden	7,611,607	7,611,607
Canada	730,000	500,000

15. EVENTS AFTER THE REPORTING DATE

a) Subsequent to year end the Company issued 200,000 stock options to consultants, employees and a director of the Company. The options are exercisable into one common share of the Company at a price of $0.25 per share for a five year term.

b) Subsequent to year end the Company issued 250,000 stock options to a consultant of the Company. The options are exercisable into one common share of the Company at a price of $0.365 per share for a two year term.