



UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED
MARCH 31, 2010

Notice to Reader

Management has compiled the unaudited interim financial statements of Orex Exploration Inc. consisting of the interim balance sheet as at March 31, 2010 and the statements of Deferred Exploration Expenditures, Earnings and Deficit and Cash Flows for the nine-month period ended March 31, 2010. An accounting firm has not reviewed or audited these interim financial statements.

CORPORATE INFORMATION

Head Office

101-A, Principale Avenue, Suite 200
Rouyn-Noranda, Quebec, J9X 4P1

Telephone : (819) 797-4354
Fax : (819) 797-2454

Email : orex@cablevision.qc.ca
Web Site : www.orexexploration.ca

Transfer Agent and Registrar

Computershare Trust
Company of Canada

Telephone : (514) 871-7408
Fax : (514) 871-3673

Investor Relations

Paradox Public Relations
Telephone : (866) 460-0408
Fax : (514) 341-1527
Email : infoparadox@qc.aira.com

Listings

TSX Venture Exchange
Ticker Symbol : OX
Frankfurt Stock Exchange
Ticker Symbol : 05D

Frontline Communications
Leo Karabelas
Telephone: (905) 553-7992
www.frontlineir.com



Balance Sheets

	March 31, 2010 (Unaudited) \$	June 30, 2009 (Audited) \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,106,683	56,926
Marketable securities	7,250	7,250
Accounts receivable	103,052	33,073
Term deposit	5,010	5,071
	<u>3,221,995</u>	<u>102,320</u>
Funds reserved for exploration	-	113,149
Mining property - Goldboro	1,587,855	1,587,855
Deferred exploration expenditures - Goldboro	8,507,785	8,387,885
	<u>13,317,635</u>	<u>10,191,209</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued charges	102,298	155,912
Advances from an officer	50	-
Advances from related company controlled by the president	-	-
Advances from related company controlled by a director	175	-
Income Taxes payable	-	-
	<u>102,523</u>	<u>155,912</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Issued and paid		
120,253,062 common shares		13,847,534
163,037,784 common shares	17,345,657	
Contributed surplus	1,750,868	1,250,498
Deficit	(5,881,413)	(5,062,735)
	<u>13,215,112</u>	<u>10,035,297</u>
	<u>13,317,635</u>	<u>10,191,209</u>



Nine-month Periods ended March 31		Three-month Periods ended March 31,	
2010	2009	2010	2009
\$	\$	\$	\$

STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES

(unaudited)

EXPLORATION EXPENDITURES				
Analysis	48,693	723,009	386	188,079
Consultants and subcontractors	60,268	68,181	-	37,742
Drilling	10,220	972,657	18	(4,764)
Equipment rental	720	3,615	-	-
INCREASE IN DEFERRED EXPENDITURES	119,901	1,767,462	404	221,057
BALANCE, BEGINNING	8,387,884	6,407,129	8,507,381	7,953,534
BALANCE, ENDING	8,507,785	8,174,591	8,507,785	8,174,591

Nine-month Periods ended March 31,		Three-month Periods ended March 31,	
2010	2009	2010	2009
\$	\$	\$	\$

STATEMENTS OF EARNINGS AND DEFICIT

(unaudited)

REVENUES

Interest	6,395	12,051	6,243	651
	6,395	12,051	6,243	651

ADMINISTRATIVE EXPENSES

General administrative expenses	258,995	138,846	46,508	41,625
Directors compensation	155,000	-	30,000	-
Stock-based compensation	27,000	24,412	27,000	-
	1,575	-	1,575	-
Professional fees	229,075	288,840	60,000	106,597
Information to shareholders	127,106	82,805	43,189	30,050
Listing and registration fees	17,800	21,097	13,600	16,869
	816,551	556,000	221,872	195,141

NET LOSS BEFORE INCOMES TAXES

	(810,156)	(543,949)	(215,629)	(194,490)
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INCOME TAXES

	(8,522)	(57,316)	(3,730)	-
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NET LOSS

	(818,678)	(601,265)	(219,359)	(194,490)
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DEFICIT, BEGINNING

	(5,062,735)	(4,186,492)	(5,662,054)	(4,593,267)
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DEFICIT, ENDING

	(5,881,413)	(4,787,757)	(5,881,413)	(4,787,757)
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BASIS AND DILUTED LOSS PER SHARE

	(0,0059)	(0,0058)	(0,0016)	(0,0018)
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	Nine-month Periods ended March 31,		Three-month Periods ended March 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
CASH FLOW STATEMENTS				
<i>(unaudited)</i>				
CASH FLOWS FROM:				
OPERATING ACTIVITIES				
Net loss	(818,678)	(601,265)	(219,359)	(194,490)
Adjustments for:				
Net change in non-cash working capital items affecting operations	(123,593)	(44,583)	11,472	(255,524)
Stock-based compensation	28,575	24,412	28,575	-
CASH FLOWS FROM OPERATING ACTIVITIES	(913,696)	(621,436)	(179,312)	(450,014)
FINANCING ACTIVITIES				
Advance from an officer	50	-	(13,301)	(5,000)
Advances from related company controlled by the president	-	-	(11,288)	-
Advances from related company controlled by a director	175	9,758	-	(7,268)
Issuance of common shares	4,252,587	1,342,200	8,015	794,700
Issuance expenses	(282,669)	(148,156)	-	(79,952)
CASH FLOWS FROM FINANCING ACTIVITIES	3,970,143	1,203,802	(16,574)	702,480
INVESTING ACTIVITIES				
Term deposit	61	73	(5)	(21)
Funds reserved for exploration	113,149	1,211,426	-	221,057
Mining properties acquisition	-	-	33,445	-
Deferred exploration expenditures	(119,900)	(1,767,462)	(404)	(221,057)
CASH FLOWS FROM INVESTING ACTIVITIES	(6,690)	(555,963)	33,036	(21)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,049,757	26,403	(162,850)	252,445
CASH AND CASH EQUIVALENTS, BEGINNING	56,926	123,598	3,269,533	(102,444)
CASH AND CASH EQUIVALENTS, ENDING	3,106,683	150,001	3,106,683	150,001



Notes to Interim Financial Statements
(Unaudited)

Note 1 : These interim financial statements follow the same accounting policies and methods of computation as the most recent annual financial statements for the year ended June 30, 2009.

Note 2 : Loss per common share is based on a weighted average number of shares outstanding of 137,045,248 common shares for the nine-month period ended March 31, 2010 and 102,761,843 for the nine-month period ended March 31, 2009.

Note 3 : 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.

Note 4 : The presentation of certain accounts of the year ended June 30, 2009 has been changed to conform with the presentation adopted for the nine month period ending March 31, 2010.

Note 5 : SIGNIFICANT EVENTS

1) On **October 23, 2009**, the Company announced the final 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; 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 are used for general working capital purposes, acquisitions and exploration and development work.



Notes to Interim Financial Statements
(Unaudited)

Note 5 : SIGNIFICANT EVENTS (CONTINUED)

2) 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:

- o In the amount of at least \$1,500,000 on or before September 25, 2010;
- o In the aggregate amount of at least \$3,500,000 on or before September 25, 2011; and
- o 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 as described above.

Note 6 : FUTURE ACCOUNTING 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.