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# **Management Discussion And Analysis**

**For the nine-month period ended March 31, 2010**

*May 21, 2010*

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TSX-V (OX) FSE (05D)

# Report on Exploration - Goldboro Property

On **August 4, 2009**, OREX EXPLORATION INC. ("the Company") produced a new Mineral Resource Estimates ("MRE") compliant with National Instrument 43-101 on its 100% owned Goldboro Gold Project in Nova Scotia. The MRE in all categories prepared by InnovExplo over a 1.5km strike length cover the West Goldbrook Shaft, Ramp, Boston-Richardson Mine and East Goldbrook Shaft sectors to a -520m vertical depth from surface, with 97% of the MRE located within the first 350m from surface.

The MRE Technical Report is available on SEDAR at [www.sedar.com](http://www.sedar.com). The MRE at a cut-off gold grade of 1.5 g/t are 2,711,000 tonnes grading 4.56 g/t gold, totalling 397,200 gold ounces in the Measured + Indicated Resources categories, with an additional 3,438,000 tonnes grading 3.67 g/t gold totalling 405,926 gold ounces in the Inferred Resource category.

On **October 23, 2009**, the Company announced the closing of a non-brokered private placement of \$2,110,000, consisting of 21,100,000 units. Each unit, at a price of \$0.10 per unit, consists of one common share and one warrant giving the right to buy one common share at a price of \$0.125 per share for a period of three years after closing.

Orex paid commissions and finder's fees of \$148,400 and issued 1,080,000 finder's warrants to Euroglobal Capital Partners (625,000), Canaccord Capital Corporation (430,000) and Haywood Securities Inc. (25,000); each finder's warrant entitles its holder to purchase one common share of Orex at a price of \$0.125 per share for a period of three years after closing.

The net proceeds from this issue is used for general working capital purposes, acquisitions and exploration and development work.

On **November 11, 2009**, the Company entered into an Option and Joint Venture Agreement whereby Osisko Mining Corporation ("Osisko") has a working right and an exclusive option to acquire up to a 60% undivided interest in Orex's Goldboro property, by incurring exploration and development work expenditures and by making a private placement in the Company.

Upon signature of the Formal Agreement, Osisko completed a private placement in the capital stock of Orex of 13,000,000 Units at a price of \$0.10 per Unit, for gross proceeds of \$1,300,000. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles its holder to acquire one common share for \$0.125 for a period of three years.

In order to acquire a 50% undivided interest in the Property on or before September 25, 2013, Osisko shall incur exploration and development expenditures for a total of \$8,000,000 upon the following timetable:

- In the amount of at least \$1,500,000 on or before September 25, 2010;
- In the aggregate amount of at least \$3,500,000 on or before September 25, 2011; and
- In the aggregate amount of at least \$8,000,000 over the following two years, that is, on or before September 25, 2013.

Osisko shall solely fund a prefeasibility study to earn an aggregate 60% interest (that is, an additional 10% interest) in the Property on or before September 25, 2015.

In connection with this transaction Orex paid a finder's fee to Canaccord Adams in the amount of \$65,000 in cash and 650,000 Units, which are issued on the same terms and conditions as the Units issued to Osisko and as described above.

On **January 27, 2010**, the Company announced the start of the 2010 exploration campaign at the Company's wholly-owned Goldboro Gold Property, where Osisko Mining Corporation has begun the winter 2010 diamond drilling program.

Osisko has advised Orex of the start of the 2010 drilling with the first of a three-part campaign. The 6,375 m / 25 holes Phase 2F drilling began with two drills, and this campaign is set to replace incomplete and/or non-compliant historic drill results with compliant data primarily in the Ramp Area and extending westward towards West Goldbrook. The historic drill results include drill holes that were not sampled in their entirety and others sampled on long intervals. While assay results are accurate for the sampling of longer intervals, the sampling may not have been representative.

Two other campaigns are planned to follow totalling 8,750 m in 49 holes. The Phase 2D and 2E drilling will continue westward along the remaining 1.7 km segment of the Boston Richardson Deformation Zone from the Ramp through West Goldbrook to Dolliver Mountain. Osisko is budgeting \$2.8 million for the Phases 2D, 2E and 2F drilling and a regional compilation and Goldboro reconnaissance program.

On **April 29, 2010**, the Company announced to its shareholders that all 59 holes for the Phases 2D, 2E and 2F drilling campaign, representing 12,989 metres, have been completed. All holes have been logged and sampled, and all samples have been shipped to the ALS Laboratory facilities in Sudbury, Ontario for preparation and analysis in Vancouver, British Columbia. Highlights from the first 5 holes of the Phase 2F drilling campaign are presented below:

HOLE #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD GRADE (g/t)	
<b>OSK-10-01</b>	190.55	206.55	16.00	<b>0.87</b>	
	268.25	275.10	6.85	<b>1.42</b>	
<b>OSK-10-03</b>	47.85	48.35	0.50	<b>16.95*</b>	
	78.00	88.00	10.00	<b>0.62</b>	
	117.50	125.00	7.50	<b>2.91</b>	
	<i>including</i>	117.50	119.00	1.50	<b>13.85</b>
		137.00	149.00	12.00	<b>1.19</b>
		161.50	202.50	41.00	<b>0.55</b>
<i>including</i>	230.85	264.45	33.60	<b>0.67</b>	
	245.08	245.50	0.42	<b>12.50</b>	
	245.50	246.00	0.50	<b>10.35*</b>	
<b>OSK-10-05</b>	61.50	63.00	1.50	<b>5.88</b>	
	126.50	165.85	39.35	<b>0.61</b>	
	<i>including</i>	137.50	138.50	1.00	<b>5.99</b>
	<i>including</i>	146.70	147.35	0.65	<b>5.01</b>
		205.95	220.50	14.55	<b>1.57</b>
	<i>including</i>	209.00	209.50	0.50	<b>12.90*</b>
<i>including</i>	209.50	210.00	0.50	<b>12.45</b>	
<b>OSK-10-07</b>	163.00	260.00	97.00	<b>0.70</b>	
	<i>including</i>	167.75	168.25	0.50	<b>10.75*</b>
	<i>including</i>	247.80	248.80	1.00	<b>18.30</b>
<b>OSK-10-08</b>	114.00	177.50	63.50	<b>0.53</b>	
	<i>including</i>	155.35	155.85	0.50	<b>25.70*</b>
		204.40	228.30	23.90	<b>1.01</b>
	<i>including</i>	213.52	214.02	0.50	<b>7.04*</b>
<i>including</i>	215.35	215.85	0.50	<b>20.80*</b>	

\* Metallic Screen Assay

Initial results indicate larger mineralized domains rather than narrow, high-grade gold belts.

On **May 11, 2010**, the Company announced additional drilling results including 4.07 g/t Au over 35.5 meters

In the last Mineral Resource Estimates (MRE) compliant with the NI-43-101 Technical Report dated August 4, 2009, the results of some historic drill holes were assumed at 0 g/t Gold; the 18 holes of the Phase 2F were drilled in order to replace some of those historic drill results by assay results which are in conformity with the QAQC Sampling and Analytical Protocols actually in application; those changes will increase the ounces of gold in this portion of the Goldboro property in the next MRE.

Highlights from these 11 additional drill holes of the Campaign are presented in the following table:

<b>HOLE #</b>	<b>FROM (m)</b>	<b>TO (m)</b>	<b>CORE LENGTH (m)</b>	<b>GOLD GRADE (g/t)</b>
<b>OSK-10-02</b>	233.70	300.00	66.30	<b>1.17</b>
<i>including</i>	234.50	235.00	0.50	<b>35.60**</b>
<i>including</i>	267.50	268.00	0.50	<b>46.40**</b>
<b>OSK-10-10</b>	162.00	205.00	43.00	<b>0.51</b>
	245.50	248.00	2.50	<b>3.90</b>
<b>OSK-10-12</b>	130.00	153.90	23.90	<b>0.43</b>
	229.00	240.55	11.55	<b>0.92</b>
<b>OSK-10-13</b>	202.00	220.50	18.50	<b>0.86</b>
<i>including</i>	202.00	202.50	0.50	<b>16.10**</b>
	248.50	267.00	18.50	<b>0.45</b>
<i>including</i>	259.50	260.00	0.50	<b>6.19**</b>
<b>OSK-10-14</b>	146.00	160.00	14.00	<b>1.86</b>
<i>including</i>	148.00	152.00	4.00	<b>10.75</b>
<b>OSK-10-16</b>	<b>136.50</b>	<b>172.00</b>	<b>35.50</b>	<b>4.07</b>
<i>including</i>	144.50	155.00	10.50	<b>12.97</b>
<i>including</i>	146.00	146.50	0.50	<b>237.00**</b>
	229.00	242.50	13.50	<b>0.90</b>
<b>OSK-10-19</b>	173.00	215.20	42.20	<b>1.97</b>
<i>including</i>	198.10	198.60	0.50	<b>27.90**</b>
	229.50	252.50	23.00	<b>0.65</b>
<i>including</i>	246.00	247.00	1.00	<b>6.70</b>
<b>OSK-10-21</b>	57.00	70.50	13.50	<b>4.76</b>
<i>including</i>	70.00	70.50	0.50	<b>117.50**</b>
	152.00	165.00	13.00	<b>0.45</b>
	178.50	236.00	57.50	<b>0.63</b>
<i>including</i>	209.00	210.00	1.00	<b>15.75</b>
<b>OSK-10-23</b>	140.00	159.00	19.00	<b>0.53</b>
	207.00	213.70	6.70	<b>13.40</b>
<i>including</i>	207.00	208.50	1.50	<b>55.70</b>
<b>OSK-10-24</b>	90.00	150.00	60.00	<b>0.48</b>
<i>including</i>	115.30	116.00	0.70	<b>19.10</b>
<b>OSK-10-25</b>	36.00	83.00	47.00	<b>0.42</b>
	235.00	238.00	3.00	<b>6.68</b>
<i>including</i>	235.00	236.00	1.00	<b>19.10</b>

Notes: \*\* Metallic Screen Assay / Visible Gold

# Management Discussion And Analysis

Quarter – Nine month period ended March 31, 2010

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of our financial condition and results of operations to enable the reader to assess material changes for the period ended March 31, 2010 to those of the comparative period in 2009. This MD&A, prepared as of May 21, 2010, is intended to complement and supplement our interim financial statements for the nine-month period ended March 31, 2010. It should be read in conjunction with the MD&A for the year ended June 30, 2009, our audited annual financial statements and notes thereto, together with our interim financial statements and notes thereto for the nine-month period ended March 31, 2009. Our financial statements and this MD&A are intended to provide investors with reasonable basis for assessing our result of operations and our financial performance.

Our financial statements, prepared in accordance with Canadian generally accepted accounting principles, and all dollar amounts in this MD&A are expressed in Canadian dollars.

## STATEMENTS OF OPERATIONS

### *Significant Financial Data*

<b>NINE-MONTH PERIODS ENDED MARCH 31, (UNAUDITED)</b>	<b>2010</b>	<b>2009</b>
<b>STATEMENTS OF OPERATION AND CASH FLOWS (\$)</b>		
Interest	6,395	12,051
Administrative expenses	(816,551)	(556,000)
Income taxes	(8,522)	(57,316)
Net loss	(818,678)	(601,265)
Net loss per share on a diluted basis	(0.0059)	(0.0058)
<b>BALANCE SHEET (\$)</b>		
	March 31, 2010 Non Audited	June 30, 2009 Audited
Cash and cash equivalents	3,106,683	56,926
Funds to be expended in exploration	-	113,149
Total assets	13,317,635	10,191,209
Shareholders' equity	13,215,112	10,035,297

For the nine-month period ended March 31, 2010, Orex incurred a net loss of \$818,678 or \$0.0059 per share compared to a net loss of \$601,265 or \$0.0058 per share for the same period ended in 2009.

Administrative expenses increased from \$556,000 for the nine-month period ended March 31, 2009, to \$816,551 for the same period ended in 2010. The increase of \$260,551 is related to variations in the following accounts:

	March 31, 2009 (\$)	March 31, 2010 (\$)	Variation (\$)
Interest Income	12,051	6,395	(5,656)
<b>ADMINISTRATIVE EXPENSES</b>			
General administrative expenses	138,846	258,995	120,149
Compensation - Directors	-	155,000	155,000
Stock-based compensation - Directors	24,412	27,000	2,588
Stock-based compensation - Consultants	-	1,575	1,575
Professional fees	288,840	229,075	(59,765)
Information to shareholders	82,805	127,106	44,301
Listing and registration fees	21,097	17,800	(3,297)
	<u>556,000</u>	<u>816,551</u>	<u>260,551</u>
Loss before income taxes	(543,949)	(810,156)	(266,207)
Income Taxes Part XII.6	(57,316)	(8,522)	48,794
Net loss after income taxes	<u>(601,265)</u>	<u>(818,678)</u>	<u>(217,413)</u>

## CASH FLOWS STATEMENTS

### *Operating Activities*

Operating activities, before net changes in non-cash working capital items, generated negative cash flows of (\$790,103) for the nine-month period ended March 31, 2010, compared to negative cash flows of (\$576,853) for the same period ended in 2009.

Net changes in non-cash working capital items affecting operations were (\$123,593) for the nine-month period ended March 31, 2010 compared to \$44,583 for the same period ended in 2009.

### *Financing Activities*

During the nine-month period ended March 31, 2010, Orex issued common shares as following:

- \$3,410,000 in connection with private placements;
- \$668,087 on exercise of warrants;
- \$141,000 on exercise of options to purchase units; and
- \$65,000 as intermediary fees;

and paid commissions, intermediary fees and issuance fees of \$282,669 and did not issue shares on exercise of stock options.

During the nine-month period ended March 31, 2009, Orex issued flow-through common shares for \$1,342,200 and paid commissions, intermediary fees and issuances fees of \$253,214 and did not issue shares on exercise of stock options.

### *Investing Activities*

During the nine-month period ended March 31, 2010, cash and cash equivalents of \$119,900 were invested in exploration expenses on the Goldboro property, compared to \$1,767,462 for the same period in 2009.

## Cash Flow

Total cash and cash equivalents of \$3,049,757 were generated during the nine-month period ended March 31, 2010, whereas operations for the same period in 2009 generated an increase of cash and cash equivalents of \$26,403.

## BALANCE SHEETS

### Assets

The Company's total assets amounted to \$13,317,635 as at March 31, 2010, compared to \$10,191,209 as at June 30, 2009. This increase of \$3,126,426 is attributable to:

- the increase of \$119,900 in mining deferred exploration expenses;
- the reduction of (\$113,149) in funds reserved for exploration;
- the increase of \$3,049,757 in cash and cash equivalents;
- the increase of \$66,979 in accounts receivable; and
- the reduction of (\$61) in term deposit.

### Cash and cash equivalents

As at June 30, 2009, cash and cash equivalents amounted to \$56,926 compared to \$3,106,683 as at March 31, 2010.

### Deferred exploration expenses

Deferred exploration expenses went from \$8,387,885 as at June 30, 2009 to \$8,507,785 as at March 31, 2010 as a result of the \$119,900 exploration work realized on the Goldboro Property.

### Liabilities

Liabilities amounted to \$102,298 as at March 31, 2010 compared to \$155,912 as at June 30, 2009.

### Contributed surplus

Balance as at June 30, 2008	957,067		1,250,498	Balance as at June 30, 2009
	30,563	Stock-based compensation following the grant of stock options	28,575	
	(6,150)	Adjustment following the exercise of stock options / Cancellation	-	
	-	Adjustment following the exercise of warrants granted to the intermediaries as commissions and intermediation fees	(604)	
	-	Adjustment following the exercise of warrants	(8 350)	
	-	Adjustment following the exercise of unit options granted to the intermediaries as commissions and intermediation fees	(56,701)	
	38,832	Value attributed to the unit options granted to the intermediaries as commissions and intermediation fees	16,200	
	-	Value attributed to the warrants granted to the intermediaries as commissions and intermediation fees	9,750	
	66,225	Value attributed to the warrants included in the units issued	511,500	
Balance as at March 31, 2009	<u>1,086,357</u>		<u>1,750,868</u>	Balance as at March 31, 2010

## GOLDBORO PROJECT, FINANCING AND EXPLORATION

### *Funds reserved for exploration*

Orex completed flow-through private financings totalling \$547,500 in 2008 (2007, \$2,296,780) that have allowed the Company to initiate the Phase 2 exploration program on the Goldboro Property.

	Expenses Period (\$)	Expenses Years (\$)	Flow-through Financing 2007 (\$)	Flow-through Financing 2007 (\$)	Flow-through Financing 2008 (\$)
<b>Financing</b>					
June 19, 2007			750,000		
November 27, 2007				850,000	
December 21, 2007				200,000	
December 31, 2007				496,780	
December 31, 2008					547,500
			750,000	1,546,780	547,500
<b>Exploration expenses</b>					
<b>Year 2007</b>					
September 30, 2006	-				
December 31, 2006	-				
March 31, 2007	-				
June 30, 2007	750	750	(750)	749,250	
		750			
<b>Funds reserved for exploration - June 30, 2007</b>					2,296,030
<b>Year 2008</b>					
September 30, 2007	7,050	7,050			
December 31, 2007	37,567	37,567			
March 31, 2008	285,543	285,543			
June 30, 2008	428,000	428,000		(758,160)	
		758,160			
<b>Funds reserved for exploration - June 30, 2008</b>					1,537,870
<b>Year 2009</b>					
September 30, 2008	323,796	323,796			
December 31, 2008	1,222,609	1,222,609		(1,546,405)	
March 31, 2009	221,057	221,057			
June 30, 2009	213,294	213,294			(434,351)
		1,980,756			
<b>Funds reserved for exploration - June 30, 2009</b>					113,149
<b>Year 2010</b>					
September 30, 2009	43,466	43,466			
December 31, 2009	76,030	76,030			
March 31, 2010	404	N/A			
	119,900	119,496			119,496
<b>Funds reserved for exploration - March 31, 2010</b>					-

## ACCOUNTING POLICIES

\* See note 5 of the Company's audited financial statements for the years ended June 30, 2009 and 2008.

## SIGNIFICANT ANNUAL FINANCIAL DATA (Audited)

YEARS ENDED JUNE 30	2009	2008
<b>STATEMENTS OF EARNINGS (\$)</b>		
Interest	12,102	52,116
Net loss	(876,243)	(250,310)
Net loss per share on a diluted basis	(0.01)	(0.003)
<b>BALANCE SHEET (\$)</b>		
Cash and cash equivalents	56,926	123,598
Funds to be expended in exploration	113,149	1,537,869
Total assets	10,191,209	9,755,363
Total long-term debt	-	-
Shareholders' equity	10,035,297	9,577,398
<b>MINING EXPLORATION (\$)</b>		
Exploration expenses	1,980,756	758,161

## QUARTERLY INFORMATION (Unaudited)

QUARTERS	2010 March	2009 December	2009 September	2009 June	2009 March	2008 December	2008 September	2008 June
<b>STATEMENTS OF EARNINGS (\$)</b>								
Interest	6,243	123	29	51	651	2,924	8,476	13,244
Net loss before future income taxes	(219,359)	(401,322)	(197,997)	(421,978)	(194,490)	(256,631)	(150,144)	(198,411)
Future Income Taxes	-	-	-	147,000	-	-	-	710,000
Net (loss) gain	(219,359)	(401,322)	(197,997)	(274,978)	(194,490)	(256,631)	(150,144)	511,589
(Net loss) gain, per share on a diluted basis	(0.0016)	(0.0033)	(0.0016)	(0.0039)	(0.0019)	(0.0025)	(0.0015)	0.0062
<b>BALANCE SHEET (\$)</b>								
Cash and cash equivalents	3,106,683	3,269,533	32,032	59,926	150,001	(102,444)	(67,693)	123,598
Funds to be expended in exploration	-	-	69,683	113,149	326,443	547,500	1,214,823	1,537,869
Total assets	13,317,365	13,565,925	10,158,564	10,191,209	10,330,399	10,523,934	9,584,366	9,755,363
Total long-term debt	-	-	-	-	-	-	-	-
<b>MINING EXPLORATION (\$)</b>								
Exploration expenses	404	76,030	43,466	213,294	221,057	1,222,609	323,796	428,000

## INFORMATION ON OUTSTANDING SECURITIES

### Capital-Stock

As at March 31, 2010, Orex's share capital consisted of 163,037,784, (2009, 120,253,062) common shares issued and outstanding.

June 30, 2009	120,253,062		99,708,062	June 30, 2008
		Exercise of warrants		
	50,000	- July 27, 2009		
	250,000	- July 29, 2009		
	15,000	- August 24, 2009		
	250,000	- October 20, 2009		
	15,725	- November 9, 2009		
	560,000	- December 11, 2009		
	5,600,000	- December 31, 2009		
	30,151	- January 19, 2010		
	50,000	- February 15, 2010		
		Exercise of options		
	653,846	- November 25, 2009		
	560,000	- December 11, 2009		
		Private Placement		
		- December 30, 2008	5,600,000	
		- December 31, 2008	1,700,000	
	21,100,000	- 23 octobre 2009		
	13,000,000	- November 11, 2009		
		- February 21, 2009	13,245,000	
		Shares issued as intermediation fees		
	650,000	- December 1, 2009		
March 31, 2010	163,037,784		120,253,062	March 31, 2009

### Stock Purchase Options

The Company has a stock option plan for its directors, officers, employees and consultants. A maximum of 14,000,000 (2008, 9,900,000) common shares may be issued pursuant to that stock option plan. As at December 31, 2009, options to purchase 10,100,000 (2009, 6,100,000) common shares were issued and outstanding. During the nine-month periods ended March 31, 2010 and 2009, no stock options were exercised.

Balance as at	Number of options	Weighted average exercise price		Number of options	Weighted average exercise price	Balance as at
June 30, 2009	9,600,000	\$0.1498		6,100,000	\$0.1420	June 30, 2008
	(2,900,000)	\$0.1436	Expired	(450,000)	\$0.1167	
	3,400,000	\$0.15	Granted	450,000	\$0.1000	
March 31, 2010	10,100,000	\$0.1482		6,100,000	\$0.1410	March 31, 2009

### Options to purchase Units

The Company granted options to purchase units at a price of \$(Note 1) per unit. A unit consists of one common share and one warrant giving the right to buy one non-flow-through share at a price of \$(Note 2) per share during the first year and at \$(Note 3) per share for the second year. As at March 31, 2010, the options to purchase units consisted of 0 comparatively to 1,796,263 as at March 31, 2009.

		<b>Issued</b>	<b>Units Price Note (1)</b>	<b>Exercise Price Year 1 Note (2)</b>	<b>Exercise Price Year 2 Note (3)</b>	<b>Maturity</b>
	428,571	June 19, 2007	\$0.175	\$0.30	\$0.40	June 19, 2009
	653,846	November 28, 2007	\$0.13	\$0.20	\$0.40	November 28, 2009
	153,846	December 21, 2007	\$0.13	\$0.20	\$0.40	December 21, 2009
	560,000	December 30, 2008	\$0.075	\$0.10	\$0.15	December 30, 2010
Balance as at March. 31, 2009	1,796,263					
Expired June 19, 2009	(428,571)	June 19, 2007				June 19, 2007
Exercised November 23, 2009	(653,846)	November 28, 2007	\$0.10			November 28, 2009
Exercised December 8, 2009	(560,000)	December 30, 2008	\$0.075			December 30, 2010
Expired December 21, 2009	(153,846)	December 21, 2007				December 21, 2009
Balance as at March 31, 2010	-					

## Warrants

On March 31, 2010, 50,568,275 share purchase warrants (2009, 42,103,156) at various exercise prices and maturing dates were issued and outstanding as part of private placements. Each warrant entitles the holder to purchase one common share of the Company.

		Issued	Exercise Price Year 1	Exercise Price Year 2	Exercise Price Year 3	Expiry Date
	4,285,712	June 19, 2007	\$0.30	\$0.40	N/A	June 19, 2009
	6,538,461	Nov. 28, 2007	\$0.20	\$0.40	N/A	Nov. 28, 2009
	1,538,461	Dec. 21, 2007	\$0.20	\$0.40	N/A	Dec. 21, 2009
	4,203,522	Dec. 31, 2007	\$0.20	\$0.40	N/A	Dec. 31, 2009
	1,950,000	Feb. 11, 2008	\$0.15	\$0.15	N/A	Feb. 11, 2010
	2,587,500	March 10, 2008	\$0.15	\$0.15	N/A	March 10, 2010
	7,415,000	Dec. 30, 2008 (*)	\$0.10	\$0.15	N/A	Dec. 30, 2010
	13,584,500	Feb. 25, 2009 (**)	\$0.10	\$0.10	\$0.10	Feb. 25, 2012
Balance as at March 31, 2009	42,103,156					
Exercised July 2009	(300,000)	Feb. 25, 2009 (**)	\$0.10			
Exercised Oct. 2009	(265,725)	Feb. 25, 2009 (**)	\$0.10			
Exercised Feb. 2010	(50,000)	Feb. 25, 2009 (**)	\$0.10			
Exercised Jan. 2010	(30,151)	Feb. 25, 2009 (**)	\$0.10			
Expired June 19, 2009	(4,285,712)	June 19, 2007				June 19, 2009
Expired Nov. 28, 2009	(6,538,461)	Nov. 28, 2007				Nov. 28, 2009
Expired Dec. 21, 2009	(1,538,461)	Dec. 21, 2007				Dec. 21, 2009
Expired Dec. 31, 2009	(4,203,522)	Dec. 31, 2007				Dec. 31, 2009
Expired Feb. 11, 2010	(1,950,000)	Feb. 11, 2008				
Expired March 10, 2010	(2,587,500)	March 10, 2008				
Issued	22,180,000	Oct. 23, 2009	\$0.125	\$0.125	\$0.125	Oct. 23, 2009
Issued	13,650,000	Nov. 11, 2009	\$0.125	\$0.125	\$0.125	Nov. 11, 2009
Exercised Aug. 2009	(15,000)	Dec. 30, 2008 (*)	\$0.10			
Exercised Dec. 2009	(5,600,000)	Dec. 30, 2008 (*)	\$0.10			
Balance as at March. 31, 2010 (***)	50,568,624					

(\*) Warrants maturing December 30 2010

(\*\*) Warrants maturing February 25, 2012

(\*\*\*) Summary as at March 31, 2010

		Issued	Exercise Price Year 1	Exercise Price Year 2	Exercise Price Year 3	Expiry Date
	1,800,000	Dec. 30, 2008	\$0.10	\$0.10	\$0.10	Dec. 30, 2010
	12,938,624	Feb. 25, 2009	\$0.10	\$0.10	\$0.10	Feb. 25, 2012
	22,180,000	Oct. 23, 2009	\$0.125	\$0.125	\$0.125	Oct. 23, 2012
	13,650,000	Nov. 11, 2009	\$0.125	\$0.125	\$0.125	Nov. 11, 2012
	50,568,624					

## **CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

### *Royalties and Lien on the Goldboro Property*

The Company owns 100% of the Goldboro property without lien, hypothec or royalties held by third parties.

On November 11, 2009, the Company has entered into an option and Joint Venture Agreement whereby Osisko Mining Corporation ("Osisko") has a working right and an exclusive option to acquire up to a 60% undivided interest in Orex's Goldboro property (the "Property"), by incurring exploration and development work expenditures and by making a private placement in the Company.

At the signature of the formal Agreement, Osisko completed a private placement in the capital stock of Orex of 13,000,000 Units at a price of \$0.10 per Unit, for gross proceeds of \$1,300,000. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles its holder to acquire one common share for \$0.125 for a period of three years.

In order to acquire a 50% undivided interest in the Property on or before September 25, 2013, Osisko shall incur exploration and development expenditures for a total of \$8,000,000 upon the following timetable:

- In the amount of at least \$1,500,000 on or before September 25, 2010;
- In the aggregate amount of at least \$3,500,000 on or before September 25, 2011; and
- In the aggregate amount of at least \$8,000,000 over the following two years, that is, on or before September 25, 2013.

Osisko shall solely fund a prefeasibility study to earn an aggregate 60% interest (that is, an additional 10% interest) in the Property on or before September 25, 2015.

### *Environment*

On September 26, 1995, Orex obtained an environmental Release from the Nova Scotia Government providing that the Company will not be held responsible in respect of certain potential liabilities associated with existing environmental conditions which are not in any way affected during the course of implementation of the mining activities of Orex.

## **RELATED PARTY TRANSACTIONS**

During the nine month period ending March 31, 2010, the Company paid equipment rental expenses of \$9,000 (2009, \$9,000), professional fees of \$90,000 (2009, \$90,000), rental of mining equipment of \$48,000 (2009, \$48,000) and services of secretary, rental of office and equipment of \$72,000 (2009, \$72,000) to companies controlled by a director. During the nine month period ended March 31, 2010, the Company incurred management fees of \$90,000 (2009, \$69,000) and rental of office of \$0 (2009, \$50,000) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$0 (2009, \$6,544) to a company controlled by a former director.

During the nine-month period ended March 31, 2010 the Company incurred professional fees of \$20,000 (2009, \$20,000) and shares issuing fees of \$20,000 (2009, \$0) with the corporate secretary.

Also during the nine-month period ended March 31, 2010 the Company paid a remuneration of \$125,000 to its directors representing \$25,000 to each of Claude Poulin, Louis Lapointe, Mark Billings, Michael Dehn, David Hatchette and \$30,000 to Ali Abbas Al Hazeem, a former director.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

## **RISKS AND UNCERTAINTIES**

### *Exploration*

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labour disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment.

The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

### *Environmental and Other Regulations*

Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain environmental permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

### *Financing and Development*

The Company does not presently have sufficient financial resources by itself to undertake its planned exploration and development programs. Development of the Company's properties therefore depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

### *Commodity Prices*

The factors that influence the market value of gold and any other mineral discovered are outside the Company's control. The impact of these factors cannot be accurately predicted. Resource prices can fluctuate widely, and have done so in recent years.

### *Risks Not Covered by Insurance*

The Company may become subject to claims arising from cave-ins, pollution or other risks against which it cannot insure itself or chooses not to insure itself due to the high cost of premiums or other reasons. Payment of such claims would decrease and could eliminate the funds available for exploration and mining activities.

## **STRATEGY AND GOALS**

Our goal is to maximize the value for our shareholders and our strategy to achieve this goal is primarily to focus on the development of Goldboro property.

## **FUTURE ACCOUNTING STANDARDS**

### CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, Canada's Accounting Standards Board (AcSB) confirmed January 1, 2011 as the changeover date to move financial reporting for Canadian publicly accountable enterprises to the International Financial Reporting Standards ("IFRS"). The Company will adopt the IFRS for the interim financial statement that will end on September 30, 2011.

### *Additional Information and Continuous Disclosure*

This MD&A has been prepared as of May 21, 2010. Additional information on the Company is available through regular filings of press releases and quarterly and annual financial statements and MD&A reports on SEDAR ([www.sedar.com](http://www.sedar.com)).

### (S) Mark Billings

Mark Billings  
President