OREX MINERALS INC.

(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars - Unaudited)

January 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.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at January 31, 2015 and April 30, 2014
(Expressed in Canadian Dollars - Unaudited)

	January 31, 2015	April 30, 2014
ASSETS		
Current		
Cash	$ 1,041,039	$ 4,385,952
Receivables	125,783	144,562
Prepaid expenses and deposits	82,586	303,765
	1,249,408	4,834,279
Deposits	76,043	71,043
IVA receivable (Note 12)	332,569	200,873
Exploration and evaluation assets (Note 6)	13,347,983	12,363,341
	$ 15,006,003	$ 17,469,536
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 336,934	$ 470,649
	336,934	470,649
Deferred income tax liability	296,748	296,748
	633,682	767,397
Shareholders' equity		
Share capital (Note 7)	46,193,414	43,584,696
Reserves (Note 7)	4,428,575	4,405,514
Deficit	(36,249,668)	(31,288,071)
	14,372,321	16,702,139
	$ 15,006,003	$ 17,469,536

Nature and continuance of operations (Note 1)
Commitments (Note 10)
Events after the reporting date (Note 14)

Approved and authorized by the board on March 18, 2015:

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

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

OREX MINERALS INC.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Three and Nine Months Ended January 31, 2015 and 2014
(Expressed in Canadian Dollars - Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2015	2014	2015	2014
EXPLORATION EXPENSES				
Drilling	$ 107,745	$ -	$ 961,792	$ -
Geological	283,417	213,379	1,040,246	610,351
Assay	36,210	2,413	98,030	42,632
General exploration	160,912	125,974	1,109,113	248,814
	588,284	341,766	3,209,181	901,797
GENERAL EXPENSES				
Consulting fees	22,432	53,333	76,737	53,333
Investor relations	26,093	166,733	204,809	420,784
Management fees	123,090	103,390	373,870	289,690
Office and administrative	90,644	97,290	271,183	312,429
Professional fees	60,359	75,868	351,425	279,003
Rent	54,988	50,668	151,362	109,992
Share-based payments (Note 7)	-	349,797	142,115	349,797
Transfer agent and filing fees	6,536	19,930	23,485	36,114
Travel and entertainment	31,999	25,033	110,643	172,074
	416,141	942,042	1,705,629	2,023,216
Loss before other items	(1,004,425)	(1,283,808)	(4,914,810)	(2,925,013)
Other Items				
Foreign exchange loss on deferred consideration (Note 4)	-	-	-	(85,541)
Interest expense on deferred consideration (Note 4)	-	-	-	(64,833)
Interest income	9,736	-	22,729	661
Other foreign exchange gain (loss)	(26,137)	23,536	(69,516)	4,264
Gain on settlement of deferred consideration (Note 4)	-	-	-	1,804,291
	(16,401)	23,536	(46,787)	1,658,842
Loss and comprehensive loss for the period	$ (1,020,826)	$ (1,260,272)	$ (4,961,597)	$ (1,266,171)
Basic and diluted loss per common share	$ (0.01)	$ (0.02)	$ (0.05)	$ (0.02)
Weighted average number of common shares outstanding	95,724,826	57,790,844	95,254,494	70,125,733

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

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

	Common Shares	Share Capital	Reserves	Deficit	Total Shareholders' Equity
Balance, April 30, 2013	48,986,699	$ 33,842,338	$ 3,343,114	$ (28,544,865)	$ 8,640,587
Shares issued for Persistence Property (Note 6)	150,000	42,750	-	-	42,750
Finders' fees on Persistence Property (Note 6)	15,000	4,275	-	-	4,275
Shares issued for settlement of deferred Consideration (Note 4)	7,500,000	1,912,500	-	-	1,912,500
Private placement proceeds (Note 7)	8,228,600	1,974,864	82,286	-	2,057,150
Share issuance costs cash (Note 7)	-	(94,077)	-	-	(94,077)
Private placement proceeds (Note 7)	6,786,400	1,424,724	271,456	-	1,696,180
Finders' fees	10,500	2,625	-	-	2,625
Share issuance costs	-	(15,238)	-	-	(15,238)
Share-base payments (Note 7)	-	-	349,797	-	349,797
Loss and comprehensive loss	-	-	-	(1,266,171)	(1,266,171)
Balance, January 31, 2014	71,677,199	39,094,761	4,046,653	(29,811,036)	13,330,378
Private placement	20,000,000	5,000,000	-	-	5,000,000
Share issuance costs	-	(512,843)	107,534	-	(405,309)
Residual value of warrants attached to units	-	(227,222)	227,222	-	-
Shares issued for exploration and evaluation assets (Note 6)	1,000,000	230,000	-	-	230,000
Share-based payments	-	-	24,105	-	24,105
Loss and comprehensive loss	-	-	-	(1,477,035)	(1,477,035)
Balance, April 30, 2014	92,677,199	43,584,696	4,405,514	(31,288,071)	16,702,139
Private placement proceeds (Note 7)	4,800,000	1,200,000	-	-	1,200,000
Finders Shares (Note 7)	48,000	12,000	-	-	12,000
Share issuance costs (Note 7)	-	(21,086)	-	-	(21,086)
Options exercised (Note 7)	215,000	89,804	(36,054)	-	53,750
Warrants exercised (Note 7)	4,150,000	1,328,000	(83,000)	-	1,245,000
Share-based payment (Note 7)	-	-	142,115	-	142,115
Loss and comprehensive loss	-	-	-	(4,961,597)	(4,961,597)
Balance, January 31, 2015	101,890,199	$ 46,193,414	$ 4,428,575	$ (36,249,668)	$ 14,372,321

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

OREX MINERALS INC.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended January 31, 2015 and 2014
(Expressed in Canadian Dollars - Unaudited)

	Nine Months Ended January 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (4,961,597)	$ (1,266,171)
Items not affecting cash:		
Share-based payments	142,115	349,797
Interest expense on deferred consideration	-	64,833
Foreign exchange loss on deferred consideration	-	85,541
Gain on settlement of deferred consideration	-	(1,804,291)
Changes in non-cash working capital items:		
Decrease in receivables	18,779	74,201
Decrease in prepaid expenses	221,179	57,065
Increase in deposits	(5,000)	(6,000)
Increase in IVA receivable	(131,696)	-
Increase/(Decrease) in accounts payable and accrued liabilities	(133,715)	167,907
Cash used in operating activities	(4,849,935)	(2,277,118)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for deferred consideration settlement	-	(257,615)
Exploration and evaluation acquisition (Note 6)	(984,642)	(127,506)
Cash used in investing activities	(984,642)	(385,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital, net share issuance costs	1,190,914	3,646,640
Proceeds from option exercise	53,750	-
Proceeds from warrant exercise	1,245,000	-
Share subscriptions received	-	-
Cash provided by financing activities	2,489,664	3,646,640
Increase (decrease) in cash during the period	(3,344,913)	984,401
Cash, beginning of period	4,385,952	574,468
Cash, end of period	$ 1,041,039	$ 1,558,869

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 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, 2014. 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, 2014.

These condensed 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 condensed 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 condensed consolidated financial statements include the accounts of the Company and its controlled subsidiaries (Note 11). 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 and deferred taxes 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...)

Changes in accounting policies

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.

IAS 32 was adopted effective May 1, 2014 and had no significant impact on the Company's condensed consolidated interim financial statements.

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. IAS 36 was adopted effective May 1, 2014 and had no significant impact on the Company's condensed consolidated interim 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.

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.

During the nine months ended January 31, 2015, the Company recorded interest expense on deferred consideration of $Nil (2014-$64,833), to reflect amortization of the discount, and a foreign exchange loss of $Nil (2014- $85,541), to reflect the impact of changes in the foreign exchange rate between the US dollar and the Canadian dollar.

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.

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

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 (CDN$549,800).

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.

5. ACQUISITION OF SUBSIDIARIES IN CANADA AND MEXICO (cont'd...)

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, 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
Acquisition costs	-	549,800	-	434,842	984,642
Balance, as at January 31, 2015	$ 2,090,000	$ 8,161,407	$ 730,000	$ 2,366,576	$ 13,347,983

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.

6. 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.

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

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 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 (CDN$549,800).

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 nine months ended January 31, 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.

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.

6. 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.

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Private placements

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 $24,427. In connection with the issuance of flow-through common, the Company had a commitment to incur $1,386,975 of qualifying flow-through expenditures by December 31, 2014, under the look-back rule. As at January 31, 2015 the Company had incurred the required $1,386,975 on qualifying flow-through expenditures by December 31, 2014.

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.

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

Private placements (cont'd…)

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 $81,219.

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.

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.

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.

During the nine months ended January 31, 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.

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

Stock options and warrants (cont'd…)

During the nine months ended January 31, 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, 2013	6,006,392	$ 1.17	3,486,459	$ 0.84
Granted	18,793,680	0.30	2,360,000	0.25
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
Granted	-	-	700,000	0.33
Exercised	(4,150,000)	0.30	(215,000)	0.25
Expired	(2,597,248)	1.48	(342,000)	0.33
Outstanding, January 31, 2015	14,643,680	0.30	5,224,000	0.55
Exercisable at January 31, 2015	14,643,680	$ 0.30	5,224,000	$ 0.55

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

Number of Shares	Exercise Price	Expiry Date
Options		
765,000	1.00	April 28, 2015
70,000	0.90	June 9, 2015
1,839,000	0.74	February 17, 2017
1,850,000	0.25	January 17, 2019
200,000	0.25	May 9, 2019
250,000	0.365	July 2, 2016
250,000	0.37	September 10, 2016

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 January 31, 2015:

	Number of Shares	Exercise Price	Expiry Date
Warrants			
	4,114,300	0.30	September 13, 2015
	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

During the nine months ended January 31, 2015, the Company granted 700,000 (2013 - Nil) 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 nine months ended January 31, 2015, the weighted average fair value of each option granted was $ 0.18 and was calculated using the following weighted average assumptions:

	Nine Months Ended January 31, 2015
Expected option lives	2.85 years
Risk-free interest rate	1.27%
Expected dividend yield	0%
Expected stock price volatility	96.17%

The share-based payments expense for stock options, vesting during in the nine months ended January 31, 2015 was $ 142,115 (2014 - $349,797).

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 nine months ended January 31, 2015 included:

a) Options exercised with fair value of $36,054

b) Warrants exercised with fair value of $83,000

Significant non-cash transactions during the nine months ended January 31, 2014 included:

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

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

c) Issued 7,507,500 warrants valued at $353,742 (Note 7).

10. 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 $401,991.

Fiscal Year	Lease Payments
2015	$ 97,117
2016	194,233
2017	110,641

In connection with the issuance of flow-through common shares in September 2013, the Company had a commitment to incur $1,386,975 of qualifying flow-through expenditures by December 31, 2014, under the look-back rule. As of December 17, 2014 the Company spent 100% of its flow-through share commitments

11. 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 nine months ended January 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.

11. RELATED PARTY TRANSACTIONS (cont'…)

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

	Nine months ended January 31, 2015	Nine months ended January 31, 2014
Management fees	$ 300,150	$ 274,750
Geological consulting fees	225,450	241,450
Share-based compensation	19,512	349,797
Total	$ 545,112	$ 865,997

	Nine months ended January 31, 2015	Nine months ended January 31, 2014
Administration fees*	$ 131,798	$ 127,750
Total	$ 131,798	$ 127,750

*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 January 31, 2015 is $Nil (2014 - $115,051) due to directors or officers or companies controlled by directors.

12. 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 and deferred taxes. 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 and deferred taxes are carried at amortized cost which approximates its fair value using a level 3 fair value measurement.

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

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. As of January 31, 2015 the Company has IVA receivable of $332,569.

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.

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 January 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.

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

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.

13. SEGMENTED INFORMATION

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

	January 31, 2015	April 30, 2014
Exploration and evaluation assets		
Mexico	$ 4,456,576	$ 4,021,734
Sweden	8,161,407	7,611,607
Canada	730,000	730,000

14. EVENTS AFTER THE REPORTING DATE

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

Pursuant to the terms of the LOI, AEM will acquire an initial 55% interest in the Project on payment to the Company of $10 million (U.S.) ($6-million (U.S.) on closing of the transaction and $2-million (U.S.) on each of the first and second anniversaries of closing of the transaction). As part of the transaction, AEM will commit to spend $7 million (U.S) on exploration over three years. AEM can 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 the Company of US $5 million.

Completion of the transaction is subject to AEM's confirmatory due diligence, the execution of a definitive joint venture agreement, the approval of the TSX Venture Exchange and all other regulatory, corporate and security holder requirements. The transaction is expected to close on or before April 1, 2015.