OREX MINERALS INC.

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars - Unaudited)

July 31, 2015

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated 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 condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at July 31, 2015 and April 30, 2015
(Expressed in Canadian Dollars - Unaudited)

	July 31, 2015	April 30, 2015
ASSETS		
Current		
Cash	$ 6,060,907	$ 535,704
Receivables (Note 13)	2,667,454	36,223
Prepaid expenses and deposits	143,315	119,380
Assets held for sale (Note 6)	-	8,243,034
	8,871,676	8,934,341
Investment in Associate (Note 7)	1	-
Deposits	76,043	76,043
Receivables (Note 13)	2,560,854	-
IVA receivable (Note 13)	312,349	329,218
Exploration and evaluation assets (Note 4)	5,186,576	5,186,576
	$ 17,007,499	$ 14,526,178
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 105,552	$ 520,087
Promissory note (Note 5)	-	722,149
Liabilities related to assets held for sale (Note 6)	-	100,984
	105,552	1,343,220
Deferred income tax liability	296,748	296,748
	402,300	1,639,968
Shareholders' equity		
Share capital (Note 8)	46,193,414	46,193,414
Reserves (Note 8)	4,768,504	4,428,575
Deficit	(34,356,719)	(37,735,779)
	16,605,199	12,886,210
	$ 17,007,499	$ 14,526,178

Nature and continuance of operations (Note 1)
Commitments (Note 11)
Events after the reporting date (Note 15)
Approved and authorized by the board on September 28, 2015

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

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

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
Three Months Ended July 31, 2015 and 2014
(Expressed in Canadian Dollars - Unaudited)

	Three Months Ended July 31	
	2015	2014
EXPLORATION EXPENSES		
Drilling	$ 689	$ 101,906
Geological	160,889	356,159
Assay	59	579
General exploration	144,934	533,645
	306,571	992,289
GENERAL EXPENSES		
Consulting fees	4,500	29,426
Investor relations	77,234	129,549
Management fees	133,330	135,370
Office and administrative	89,748	112,480
Professional fees	133,696	217,388
Rent	55,691	41,537
Share-based payments (Note 8)	339,929	93,607
Transfer agent and filing fees	5,812	8,107
Travel and entertainment	40,915	48,517
	880,855	815,981
	(1,187,426)	(1,808,270)
Interest expense on promissory note (Note 5)	(7,746)	-
Interest income	155	10,548
Other foreign exchange gain (loss)	559,541	(29,238)
	551,950	(18,690)
Loss from continuing operations	(635,476)	(1,826,960)
Gain from discontinued operations (Note 6)	4,014,536	-
Loss and comprehensive income (loss) for the period	$ 3,379,060	$ (1,826,960)
Basic and diluted loss per common share from continuing operations	$ (0.01)	$ (0.02)
Basic and diluted gain per common share from discontinued operations	$ 0.04	$ -
Basic and diluted gain (loss) per common share	$ 0.03	$ (0.02)
Weighted average number of common shares outstanding	101,890,199	92,683,353

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

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
At July 31, 2015
(Expressed in Canadian Dollars - Unaudited)

	Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
Balance, April 30, 2014	92,677,199	$ 43,584,696	$ 4,405,514	$ (31,288,071)	$ 16,702,139
Options exercised	35,000	14,617	(5,867)	-	8,750
Share-based payment	-	-	93,607	-	93,607
Loss and comprehensive loss	-	-	-	(1,826,960)	(1,826,960)
Balance, July 31, 2014	92,712,199	$ 43,599,313	$ 4,493,254	$ (33,115,031)	$ 14,977,536
Private placement	4,800,000	1,200,000	-	-	1,200,000
Finders' fees	48,000	12,000	-	-	12,000
Share issuance costs	-	(21,086)	-	-	(21,086)
Options exercised	180,000	75,187	(30,187)	-	45,000
Warrants exercised	4,150,000	1,328,000	(83,000)		1,245,000
Share-based payment	-	-	48,508	-	48,508
Loss and comprehensive loss	-	-	-	(4,620,748)	(4,620,748)
Balance, April 30, 2015	101,890,199	$ 46,193,414	$ 4,428,575	$ (37,735,779)	$ 12,886,210
Share-based payment (Note 8)	-	-	339,929	-	339,929
Income and comprehensive income	-	-	-	3,379,060	3,379,060
Balance, July 31, 2015	101,890,199	$ 46,193,414	$ 4,768,504	$ (34,356,719)	$ 16,605,199

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

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Three Months Ended July 31, 2015 and 2014
(Expressed in Canadian Dollars - Unaudited)

	Three Months Ended July 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive income (loss) for the period	$ 3,379,060	$ (1,826,960)
Items not affecting cash:		
Share-based payments	339,929	93,607
Gain on discontinued operations	(4,014,536)	-
Unrealized foreign exchange	(353,418)	-
Changes in non-cash working capital items:		
Increase in receivables	(35,431)	(26,825)
(Increase) decrease in prepaid expenses	(23,935)	164,830
Increase in deposits	-	(5,000)
(Decrease) increase in IVA receivable	16,869	(38,384)
(Decrease) increase in accounts payable and accrued liabilities	(414,535)	221,851
Cash used in operating activities	(1,105,997)	(1,416,881)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets held for sale	7,375,746	-
Exploration and evaluation acquisition	-	(206,566)
Cash used in investing activities	7,375,746	(206,566)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from option exercise	-	8,750
Promissory note	(736,800)	-
Interest expense on promissory note	(7,746)	-
Cash provided by financing activities	(744,546)	8,750
Increase (decrease) in cash during the period	5,525,203	(1,614,697)
Cash, beginning of period	535,704	4,385,952
Cash, end of period	$ 6,060,907	$ 2,771,255

Supplemental disclosure with respect to cash flows (Note 10)

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 condensed 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 condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" 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 condensed consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the audited consolidated financial statements for the fiscal year ended April 30, 2015. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements, and the notes thereto, for the year ended April 30, 2015.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for, long term receivables, which are 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 condensed consolidated interim 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 condensed consolidated interim 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.

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 promissory note 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.

Investment in Associate

Associated companies over which the Company has significant influence are accounted for using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received. The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated.

Objective evidence of impairment of equity investment includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or
- National or local economic conditions that correlate with defaults of the associated companies.

Gain or loss per share

The Company recognizes the dilutive effect on gain or 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 gain or 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.

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

Income taxes (cont'd...)

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.

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.

4. EXPLORATION AND EVALUATION ASSETS

	Coneto, Mexico	Barsele, Sweden	Jumping Josephine, Canada	Los Crestones, Mexico	Total
Balance, as at April 30, 2014	$ 2,090,000	$ 7,611,607	$ 730,000	$ 1,931,734	$ 12,363,341
Acquisition costs	-	549,800	-	434,842	984,642
Assets held for sale (Note 6)	-	(8,161,407)	-	-	(8,161,407)
Balance, as at April 30, 2015	$ 2,090,000	$ -	$ 730,000	$ 2,366,576	$ 5,186,576
Acquisition costs	-	-	-	-	-
Balance, as at July 31, 2015	$ 2,090,000	$ -	$ 730,000	$ 2,366,576	$ 5,186,576

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.

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

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.

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.

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

Barsele, Sweden

On April 29, 2011, the Company completed the final agreement 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 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 retained a 2% net smelter returns royalty on the Barsele property, which the Company could purchase at any time for US$2,000,000 per percentage point, or a total of US$4,000,000.On October 15, 2014, the Company purchased the remaining 2% net smelter royalty for cash in the amount of US$500,000 ($549,800).

On June 11, 2015, the Company closed a joint venture transaction with Agnico Eagle Mines Limited ("Agnico") with respect to the Company's Barsele Project. Agnico acquired a 55% interest in the corporate entity which owns the Project in consideration of an initial payment to the Company of US $6 million ($7,375,746 received), with an additional US $2 million payable by Agnico in cash or shares, at Agnico's election, to the Company on each of the first and second anniversaries of the closing. As part of the Transaction, Agnico has committed to spend US $7 million on Project expenditures over three years and will earn an additional 15% interest in the corporate entity which owns the Project if it completes a pre-feasibility study. Pursuant to the transaction, the Company was also granted a 2% net smelter royalty on production from the Project which may be repurchased by Agnico at any time for US $5 million.

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

The Company has the option to acquire a 100% interest in mining claims, collectively known as the Los Crestones Property, located in Sinaloa State, Mexico.

During the year ended April 30, 2015, the Company paid $434,842 (US$385,000) to the optionors of the Los Crestones Property. The Company has earned a 100% interest in the Los Crestones Property.

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.

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

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.

5. PROMISSORY NOTE

On April 24, 2015, the Company entered into unsecured non-convertible promissory note with Agnico Eagle Mines Limited ("Agnico"), pursuant to which Agnico agreed to lend the Company US$600,000 ($732,984). Amounts outstanding under the promissory note will incur interest at a rate of 7.850% per annum and the principal and interest payable thereon will mature on April 24, 2016 or the date on which the closing of assets held for sale (Note 6) occurs.

On June 11, 2015, the Company settled the outstanding promissory note of US $600,000 ($736,800) and interest of $7,746.

6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On February 23, 2015, the Board of Directors of the Company announced that it had entered into a letter of intent ("LOI") with Agnico Eagle Mines Limited ("Agnico") with respect to the development of the Company's Barsele Gold Project, located in Sweden ("Project").

Pursuant to the terms of the LOI, Agnico would acquire an initial 55% interest in the Project, by acquiring 55% of Gunnarn Mining, on payment to the Company of US $10 million (US $6 million on closing of the transaction and US $2 million on each of the first and second anniversaries of closing of the transaction). As part of the transaction, Agnico would commit to spend US $7 million on exploration over three years. Agnico would earn an additional 15% interest by completing a pre-feasibility study on the Project. The Company will also be granted a 2% NSR, which may be terminated in exchange for a payment to Orex of US $5 million. In June 2015, the Company closed the transaction and received the US $6 million.

At April 30, 2015, these assets and related liabilities were measured at carrying amounts which was the lower of their carrying amount and estimated fair value less cost to sell. No fair value adjustment was recognized in the year. Assets held for sale include $8,161,407 of exploration and evaluation assets and additional current assets of $81,627. Liabilities related to assets held for sale include $100,984 of current liabilities.

On June 11, 2015, the Company closed the joint venture transaction with Agnico Eagle Mines Limited ("Agnico") with respect to the Company's Barsele Project. Agnico acquired a 55% interest in the corporate entity which owns the Project in consideration of an initial payment to the Company of US $6 million (received), with an additional US $2 million payable by Agnico in cash or shares, at Agnico's election, to the Company on each of the first and second anniversaries of the closing. As part of the Transaction, Agnico has committed to spend US $7 million on Project expenditures over three years and will earn an additional 15% interest in the corporate entity which owns the Project if it completes a pre-feasibility study. Pursuant to the transaction, the Company was also granted a 2% net smelter royalty on production from the Project which may be repurchased by Agnico at any time for US $5 million.

6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (cont'd…)

Pursuant to IFRS, the full fair market proceeds were applied against the carrying value of assets held net of liabilities, such that the carrying value of the remaining 45% interest was reduced to $1.

The gain recognized in connection with the sale of the Barsele Gold Project on June 11, 2015:

Consideration:		
Cash	$	7,368,000
Current receivable		2,457,000
Long-term receivable		2,422,936
Fair value of consideration received	$	12,247,936
Net Assets Held for Sale:		
Current assets held for sale	$	9,060,236
Current liabilities related to assets held for sale		(82,291)
Promissory note from JV partners		(744,546)
	$	8,233,399
	$	4,014,537
Investment in associated company		(1)
Gain from discontinued operation	$	4,014,536

7. INVESTMENT IN ASSOCIATE

During the three months ended July 31, 2015, the Company's continuing interest in its previously wholly-owned subsidiaries Gunnarn Mining AB and Gunnarn Exploration AB (collectively "Barsele JV") is 45%. Having recognized a $4,014,536 gain on discontinued operations through the dilution of the former subsidiary. As Agnico has elected to solely-fund the expenditures on behalf of the Barsele JV until completion of the pre-feasibility study (Note 4), the Company does not have any responsibility for expenditures or net liabilities of the Barsele JV until such point that Agnico has completed earning its additional 15% interest. Summarized financial information for the Barsele JV is as follows:

	July 31, 2015
Current assets	$ 9,052,490
Non-current assets	-
Current liabilities	(82,291)
Loss for the period	Nil
The Company's ownership %	45%
The Company's share of loss for the period	$ Nil

As at July 31, 2015, the Company's investment in Barsele JV was $1. The Company's unrecognized share of the loss for the period from June 11, 2015 to July 31, 2015 was approximately $Nil and, the Company's accumulated unrecognized share of loss was approximately $Nil. The Company has a minority position on the board of its associated company and does not control operational decisions. The Company's judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

8. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Private placements

On January 18, 2015, the Company completed a non-brokered private placement of 4,800,000 common shares at $0.25 per share, for gross proceeds of $1,200,000. In connection with the private placement the Company paid finders' fees of 48,000 shares valued at $12,000 and cash share issuance costs of $9,086.

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.

During the year ended April 30, 2015, 215,000 options were exercised, each option was exercised for one common share of the Company. The options were exercised at $0.25 per option for proceeds of $53,750. The fair value of the options exercised was $36,054.

On June 26, 2015, the Company granted 2,225,000 stock options to directors, officers and consultants at an exercise price of $0.25 per share with a five year term. The options vest immediately.

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

Stock options and warrants (cont'd…)

During the year ended April 30, 2015 a total of 4,150,000 warrants were exercised, each warrant was exercised for one common share of the Company. The warrants were exercised at $0.30 per warrant for proceeds of $1,245,000. The fair value of the warrants exercised was $83,000.

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, 2014	21,390,928	0.44	5,081,000	0.55
Granted	-		700,000	0.33
Exercised	(4,150,000)	0.30	(215,000)	0.25
Expired	(2,597,248)	1.48	(872,000)	1.07
Forfeited	-		(455,000)	0.36
Outstanding, April 30, 2015	14,643,680	0.30	4,239,000	0.48
Granted	-		2,225,000	0.25
Expired	-		(170,000)	0.22
Outstanding, July 31, 2015	14,643,680	0.30	6,294,000	0.40
Exercisable at July 31, 2015	14,643,680	$ 0.30	6,294,000	$ 0.40

The following stock options to acquire common shares of the Company were outstanding at July 31, 2015:

Number of Shares	Exercise Price	Expiry Date
Options		
1,739,000	0.74	February 17, 2017
1,730,000	0.25	January 17, 2019
150,000	0.25	May 9, 2019
250,000	0.365	July 2, 2016
250,000	0.37	September 10, 2016
2,175,000	0.25	June 26, 2020
6,294,000		

8. 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 July 31, 2015:

Number of Shares	Exercise Price	Expiry Date
Warrants		
4,114,300*	0.30	September 13, 2017
3,393,200	0.30	November 21, 2015
5,179,000	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
14,643,680		

* Warrants issued in connection with its September 13, 2013 private placement, expiring September 13, 2015 have been extended to September 13, 2017.

During the three months ended July 31, 2015, the Company granted 2,225,000 (2014 - 450,000) 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 three months ended July 31, 2015, the weighted average fair value of each option granted was $0.25 (2014 - $0.18) and was calculated using the following weighted average assumptions:

	2015	2014
Expected option lives	5 years	3.3 years
Risk-free interest rate	1.02%	1.4%
Expected dividend yield	0%	0%
Expected stock price volatility	116%	101%

The share-based payments expense for stock options, vesting during in the three months ended July 31, 2015 was $339,929 (2014–$93,607).

9. 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.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no non-cash transactions during the three months ended July 31, 2015.

Significant non-cash transactions during the three months ended July 31, 2014 included:

a) Options exercised with fair value of $5,867

11. COMMITMENTS

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 $256,316.

Fiscal Year	Lease Payments
2016	145,675
2017	110,641

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	45%	Mineral exploration
Gunnarn Exploration AB	Sweden	45%	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 three months ended July 31, 2015, 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:

	Three months ended July 31, 2015	Three months ended July 31, 2014
Management fees	$ 100,050	$ 100,050
Geological consulting fees	75,150	75,150
Share-based compensation	175,694	19,516
Total	$ 350,894	$ 194,716

	Three months ended July 31, 2015	Three months ended July 31, 2014
Administration fees*	$ 33,280	$ 30,080
Total	$ 33,280	$ 30,080

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

Included in accounts payable and accrued liabilities as at July 31, 2015 is $7,704 (2014 - $38,253) 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 promissory note. 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. Long-term receivable is based on level 3 inputs that are not based on observable market data, as further discussed below.

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, 2015 the Company had IVA receivable of $329,218 due from the Government of Mexico. As of July 31, 2015 the Company has IVA receivable of $312,349.

Of the total receivables, approximately $5,188,081 is due from Agnico in connection with the Barsele JV. The Company has classified the first year receivable as current $2,627,227 and the second year receivable $2,560,854 has been classified as long-term and discounted using a risk-adjusted discount rate of 0.68%.

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 July 31, 2015, 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 negligible effect; a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and the Swedish Krona would have a negligible 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:

	July 31, 2015	April 30, 2015
Exploration and evaluation assets		
Mexico	$ 4,456,576	$ 4,456,576
Canada	730,000	730,000

15. EVENTS AFTER THE REPORTING DATE

Subsequent to the quarter ended July 31, 2015 the following events occurred:

a) Subsequent to July 31, 2015, the Company entered into an option agreement with Canasil Resources Inc. (“Canasil”) in respect of Canasil's Sandra Escobar Silver Gold Project in Durango, Mexico (the "Project"). Pursuant to the terms of the Option Agreement, the Company has a right to earn up to a 65% ownership interest in the Project. The Option Agreement provides, among other things, that Orex may earn a 55% ownership interest (the "First Option") in the Project by making a payment of $500,000 to Canasil upon execution of the Option Agreement and completing US$2,000,000 in exploration and development expenditures (the "Expenditures") on the Project within three years of entering into the Option Agreement. In connection with the First Option, Orex must incur a minimum of US$675,000 in Expenditures in the first year of the Option Agreement and US$500,000 in Expenditures in the second year of the Option Agreement. Provided that Orex exercises the First Option, Orex may earn an additional 10% ownership interest (the "Second Option", and together with the First Option, the "Options") in the Project, for a total 65% ownership interest, by completing a further US$2,000,000 in Expenditures within two years of exercising the First Option and by making a payment to Canasil of $500,000 in cash and/or Orex shares, at the option of Orex. In connection with the Second Option, Orex must incur a minimum of US$675,000 in Expenditures during the first year of the Second Option. Upon exercise of the Options, Orex and Canasil will enter into a joint venture with respect to the development of the Project based on their respective interests in the Project. If Orex exercises the Second Option, Orex's interest in the joint venture will be increased to 65%

b) The Company closed a non-brokered private placement offering of 1,400,000 common shares of the Company at a price of $0.25 per share for gross proceeds of $350,000.

c) Subsequent to July 31, 2015, the Company entered into an arrangement agreement with its wholly-owned subsidiary, Barsele Minerals Corp. ("Barsele"), pursuant to which, among other things, the Company will transfer to Barsele: (i) the Company’s 45% interest in the Barsele Gold Project located in Sweden (the "Barsele Project"); (ii) $500,000 in cash; and (iii) all of the Company's right, title and interest in and to, and all of its benefits and obligations under, the joint venture agreement (the "JV Agreement") dated June 11, 2015 among the Company, Agnico Eagle Sweden AB and certain other parties, in exchange for common shares of Barsele (the "Barsele Shares") and subsequently distribute (the "Spinout") all of the issued and outstanding Barsele Shares to the shareholders of the Company (the "Orex Shareholders"). The Company will retain all of the other assets currently held by the Company.

The Spinout will be effected by way of a court-approved plan of arrangement (the "Arrangement") between the Company and Barsele. The Arrangement is subject to applicable regulatory approvals, including the approval of the TSX-V, and the satisfaction of certain closing conditions customary for a transaction of this nature. Pursuant to the Arrangement, the Company’s Shareholders will receive one new common share of the Company (a "New Orex Share") and one Barsele Share in exchange for each common share of the Company (an "Orex Share") held by such Orex Shareholders immediately before completion of the Arrangement. Under the Arrangement, each outstanding option of the Company to purchase an Orex Share will be exchanged for one new option of the Company to purchase a New Orex Share and one option of Barsele to purchase a Barsele Share, with the respective exercise prices of the newly issued options adjusted to reflect the values of Orex and Barsele, respectively, immediately after completion of the Arrangement. Also, under the Arrangement, each outstanding warrant of the Company (an "Orex Warrant") to purchase an Orex Share will be exchange for one new warrant of the Company to purchase a New Orex Share and one warrant of Barsele to purchase a Barsele Share, with the exercise prices of the newly issued warrants being equal to the exercise prices of the Orex Warrants for which such warrants were exchanged.

15. EVENTS AFTER THE REPORTING DATE (cont'd…)

On completion of the Arrangement, Orex Shareholders will maintain their interest in the Company and will obtain a proportionate interest in Barsele, with Orex Shareholders holding all of the issued and outstanding Barsele Shares immediately upon completion of the Arrangement. After completion of the Arrangement, the Company will continue to hold and operate the existing business of the Company, other than the Barsele Project, and Barsele will hold and operate the Company's 45% interest in the Barsele Project.