**MANAGEMENT DISCUSSION AND ANALYSIS**
**FOR THE NINE MONTHS ENDED JANUARY 31, 2016**

Dated: March 29, 2016

Management's Responsibility for Financial Reporting:

The accompanying financial report for the nine months ended January 31, 2016 has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the annual financial report.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the interim financial report and interim MD&A (together the "interim filings") do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the year covered by these interim filings, and the interim financial report together with the other financial information included in these interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these interim filings.

The Board of Directors approves the interim financial report together with the other financial information included in the interim filings and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all corporate filings prior to filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding both the Company's plans and operations included in the "Description of Business" with respect to management's planned exploration and other activities, and in "Liquidity", "Commitments" and "Corporate Summary" regarding management's estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company's common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

Description of Business:

The Company is engaged primarily in the acquisition and exploration of "exploration and evaluation assets".

SANDRA ESCOBAR, MEXICO:

The Sandra Escobar Project is situated north of the town of Tepehuanes, Durango, in the heart of the "Mexican Silver Trend", midway between the mining districts of Tovar and Guanacevi and is 75 km west of Silver Standard's La Pitarrilla. This prolific trend hosts some of the world's largest silver camps and deposits, including Fresnillo, Guanajuato, La Pitarrilla, La Preciosa, Real de Angeles, and Zacatecas. Excellent infrastructure exists in the Sandra Escobar area, including paved road access, electrical power, water and manpower from nearby communities.

Description of Business (cont'd…):

SANDRA ESCOBAR, MEXICO (continued):

The Sandra Escobar Project consists of 6976 hectares of mineral concessions and covers multiple mineralized epithermal quartz veins, stockwork, disseminations and breccia structures. These veins form a high level silver-gold-base metals system, hosted in andesitic and rhyolitic rocks, centered on a large rhyolite dome complex in the north and silver systems in smaller rhyolite dome complexes to the southeast. Intense alteration zones and fluid flooding in permeable formations may also indicate the presence of bulk tonnage silver targets.

On September 15th, 2015, the Company announced that it has entered into an option agreement with Canasil Resources Inc. -- (TSX-V: CLZ) ("Canasil"), with respect to Canasil's Sandra Escobar Project in Durango, Mexico. Pursuant to the terms of the Option Agreement, Orex has a right to earn up to a 65% ownership interest in the Project.

The Option Agreement provides 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%.

On October 15, 2015, the Company initiated a surface exploration program on the Sandra Escobar Project the results of which were announced in a news release dated November 9, 2015.

On December 9, 2015, the Company initiated a Phase – I diamond drilling program in the southeastern region of the Sandra Escobar mineral concessions. Drilling of the first three holes was completed before the year-end work stoppage on December 21, 2015. Drilling recommenced during the second week of January 2016. By the end of January 2016, 12 drill holes totalling 1,485 metres had been completed and the assay results were starting to be received from the SGS mineral services in Durango, Mexico.

Results for the first hole SA-15-001, were announced in a news release dated January 25, 2016. This hole yielded an intercept of 61 metres (true thickness 43.1 metres) grading 359 g/t silver. Within this intercept was a subinterval of 3 metres (true thickness 2.12 Metres) grading 2,271 g/t silver.

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.

Description of Business (cont'd…):

CONETO, MEXICO (continued):

Located in the Mesa Central on the eastern flank of the Sierra Madre Occidental Mountains, Coneto is centrally positioned in the "Mexican Silver Trend". This silver trend, stretching from Guanajuato in the southeast, through the states of Zacatecas and Durango, hosts some of the world's largest silver deposits, including Real de Angeles, Zacatecas, Fresnillo, La Preciosa, and La Pitarilla mining camps.

The Coneto mining camp has a history going back over 400 years. More than 40 epithermal silver-gold quartz veins have been documented in a window of exposed Tertiary Lower Volcanic andesites. Past underground production was achieved on three of the veins down to the water table. Prior to Orex, very little diamond drilling had been carried out within the property in spite of its long history of episodic production.

The Coneto mining camp historically consisted of approximately 3,300 hectares of claims. During 2010, the Company announced its successful applications to locate new mineral concessions called Lomas 3 and Lomas 4, which surround the historical claims. With the addition of these new mineral concessions, the total area of the Coneto Property increased to 16,346 hectares.

The initial work program on this property consisted of detailed structural geology mapping and geochemical sampling in the areas around Calaveras, Colemanito, Promontorio, Loma Verde, Durazno and Impulsora. This program was designed to guide a diamond drilling program. As of December 2009, regional geology mapping at 1:10,000 scale covered 35 sq km and detailed structural geology mapping at 1:500 scale covered 15 sq km. Forty-nine line-kilometres of geochemical sampling, both for soil and rock channel/chip/grab, total 1,794 samples. The Loma Verde, Promontorio and Impulsora sectors yielded multiple anomalous values for gold and silver.

The Phase-I drilling campaign of approximately 5,000 metres of HQ and NQ diameter core commenced in May 2010 and was performed by Major Drilling de Mexico, S.A. de C.V. utilizing a surface UDR-200 rig. A total of 21 holes were completed in the Loma Verde, Durazno, Promontorio, Impulsora, Estrella-Calaveras and Sauce-Palma areas. Over 2,000 drill core samples were submitted for analyses to SGS Mineral Services in Durango, Mexico. The assay results of the drilling campaign were announced by news releases on July 6, 2010, August 9, 2010 and November 1, 2010. Nine holes yielded high values for gold and silver, especially in the Loma Verde and Impulsora areas.

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 Association 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 must 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.

Description of Business (cont'd…):

CONETO, MEXICO (continued):

(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.

In conjunction with entering the Association Agreement with Fresnillo, on February 8, 2012, the Company issued 2,500,000 units to Fresnillo at $0.80 per unit for gross proceeds of $2,000,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $1.00 per common share.

A Phase-II diamond drilling program of 31 holes, totally 11,998 metres, commenced in late August 2012 and a second drill was added in October 2012. The contracted drilling company, Kluane Drilling Ltd., utilized modularized mobile drilling equipment that minimizes the need to construct roads on the property. The total cost for the Phase II drilling program, including pre-drilling geological and geophysical mapping, was $3.3 million, an amount which was entirely funded by Fresnillo per the terms of the Association Agreement.

The results from the 31 diamond drill holes in the Loma Verde, Central Zone, Impulsora, Promontorio and La Bufa areas of the Phase-II program, yielded high grade intercepts of gold and silver in the Loma Verde and La Bufa areas, with results announced in news releases dated November 7, 2012, January 7 and March 25, 2013.

Also in fiscal 2013, a detailed surface trench channel sampling program was initiated on various mineralized structures at Coneto. Results for the Loma Verde, Santo Nino and Impulsora were announced in news releases dated July 10, 2013, August 20, 2013, and October 7, 2013.

On July 2, 2014 a Phase – III diamond drilling program commenced for 30 holes, totally 11,744 metres. Kluane Drilling Ltd. was awarded the drilling contract and three drilling rigs were utilized.

The results from the Phase – III 30 diamond drill holes in the Promontorio, Impulsora, Loma Verde, La Bufa, and Central areas yielded high-grade intercepts in the Loma Verde and Promontorio areas. Results were announced in news releases dated October 7, November 18 and December 8, 2014.

In August 2014, Fresnillo confirmed that they have met the exploration expenditures of the First Investment Option Stage of $US 4,000,000 and are proceeding directly to the Second Investment Option Stage on the Coneto Project.

Description of Business (cont'd…):

CONETO, MEXICO (continued):

In March 2015, plans for a Phase-IV diamond drilling program were prepared, totaling approximately 4,656 metres in 11 holes. This program commenced in 2nd quarter 2015 and was completed in the 3rd quarter 2015. Results were announced in a news release drafted August 10, 2015.

In a news release on September 24th, 2015, the Company announced that the Coneto project earn-in expenditures of US$ 6 million had been reached by Fresnillo. Orex and Fresnillo will now proceed on the basis of a 45% : 55% respective ownership.

Total diamond drilling to date on the Coneto Project equals 33,398 metres in 93 holes.

Plans for conducting an Initial Resource Estimate on the Coneto Project are scheduled for the 2nd quarter 2016, with results available in the 1st quarter 2016. The joint Technical Committee is planning a further Phase-V diamond drilling program and additional exploration and engineering tests for the 2016 exploration season of the Coneto Project.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Coneto Property.

BARSELE, 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. ("Northland") 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.

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 the following 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):

(a) On the 1st anniversary of completing the final agreement, US$1,000,000 in cash plus the lesser of 1,000,000 common shares or the number of common shares valued at US$500,000 (on April 29, 2012, the Company paid $996,200 (US$1,000,000) and issued 852,764 common shares valued at $492,400 to Barsele Guld);

(b) On the 2nd anniversary of completing the final agreement, US$2,000,000 in cash.

(c) On the 3rd anniversary of completing the final agreement, the lesser of 2,000,000 common shares or the number of common shares valued at US$1,000,000. If the value of the common shares issued is less than US$1,000,000, the balance shall be paid in cash;

(d) On the 4th anniversary of completing the final agreement, the lesser of 2,000,000 common shares or the number of common shares valued at US$1,000,000. If the value of the common shares issued is less than US$1,000,000, the balance shall be paid in cash.

In addition, the Company agreed to make direct exploration expenditures as follows:

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

Description of Business (cont'd…):

BARSELE, SWEDEN (continued):

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

Barsele Guld retained a 2 percent net smelter 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 Barsele Property is located 40 km southeast of the town of Storuman in Västerbottens Län, a regional district of northern Sweden approximately 600 km due north of Stockholm. Exploration in the project area has been ongoing for more than 30 years. From 1985 to 2010, a total of 398 diamond drill holes (43,609 metres) have been drilled and in 2006, Northland completed a National Instrument 43-101 technical report which contained resource estimates of both indicated and inferred resources and was filed on SEDAR by Northland on April 13, 2006.

The Central-Avan-Skiråsen (CAS) Zone at Barsele contains most of the documented gold in the 2006 resource report with a grade similar to other gold deposits in the area. In the CAS Zone, gold mineralization is predominantly within a granodiorite that has been deformed, sheared and intruded by late stage quartz veins and ranges in width from 200 to 500 metres, with a strike-extent in excess of eight kilometres. The Central and Skiråsen Zones have a combined strike length of 1,350 metres and a width of 250 metres. The

Avan Zone has a strike length of 1,400 metres and a width varying from 200 to 500 metres. Base metal content of this deposit is typically low.

The Norra Zone, a small massive sulphide deposit, contains the balance of the gold reported in the 2006 resource report although the overall grade for this deposit is higher than at the CAS Zone. In the Norra Zone, sulphide mineralization is exposed in two open trenches in the centre of the drilled zone. Based on drilling, the footprint of the main mineralized body at Norra is 300 metres in strike-length and 50 metres in width.

On February 28, 2011, the Company reported that an independently verified mineral resource estimate had been completed on the Barsele Property. A new estimate was also prepared at this time for the Norra volcanogenic massive sulphide deposit. On April 27, 2011, the Company filed a National Instrument 43-101 compliant technical report on SEDAR.

In May 2011, the Company initiated a 2,500 line-kilometre airborne geophysical survey of the Barsele Property, performed by SkyTEM Surveys ApS ("SkyTEM") of Denmark. SkyTEM used a helicopter-borne Time-Domain Electromagnetic (TDEM) System which had a transmitter moment of 500,000 NIA to maximize the depth of penetration. The airborne survey yielded high resolution maps of the apparent resistivity/conductivity, total magnetic field, and vertical magnetic derivatives. Following interpretation of the airborne results, in July 2011, the Company reported that there were a significant number of new anomalous targets outside of the known mineralized zones.

In August 2011, the Company engaged Finland-based Suomen MalmiOy ("SMOY") and LeBel Geophysics to conduct ground follow-up surveys. The majority of the new anomalous targets lie outside of the known mineralized zones. Initially 12 gold targets and 25 VMS targets were outlined as warranting follow-up by way of geological examination, and ground magnetic and induced polarization (IP) and electromagnetic (EM) surveying. SMOY carried out IP surveying, toward detection of the disseminated-style of mineralization associated with the Central, Avan and Skiråsen Zones at Barsele, wherein, gold mineralization is associated with non-magnetic dioritic intrusive rocks, indicated by magnetic lows. A total of 30 line kilometres was completed in four areas.

Description of Business (cont'd…):

BARSELE, SWEDEN (continued):

In addition, 9 VMS targets were surveyed by LeBel Geophysics, utilizing a very low frequency (VLF) EM method, which has proved efficient and successful in characterizing the airborne EM VMS targets. A total of 30 line-kilometres was completed. Preliminary analysis of the VLF-EM surveying suggests an extension of the Norra base/precious metal deposit and shows other VMS targets with favourable geophysical signatures with respect to VMS-style mineralization. Examination of government archives revealed a historic high-grade float boulder discovered within the property grading 33 g/t gold and 7% zinc, which is believed to be associated with one of the anomalies located up-ice within the claims.

After completing the initial phase of ground geophysics, in November 2011, the Company commenced diamond drilling to test both the strike extensions and depth potential of the deposits outlined to date. ProtekNorr AB of Skellefteå, Sweden, was retained to conduct a 6,200 metre diamond drill program. In this first phase of drilling, 16 holes were completed; 12 in the Central Zone and 4 in the Avan Zone. The assay results from the Central Zone expanded the boundaries of the known mineralization, both laterally and vertically.

On November 7, 2012, the Company reported that an independent updated resource estimate had been completed on the Barsele Property by the consulting firm, Mining Plus. The study concluded that drilling to date on the Central-Avan-Skiråsen Zones, at a 0.6g/t cut-off, outlined an Indicated Resource of 14.1 million tonnes grading 1.21 g/t gold or 547,000 contained ounces of gold. In addition, the study estimated additional Inferred Resources of 20.2 million tonnes grading 0.97 g/t gold or 627,000 contained ounces of gold. The resource estimate was performed to a depth of 300 metres, although gold mineralization is known to occur below this depth.

A new estimate was not prepared for the Norra volcanogenic massive sulphide deposit. In February 2011, a resource estimate at a 0.6g/t Au cut-off outlined an Indicated Resource of 110,000 tonnes grading 3.13 g/t gold, 30.27 g/t silver, 0.53% copper and 0.72% zinc. The study also estimated additional Inferred Resources of 310,000 tonnes grading 1.62 g/t gold, 12.69 g/t silver, 0.26% copper and 0.42% zinc.

At least three other target areas of known gold and/or base metal mineralization have been reported from the various generations of regional exploration outside the CAS Zone and Norra Zone. Further exploration is also warranted in these zones.

In fiscal 2013, the Company reached an alternative payment arrangement with Barsele Guld with regards to its outstanding deferred consideration obligations. The amended payment terms were as follows:

(a) Upon receipt of TSX Venture Exchange approval, US$250,000 in cash and 4,000,000 common shares.

(b) On or before December 31, 2013, US$1,750,000 in cash.

Finally, on October 21, 2013, the terms were altered in that 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. Closure of this amended agreement, giving the Company 100% ownership of the Barsele Project, was announced in a news release dated October 21, 2013.

Total drilling to date on the Barsele Project equals 49,809 metres in 414 drill holes.

As at April 30, 2015, the Company transferred acquisition costs of $8,161,407 to Assets Held for Sale

Description of Business (cont'd…):

BARSELE, SWEDEN (continued):

On June 11, 2015, the Company closed the joint venture transaction with Agnico Eagle Mines Limited ("Agnico Eagle") with respect to the development of Orex's Barsele Project located in Sweden (the "Project"). Pursuant to the Transaction, Agnico Eagle acquired a 55% interest in the corporate entity which owns the Project in consideration of an initial payment to Orex of US $6 million, with an additional US $2 million payable by Agnico Eagle in cash or shares at Agnico Eagle's election to Orex on each of the first and second anniversaries of the closing. As part of the Transaction, Agnico Eagle 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, Orex 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. Agnico will have a majority of board seats and will be the operator of the Project for customary compensation.

On August 6th, 2015, the Company announced the intention to spin-out the Barsele Project to a wholly owned subsidiary, Barsele Minerals Corp, by plan of arrangement. This spin-out was completed, with a vote in favour by 99.87% of the votes cast by ordinary shareholders and 100% of the votes cast by warrant holders, as announced on September 23, 2015.

Orex will receive the first and second anniversaries cash allocations from Agnico Eagle as they become due. The Company also retains the aforementioned 2% net smelter royalty on the Barsele Project.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Barsele Property.

TRANSACTION WITH ASTRAL MINING CORPORATION:

On October 15, 2012, the Company announced that it had agreed to acquire Astral Mining Corporation ("Astral") by way of a plan of arrangement or other business combination, 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, the Company acquired from the shareholders of Astral, 100% of the outstanding common shares of Astral in exchange for common shares of the Company. 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.

The transaction provided the Company with a new gold-silver-copper project in Mexico named Los Crestones, as well as a new gold project in British Columbia named Jumping Josephine.

LOS CRESTONES, MEXICO:

The Los Crestones Property in Sinaloa State of western Mexico is an early stage gold-silver-copper property located in the gold-silver belt of the Sierra Madre Occidental of Sinaloa State. The property totals 4,168 ha and is located approximately 110 km from the state capital of Culiacan.

The Phase-I drilling program conducted by Astral in 2011 consisted of 2,800 metres of diamond drilling in 18 holes to test the Bohemia, El Indio and Corona structures. Multiple mineralized intercepts were achieved from silicified and brecciated intrusive dykes.

Description of Business (cont'd…):

LOS CRESTONES, MEXICO (continued):

The highest gold content was reported in drill hole 11LD-011, which yielded 5.00 metres (true thickness of 3.54 metres) grading 39.1 g/t gold, 93 g/t silver and 2.13% copper from the Bohemia structure. The highest silver content was reported in drill hole 11LD-006, which yielded 3.09 metres (true thickness of 2.18 metres) grading 0.14 g/t gold, 479 g/t silver and 3.5% copper from the El Indio structure. Additional exploration is warranted on the Los Crestones Property.

A Property wide helicopter airborne magnetic and radiometric geophysical survey was flown by MPX GeoServices Ltd. in April to May 2014. A follow-up ground geophysical survey, consisting of 18-line kilometers of Induced Polarization (IP) and Magnetotellurics was conducted by Quantec Geoscience Ltd. in July to August 2014.

Phase-II diamond drilling program, planned for 5,000 metre, utilizing a man-portable KD-1000 diamond drilling rig,was awarded to Kluane Drilling Ltd. This phase commenced on December 7, 2014, shutdown for the year-end holiday season and recommenced in January, 2015. Five holes of Phase-II were drilled for 2,587m. As the initial results differed from those anticipated, the Los Crestones Project is currently under review. There are additional exploration targets on the property.

Total drilling to date on Los Crestones Project equals 5,387 meters in 23 drill holes.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Los Crestones Property.

Subsequent to the period ended January 31, 2016, the Company has chosen to terminate their Los Crestones project in Sinaloa, Mexico, and return the claims to the original vendors.

JUMPING JOSEPHINE, CANADA:

The Jumping Josephine Property is a prospective exploration property with the potential to host an economic gold deposit and warrants further advanced exploration work. It is a large contiguous claim holding which covers 11,200 ha in the West Kootenay region of Southeastern British Columbia. The property is located close to existing infrastructure and approximately 40 km north of Teck-Cominco's smelting operation in Trail. Astral initially had a 60% joint venture interest with Kootenay Silver Inc. in the Jumping Josephine Project.

In 2011, Astral contracted the services of Apex Geoscience Ltd. to conduct a N.I. 43-101 compliant Initial Resource Estimate. The technical report was released on June 24, 2011.

The JJ-Main Zone yielded the following resource estimate at a cut-off grade of 0.5 g/t gold. Indicated resources consist of 363,000 tonnes grading 2.95 g/t gold for 34,000 ounces of gold. Inferred resources consist of 448,000 tonnes grading 2.08 g/t gold for 30,000 ounces of gold.

On February 3, 2014, Orex announced the acquisition of the remaining 40% ownership from Kootenay Silver Inc. and now controls 100% of the project with the issuance of 1,000,000 shares of Orex valued at $230,000.

A 5,000 metres diamond drilling program commenced on July 23, 2014. Phase-I consisted of deep holes testing the down-plunge extension of the Jumping Josephine main zone, and Phase -II testing additional exploration targets on the property.

The Jumping Josephine Project drilling contract was awarded to Dorado Drilling Ltd. A total of 8,115 metres in 25 holes were drilled in the JJ-Main area and six other target areas. In addition, trenching and sampling was performed on the JJ-Main Zone, with results announced in news releases dated November 14, 2014, and December 19, 2014.

Description of Business (cont'd…):

JUMPING JOSEPHINE, CANADA (continued):

Total drilling to date on the Jumping Josephine Project equals 26,115 metres in 165 drill holes. The Jumping Josephine project is currently under review. Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Jumping Josephine Property.

Results of Operations for the Three Months Ended January 31, 2016 and 2015

The Company incurred exploration expenses amounting to $608,129, which was approximately seven per cent higher than the $588,284 incurred in the third quarter of fiscal 2015. The third quarter expenses consisted of drilling recovery $107,254, geological costs of $237,271, assay costs of $8,304 and other general exploration costs of $255,300. The expenditures in the quarter reflect primarily initial surface work and drilling on the newly-optioned Sandra Escobar property, whereas in the comparative quarter of the previous year, the expenditures were incurred on the Los Crestones property.

General operating costs totaled $1,454,373 for the third quarter of fiscal 2016, which is 249 per cent more than the $416,141 incurred in the comparable quarter of fiscal 2015. Generally, operating costs rose to a small degree over the comparative quarter of last year. However, Investor relations costs rose to $121,659, up significantly from the prior year amount of $26,093 as more time and travel was required following the spin-out transaction and the subsequent optioning of the Sandra Escobar property. Also overall costs were impacted significantly as a result of the granting of options, which vested in the quarter and amounted to $898,967, whereas no comparable cost was incurred in the prior year.

During the third quarter of fiscal 2016, the Company recorded a gain related to the share distribution to Orex shareholders and in accordance with IFRIC 17 which amounted to $20,658,040 to reflect the spin out of the investment in the Barsele JV in the form of Barsele Minerals Corp. shares. A foreign exchange gain also was recorded in the amount of $462,565 to reflect the impact of changes in the foreign exchange rate between the Canadian dollar and US dollar.

In summary, a Gain from continuing operations for the third quarter of fiscal 2016 amounted to $19,059,593 or $0.18 per share, as compared to the loss in the third quarter of fiscal 2015, of $1,020,826 or $0.01 per share. The net change from fiscal 2015 to fiscal 2016 reflects the gain on the share distribution related to the approved shareholder plan of arrangement, offset to a small degree by the higher stock-based compensation charge in the quarter.

Results of Operations for the Nine Months Ended January 31, 2016 and 2015:

During the nine months of fiscal 2016, the Company incurred exploration expenses amounting to $1,161,014, which was 89 percent lower than the $3,209,181 incurred in the nine months of fiscal 2015. The expenses consisted of drilling $107,241, geological costs of $476,555, assay costs of $8,363 and other general exploration costs of $568,855. The significant decrease was due to lower expenditures for geophysics and drilling on Los Crestones and lower costs related to the Barsele project in the current period.

General operating costs totalled $3,067,460 for the nine months of fiscal 2016, which was 80 percent more than the $1,705,629 incurred in the comparable period of fiscal 2015. As was the case for the third quarter, operating costs were overall consistent with the prior year, except for the stock-based compensation charge amounting to $1,261,072 this year, up significantly over the prior year charge of $142,115.

A gain on sale of assets held for sale increased from $nil to $4,014,536 in the period due to completion of the joint venture transaction with Agnico Eagle Mines Limited in the second quarter. Other foreign exchange gain was also impacted by the completion of the joint venture transaction with Agnico Eagle Mines Limited, and resulted in an increase from ($69,516) to $1,095,819. And, as noted with respect to the third quarter and the share distribution to Barsele shareholders, the Company recorded a gain on completion of the plan of arrangement amounting to $20,158,039 to reflect the spin out of the Barsele JV.

Results of Operations for the Nine Months Ended January 31, 2016 and 2015 (continued):

In summary, the gain in the nine month period of fiscal 2016 amounted to $21,034,900 or $0.20 per share, a significant improvement from the loss in the third quarter of fiscal 2015, of ($4,961,597) or ($0.05) per share. The net change from fiscal 2015 to fiscal 2016 reflects primarily the lower exploration costs, a significant foreign exchange gain related to the receivables denominated in US dollars, the gain on sale of the 55% interest in the Barsele Project and the gain on completion of the spin-out transaction this year.

Property Acquisition Costs:

| | Sandra Escobar, Mexico | 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 | - | - | (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 | 500,000 | - | - | - | - | 500,000 |
| Balance, as at January 31, 2016 | $ 500,000 | $ 2,090,000 | $ - | $ 730,000 | $ 2,366,576 | $ 5,686,576 |

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 Company completed the final agreement on April 29, 2011 to purchase all of the issued and outstanding shares of two Swedish companies, Gunnarn Mining A.B. and its wholly-owned subsidiary, Gunnarn Exploration A.B. The primary assets of Gunnarn Mining are mining claims collectively known as the Barsele Property. 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). Of the total purchase price of Gunnarn Mining, the Company allocated $7,611,607 to the Barsele mining concessions held by Gunnarn Mining.

On October 15, 2014 the Company purchased the remaining net smelter royalty for cash in the amount of US$500,000 ($549,800).

Property Acquisition Costs (continued):

On February 12, 2013, the Company completed the acquisition of all of the issued and outstanding shares of two companies, Astral Mining Corporation and its wholly-owned subsidiary, Astral Mining S.A. de C.V. The primary assets of these two companies are mining claims, primarily the Jumping Josephine Property located in British Columbia, Canada and the Los Crestones Property, located in Sinaloa State, Mexico. Of the total purchase cost, the Company allocated $500,000 to their 60% interest in the Jumping Josephine Property and $1,804,228 to the Los Crestones Property. 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.

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.

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.

On September 15th, 2015, the Company entered into an option agreement with Canasil Resources Inc. ("Canasil"), with respect to Canasil's Sandra Escobar Project in Durango, Mexico. The Company has a right to earn up to a 65% ownership interest in the Project.

The Option Agreement provides that the Company may earn a 55% ownership interest (the "First Option") in the Project by making a payment of $ 500,000 (paid) 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, the Company 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 the Company exercises the First Option, the Company 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 the Company shares, at the option of the Company. In connection with the Second Option, the Company must incur a minimum of US$ 675,000 in Expenditures during the first year of the Second Option.

Property Exploration Expenditures for the Nine Months Ended January 31, 2016 and 2015:

| **Total Expenditures for the Nine months ended January 31, 2016** | **Sandra Escobar, Mexico** | **Coneto, Mexico** | **Los Crestones, Mexico** | **Jumping Josephine, Canada** | **Other Properties** | **Total** |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Drilling | 99,907 | - | 7,334 | - | - | 107,241 |
| Geological | 224,912 | 58,873 | 41,004 | 13,838 | 137,930 | 476,556 |
| Assay | 8,304 | - | 59 | - | - | 8,363 |
| General exploration | 167,993 | 90,460 | 209,891 | 13,186 | 87,325 | 568,854 |
| | 501,116 | 87,119 | 258,287 | 27,024 | 225,255 | 1,161,014 |

| **Total Expenditures for the Nine Months Ended January 31, 2015** | **Barsele, Sweden** | **Coneto, Mexico** | **Los Crestones, Mexico** | **Jumping Josephine, Canada** | **Other Properties** | **Total** |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Drilling | - | - | 107,745 | 854,047 | - | 961,792 |
| Geological | 276,002 | 59,676 | 229,273 | 377,009 | 98,287 | 1,040,246 |
| Assay | 4,206 | - | - | 93,824 | - | 98,030 |
| General exploration | 306,547 | 39,161 | 673,274 | 72,265 | 17,864 | 1,109,113 |
| | 586,756 | 98,837 | 1,010,292 | 1,397,145 | 116,151 | 3,209,181 |

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 occurs.

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

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.

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 | $ | 7,368,254 |
| Current receivable | | 2,457,000 |
| Long-term receivable | | 2,422,936 |
| Fair value of consideration received | $ | 12,240,190 |
| | | |
| **Net Assets Held for Sale:** | | |
| Current assets held for sale | $ | 9,052,490 |
| Current liabilities related to assets held for sale | | (82,291) |
| Promissory note from JV partners | | (744,546) |
| | $ | 8,225,653 |
| | $ | 4,014,537 |
| **Investment in associated company** | | (1) |
| **Gain from discontinued operation** | $ | 4,014,536 |

Investment in associate

During the nine months ended January 31, 2016, the Company completed a Spinout (Note 5) regarding the interest in its previously wholly-owned subsidiaries Gunnarn Mining AB and Gunnarn Exploration AB (collectively "Barsele JV") of 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 5), 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:

| | October 31, 2015 |
|---|---|
| Current assets | $ 137,997 |
| Non-current assets | 37,186 |
| Current liabilities | - |
| Loss for the period | (514,804) |
| The Company's ownership % | 45% |
| The Company's share of loss for the period | $ Nil |

During the nine-month period ended January 31, 2016, the Company's investment in Barsele JV of $1 was distributed to Barsele Minerals Corp. The Company's unrecognized share of the loss for the period from June 11, 2015 to September 23, 2015 was approximately $231,662 and, the Company's accumulated unrecognized share of loss was approximately $231,662 as presented on October 31, 2015. The Company had a minority position on the board of its associated company and did not control operational decisions. The Company's judgment is that it had significant influence, but not control and therefore equity accounting was appropriate.

Plan of arrangement

On September 25, 2015, the Company completed an arrangement agreement with its wholly-owned subsidiary, Barsele Minerals Corp. ("Barsele"), pursuant to which, among other things, the Company transferred to Barsele: (i) the Company's 45% interest in the Barsele Gold Project located in Sweden (the "Barsele Project") Investment in associate $1; (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 was effected by way of a court-approved plan of arrangement (the "Arrangement") between the Company and Barsele. The Arrangement was 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 received 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 was 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 was exchanged 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.

Plan of arrangement (cont'd…):

On completion of the Arrangement, Orex Shareholders maintained their interest in the Company and obtained 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 continued to hold and operate the existing business of the Company, other than the Barsele Project, and Barsele holds and operates the Company's 45% interest in the Barsele Project.

The Carrying value of net assets transferred to Barsele, pursuant to the Plan of Arrangement consisted of the following assets and liabilities:

| | |
|---|---|
| Assets: | |
| Investment in associate | $ 1 |
| Carrying value of net assets | 1 |
| Fair value of net assets distributed | 20,658,040 |
| Gain on transfer of spin-out assets | $ 20,658,039 |
| Cash payment to Barsele Minerals Corp. | $ (500,000) |
| Net gain on transfer of spin-out assets | $ 20,158,039 |

In accordance with IFRIC 17, Distribution of Non-Cash Assets to Owners, the Company recognized the distribution of net assets to Orex Shareholders at fair value with the difference between that value and the carrying amount of the net assets recognized in the statement of operations and comprehensive income (loss).

The fair value of the net assets distributed was based on the share price of Barsele on September 29, 2015, its first day of trading, of $0.20 multiplied by the total number of the 103,290,199 shares issued.

Selected Annual Financial Information:

| | | For the Year Ended April 30, 2015 | For the Year Ended April 30, 2014 | For the Year Ended April 30, 2013 |
|---|---|---|---|---|
| Total revenues | | Nil | Nil | Nil |
| Loss and comprehensive loss for the year: | | | | |
| (i) | total for the year | $ 6,447,708 | $ 2,743,206 | $ 3,195,132 |
| (ii) | loss per share – basic and diluted | 0.07 | 0.04 | 0.07 |
| Net loss: | | | | |
| (i) | total for the year | 6,447,708 | 2,743,206 | 3,195,132 |
| (ii) | loss per share – basic and diluted | 0.07 | 0.04 | 0.07 |
| Total assets | | 14,526,178 | 17,469,536 | 13,144,253 |
| Total long-term financial liabilities | | - | - | 871,823 |
| Cash dividends declared per-share | | Nil | Nil | Nil |

In fiscal 2015, exploration expenses of $4,049,878 which include discontinued operations were primarily incurred on the Barsele Property. General operating costs were $2,309,452, which includes share-based compensation of $142,115.

In fiscal 2014, exploration expenses of $1,379,380 which include discontinued operations were primarily incurred on the Barsele Property. General operating costs were $2,665,743, which includes share-based compensation of $373,902. Other costs for fiscal 2014 included interest expense on deferred consideration of $64,833 and foreign exchange loss on deferred consideration of $85,541 offset by a gain on settlement of the deferred consideration of $1,804,291.

In fiscal 2013, exploration expenses were $1,245,820 which include discontinued operations, primarily incurred on the Barsele Property. General operating costs of $1,604,573 included share-based payments expense of $25,155 for the imputed non-cash cost of stock options granted to directors, officers and consultants of the Company. Other costs for fiscal 2013 included interest expense on deferred consideration of $265,728 and foreign exchange loss on deferred consideration of $70,268.

Selected Quarterly Financial Information:

| | Revenues | (Loss) Gain for the period | (Loss) Gain per share |
|---|---|---|---|
| 3rd Quarter ended January 31, 2016 | Nil | 19,059,593 | $0.18 |
| 2nd Quarter ended October 31, 2015 | Nil | ($1,403,753) | ($0.01) |
| 1st Quarter ended July 31, 2015 | Nil | $3,379,060 | $0.03 |
| 4th Quarter ended April 30, 2015 | Nil | ($1,486,111) | ($0.02) |
| 3rd Quarter ended January 31, 2015 | Nil | ($1,020,826) | ($0.01) |
| 2nd Quarter ended October 31, 2014 | Nil | ($2,113,811) | ($0.02) |
| 1st Quarter ended July 31, 2014 | Nil | ($1,826,960) | ($0.02) |
| 4th Quarter ended April 30, 2014 | Nil | ($1,507,035) | ($0.02) |
| 3rd Quarter ended January 31, 2014 | Nil | ($1,260,272) | ($0.02) |

Exploration costs in the third quarter of fiscal 2016 were $608,129 and $246,314 in the first quarter incurred primarily on the Sandra Escobar and Coneto properties. The current period saw a increase largely due to the completion of the joint venture transaction with Agnico Eagle Mines Limited. and the spin-out gain on plan of arrangement $20,658,040.

Exploration costs which include discontinued operations in the first, second, third and fourth quarters of fiscal 2015 were $992,289, $1,628,608, $588,284 and $840,697 respectively. At April 30, 2015, the discontinued operations from Barsele was separated. General operating costs which include discontinued operations for the first, second, third and fourth quarters amounted to $815,981, $473,507, $416,141 and $603,823 respectively. The current fiscal year loss increased over prior periods largely due to increased exploration activities and the absence of the gain on settlement in 2014.

Outstanding Share Data:

(a) As of the date of March 29, 2016 the Company had 110,427,439 shares outstanding.

(b) Share capital and reserves

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 fair value was assigned to the warrants based on the residual value method of $82,286 or $0.01 per warrant. In connection with the private placement the Company paid finders' fees of $69,650 in cash and incurred other cash share issuance costs in the amount of $24,428.In connection with the issuance of flow-through common shares in September 2013, the Company has a commitment to incur $1,386,975 of qualifying flow-through expenditures by December 31, 2014, under the look back-rule. As at April 30, 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.

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.

On September 18, 2015, the Company completed a non-brokered private placement of 1,400,000 common shares at $0.25 per share, for gross proceeds of $350,000 and cash share issuance costs of $3,105.

Outstanding Share Data (cont'd…):

During fiscal 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.

During fiscal 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.

On June 26, 2015, the Company granted 2,225,000 stock options to directors, officers and consultants at an exercise price of $0.15 per share with a five year term. The options vest immediately.

On October 30, 2015, the Company granted 250,000 stock options to a consultant at an exercise price of $0.20 per share with a two year term. The options vest immediately.

On January 29, 2016, the Company granted 3,500,000 stock options to directors, officers and consultants at an exercise price of $0.35 per share with a five year term. The options vested immediately.

(c) 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.

As of December 16, 2015 the Company had following unexercised stock options and warrants outstanding:

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **Options** | | |
| 1,739,000 | 0.44 | February 17, 2017 |
| 1,730,000 | 0.15 | January 17, 2019 |
| 150,000 | 0.15 | May 9, 2019 |
| 250,000 | 0.22 | July 2, 2016 |
| 250,000 | 0.22 | September 10, 2016 |
| 2,175,000 | 0.15 | June 26, 2020 |
| 250,000 | 0.20 | October 30, 2017 |
| 3,500,000 | 0.35 | January 29, 2021 |
| 10,044,000 | | |

Outstanding Share Data (cont'd…):

(c) Stock options and warrants (continued):

The following warrants to acquire common shares of the Company were outstanding at December 16, 2015:

| Number of Shares | Exercise Price | Expiry Date |
|---|---|---|
| **Warrants** | | |
| 4,114,300 | 0.30 | September 13, 2017 |
| 3,393,200 | 0.30 | November 21, 2017* |
| 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 | | |

* The Company extended the exercise period of 3,393,200 warrants, currently exercisable at a price of $0.30 per warrant share until November 21, 2015, for a further two year period, until November 21, 2017.

Liquidity:

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

The operating gain for the period of $21,034,900 which include the gain on the sale of assets held for sale of $4,014,536 and gain on plan of arrangement $20,158,039, after adjustments for non-cash items and changes in other working capital balances, provided a net increase in cash amounting to $3,078,293

As a consequence, the Company's cash position increased from the opening level of $535,704 at the beginning of the year to $3,613,997.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

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 $97,503.

| Fiscal Year | Lease Payments |
|---|---|
| 2016 | 21,667 |
| 2017 | 75,836 |

Corporate Summary:

While there has been great volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain or expand its operations, as mentioned above, the Company succeeded in raising an excess of $8 million during fiscal 2014 and $2 million during fiscal 2015 based on the strength of its mineral property holdings, and in the current year, the successful sale of the 55% of the Barsele JV interest and initial receipt of US$7 million. However, there is no certainty that the Company will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending a return to better market conditions when a financing could be completed.

Capital Resources:

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings to meet its capital requirements.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the year.

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.[(1)] | Mexico | 45% | Mineral exploration |
| Astral Mining Corporation | Canada | 100% | Mineral exploration |
| Astral Mining S.A. de C.V. | Mexico | 100% | Mineral exploration |

(1) Orex Minerals Inc. holds 45% joint venture interest in Exploraciones y Desarrollos Mineros Coneto S.A.P.I. and the remaining 55% is held by Fresnillo PLC.

During the nine months ended January 31, 2016, 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:

| | Nine months ended January 31, 2016 | Nine months ended January 31, 2015 |
|---|---|---|
| Management fees | $ 324,600 | $ 300,150 |
| Geological consulting fees | 240,500 | 225,450 |
| Share-based compensation | 625,177 | 19,512 |
| Total | $ 1,190,277 | $ 545,112 |

| | Nine months ended January 31, 2016 | Nine months ended January 31, 2015 |
|---|---|---|
| Administration fees* (Company controlled by the CEO) | $ 336,316 | $ 131,798 |
| Total | $ 336,316 | $ 131,798 |

*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, 2016 is $15,682 (2015 - $Nil) due to directors or officers or companies controlled by directors.

Off Balance Sheet Arrangements:

The Company has no material off balance sheet arrangements in place.

Changes in Accounting Policies Including Initial Adoption:

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 has a tentative effective date of January 1, 2018.

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).

(a) Fair value of financial instruments

The Company has various financial instruments including cash, receivables, accounts payable and accrued liabilities and promissory note and deferred taxes. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables, accounts payable and accrued liabilities, and promissory note approximate their fair values due to the short-term maturity of these financial instruments.

(b) 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.

(c) 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 January 31, 2016 the Company has IVA receivable of $287,611.

Of the total receivables, approximately $5,566,460 is due from Agnico in connection with the Barsele JV. The Company has classified the first year receivable as current $2,794,000 and the second year receivable $2,772,460 has been classified as long-term and discounted using a risk-adjusted discount rate of 0.57%.

(d) 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.

Financial and Capital Risk Management (cont'd…):

(e) 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, 2016, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have a material effect of $499,488 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.

(f) 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.

(g) Price risk

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent years. 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.

(h) 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

Events after the Reporting Date:

Subsequent to January 31, 2016, a total of 7,137,240 warrants were exercised, each warrant was exercised for one common share of the Company. The warrants were exercised at $0.30 and $0.25 per warrant for proceeds of $2,081,560. The fair value of the warrants exercised was $214,919

Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.