

Management Discussion And Analysis
For the six-month period ended December 31, 2008

February 23, 2009

Report on Exploration - Goldboro Property

On February 19, 2009, Orex Exploration Inc. («Orex» or «the Company») provided by press release the latest developments on the Goldboro property:

New Resources Estimates Commissioned

Orex informed its shareholders that InnovExplo, a mining and mineral exploration consulting firm from Val-d'Or, Quebec, has been hired to complete a new Mineral Resource estimate compliant to National Instrument NI 43-101 standards at the Company's wholly owned Goldboro Gold Project in northeastern Nova Scotia.

Mark Billings, President and CEO of Orex, comments, "With the delivery of this new resource estimate, Orex will soon reach another historic milestone, one of the most significant since its creation. I am confident that this new resource estimate will enable us to advance the development of our Goldboro project. For me, this is the first major result of the restructuring process that was initiated more than a year ago by the new management team. I know shareholders have been anxiously awaiting this new resource estimate since we began our Phase 2 drilling campaign last year. I look forward to sharing these results soon with Orex's shareholders and the investment community in general."

Geological modeling of the mineralized Boston-Richardson Structure has now progressed sufficiently to initiate resource modeling and produce the new Mineral Resource estimates in the spring of 2009. Orex management remains confident that assay results from the more than 12,000m in 44 diamond drill holes of the 2008 Phase 2A to 2C drilling will add to existing resources. The Boston-Richardson Structure now consists of 15 gold zones over a 575m strike length, up from the 10 gold zones over a 225m strike length below the mined historic Boston-Richardson.

Some 5 new zones have been intersected to date in new ground approximately 150m above the Boston-Richardson. The Company will continue drilling the Boston-Richardson over its entire 2.5km length and 100m width, eventually reaching 80 drill holes totaling over 19 km.

New Mineral Resources Estimates

InnovExplo has substantial expertise in the compilation, synthesis, preparation and reporting of NI 43-101 Mineral Resource estimates. They were originally involved at Goldboro with their geological modeling work as reported in the 2004 NI 43-101 Technical Report. The current mandate is (1) to validate and complete the geological interpretation of the gold mineralized Boston-Richardson Structure from the Ramp Area to the East Goldbrook Shaft, a distance of 800m, and construct a 3-D model using GEMCOM™ software; and (2) to complete the Mineral Resource Estimates compliant to NI 43-101 regulations and report the estimates in a Technical Report, which should include a Conceptual Economic Study to select an appropriate mining method and a detailed Scoping Study on the selected method, either an open pit, underground or a combination of underground and open pit scenarios. The Company will update shareholders on the progress of the InnovExplo work as results become available.

Phase 2 Assay Results to Date

All assay results from holes BR-08-01 to 16 (Phase 2A) were released in 2008, whereas those from BR-08-17 to 23 (Phase 2B) were released in January 2009 (*refer to Orex news releases on the Company's website or on SEDAR at www.sedar.com*). However, assay results received to date from 23 of 44 drill holes, while the remainder are pending, offer a significant glimpse at the higher and lower grade gold potential at Goldboro. The number of significant gold intervals (≥ 10 m and/or ≥ 30 g/t gold) from the Phase 2A and 2B drilling are highlighted below:

HOLE #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD GRADE (g/t)	ZONE IDENTIFICATION
PHASE 2A					
BR-08-01	64.0	98.0	34.0	1.79	"123" Zone, Hinge/North Limb
including	64.0	77.0	13.0	3.52	
including	65.5	66.0	0.5	44.10	
including	97.0	97.5	0.5	73.70	
BR-08-02	75.5	101.0	25.5	2.77	"123" Zone, South Limb
including	81.5	82.0	0.5	48.10	
including	86.0	101.0	15.0	2.73	
	161.0	190.5	29.5	9.07	"78" Zone; Hinge/North Limb
including	170.0	184.5	14.5	17.81	
including	170.0	170.5	0.5	425.00	
BR-08-03	105.0	116.0	11.0	2.04	"123" Zone; South Limb
BR-08-04	99.0	110.5	11.5	2.79	"123" Zone; Hinge/South Limb
	117.5	133.5	16.0	0.36	"123" Zone; North Limb
BR-08-05	119.0	134.0	15.0	0.91	"123" Zone; South Limb
	206.0	228.0	22.0	2.91	"78" Zone; North Limb
including	218.0	228.0	10.0	4.99	
BR08-06	115.5	125.5	10.0	1.01	"123" Zone, South Limb
	202.5	217.5	15.0	1.97	"910" Zone, North Limb
BR08-07	122.5	144.0	18.0	1.76	"123" Zone, Hinge
BR08-09	145.0	156.0	11.0	2.67	"123" Zone; South Limb
BR08-10	215.0	215.5	0.5	36.10	"56" Zone, South Limb
BR08-11	168.0	187.5	19.5	3.53	"123" Zone, Hinge/South Limb
including	173.5	174.75	1.25	29.87	
BR08-12	172.0	204.0	32.0	1.25	"123" Zone, Hinge/South Limb
including	254.5	255.0	0.5	40.80	"123" Zone, North Limb
BR08-13	186.5	218.5	32.0	1.27	"123" Zone, Hinge/South Limb
BR08-14	211.0	251.5	40.5	2.27	"123" Zone, Hinge
including	231.5	251.5	20.0	3.92	
including	249.7	250.0	0.3	167.50	
BR08-16	189.0	215.0	26.0	1.48	Longitudinal drill hole; "123" Zone; Hinge/South Limb
PHASE 2B					
BR08-17	164.25	164.5	0.25	28.90	BR2 - North Limb
BR08-18	82.5	101.5	19.0	1.62	BR2/3; South Limb
BR08-20A	70.75	71.0	0.25	28.60	BR-4/5; South Limb
	144.5	165.0	20.5	1.14	BR-1; North Limb
BR08-21	119.0	138.50	19.5	2.72	BR-1; South Limb
including	128.0	138.5	10.5	46.46	
including	134.0	134.25	0.25	156.50	
BR08-22	51.5	52.0	0.5	27.60	BR-5; South Limb
including	53.25	53.5	0.25	63.30	
	74.5	88.0	13.5	15.30	BR-4; South Limb
including	86.0	86.25	0.25	800.00	
	103.0	123.5	20.5	2.23	BR-2/3; South Limb
including	113.25	113.5	0.25	76.0	
including	121.75	122.0	0.25	74.90	
	177.0	205.50	28.5	0.92	BR-2/3; North Limb
BR08-23	63.0	63.25	0.25	63.80	BR-5; South Limb
	83.5	86.5	3.0	61.78	BR-4; South Limb
including	84.0	84.25	0.25	709.00	
	93.0	111.0	18.0	0.51	BR-2/3; South Limb
	129.5	144.0	14.5	0.82	BR-1; South Limb
	154.75	155.0	0.25	158.50	Unknown zone

Notes:

- True widths are approximately 70-90% of the core lengths in south limb/hinge zone intersections and <50% in north limb intersections.

The information contained in the news release has been prepared by Mr. Jean Lafleur, M. Sc., P. Geo., Senior Technical Advisor to Orex. The drill campaign, core description, assay sample preparations, tabulations and synthesis are being done under the supervision of Billy Shaw, P. Geo., of W.G. Shaw & Associates (Antigonish, Nova Scotia) and Mr. Alex Horvath, P. Eng., of A.S. Horvath Engineering Inc. (Ottawa, Ontario). All individuals are Qualified Persons under National Instrument 43-101 regulations.

Management Discussion And Analysis

Quarter – Six month period ended December 31, 2008

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 December 31, 2008 to those of the comparative period in 2007. This MD&A, prepared as of February 23, 2009, is intended to complement and supplement our interim financial statements for the six-month period ended December 31, 2008. It should be read in conjunction with the MD&A for the year ended June 30, 2008, our audited annual financial statements and notes thereto, together with our interim financial statements and notes thereto for the six-month period ended December 31, 2007. 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

SIX-MONTH PERIODS ENDED DECEMBER 31, (NON AUDITED)	2008	2007
STATEMENTS OF OPERATION AND CASH FLOWS (\$)		
Interest	11,400	18,215
Administrative expenses	(360,859)	(232,820)
Income tax	(57,316)	-
Net loss	(406,775)	(214,605)
Net loss per share on a diluted basis	(0.004)	(0.003)
BALANCE SHEET (\$)	December 31, 2008 Non Audited	June 30, 2008 Audited
Cash and cash equivalents	(102,444)	123,598
Funds to be spent in exploration	547,500	1,537,869
Total assets	10,523,934	9,787,863
Shareholders' equity	9,706,831	9,609,898

For the six-month period ended December 31, 2008, Orex incurred a net loss of \$406,775 or \$0.004 per share compared to a net loss of \$214,605 or \$0.003 per share for the same period ended in 2007.

Administrative expenses and income taxes increased from \$232,820 for the six-month period ended December 31, 2007, to \$418,175 for the same period ended in 2008. The increase of \$185,355 is related to variations in the following accounts:

	December 31, 2007 (\$)	December 31, 2008 (\$)	Variation (\$)
Loss	(214,605)	(406,775)	192 170
Interest income	18,215	11,400	(6,815)
ADMINISTRATIVE EXPENSES			
General administrative expenses	19,398	97,221	77,823
Professional fees	156,419	182,243	25,824
Information to shareholders	16,088	52,775	36,667
Listing and registration fees	7,015	4,228	(2,877)
Stock-based compensation	33,810	24,412	(9,398)
	232,820	360,859	128,039
Income taxes on flow-through financings	-	57,316	57,316
	232,820	418,175	185,355

CASH FLOW STATEMENTS

Operating

Operating activities, before net changes in non-cash working capital items, generated negative cash flows of (\$382,363) for the six-month period ended December 31, 2008, compared to negative cash flows of (\$180,795) for the same period ended in 2007.

Net changes in non-cash working capital items affecting operations were \$210,941 for the six-month period ended December 31, 2008 compared to \$155,510 for the same period ended in 2007.

Financing

During the six month period ended December 31, 2008, Orex issued flow-through common shares for \$547,500 (2007, \$1,887,780) and paid commissions, intermediary fees and issuances fees of \$68,204 (2007, \$183,119) and did not issue shares on exercise of stock options (2007, \$256,000).

Investing

During the six-month period ended December 31, 2008, cash and cash equivalents of \$1,546,406 were invested in exploration expenses on the Goldboro property, compared to \$44,618 for the same period ended in 2007.

Long-term debt

The long-term debt amounted to \$698,652 as at December 31, 2007 compared to \$0 as at December 31, 2008. On February 11, 2008, the Company concluded an agreement with 2541-8203 Québec inc. providing for the settlement of a debt of \$580,646 by the issuance of 5,806,463 common shares of its capital at a price of \$0.10 per share. The approval of this shares-for-debt settlement was obtained from the majority of the Company's disinterested shareholders at the Shareholders' Annual and Special Meeting held on March 31, 2008 and by the TSX Venture Exchange. The shares were issued on June 12, 2008.

Cash

Total cash and cash equivalents of \$11,920 were generated during the six-month period ended December 31, 2007, whereas operations for the same period ended in 2008 generated a reduction of cash and cash equivalents of (\$226,042).

BALANCE SHEETS

The Company's total assets amounted to \$10,523,934 as at December 31, 2008, compared to \$9,787,863 as at June 30, 2008. This variation is attributable to:

- the increase of \$1,546,405 in mining deferred exploration expenses,
- the reduction of (\$990,369) in funds reserved for exploration,
- the reduction of (\$226,042) in cash and cash equivalents,
- the increase of \$29,286 in sales tax receivable;
- the reduction of (\$94) in term deposit;
- the increase of \$376,885 in the receivable subscriptions.

As at June 30, 2008, cash and cash equivalents amounted to \$123,598 compared to (\$102,444) as at December 31, 2008.

Deferred exploration expenses went from \$6,407,029 as at June 30, 2008 to \$7,953,534 as at December 31, 2008 as a result of the exploration work realized on the Goldboro Property.

Liabilities amounted to \$817,103 as at December 31, 2008 compared to \$177,965 as at June 30, 2008.

GOLDBORO PROJECT, FINANCING AND 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.

Completed financings	December 31, 2007		Fund Reserved for Exploration
- June 19, 2007 Private financing in flow-through shares	\$	750,000	
- Nov. 28, 2007 Private financing in flow-through shares		850,000	
- Dec. 21, 2007 Private financing in flow-through shares		200,000	
- Dec. 31, 2007 Private financing in flow-through shares		496,780	
		\$ 2,296,780	
Exploration expenses incurred during the:			
- Year ended June 30, 2007		750	
- Year ended June 30, 2008			
- the period ended September 30, 2007	\$	7,050	
- the period ended December 31, 2007		37,568	
- the period ended March 31, 2008		285,543	
- the period ended June 30, 2008		428,000	
		758 161	
- Year end June 30, 2009			
- the period ended September 30, 2008		323,796	
- the period ended December 31, 2008	1,222,608	1,546,405	2,305,316
			\$ 0
		December 31, 2008	
Completed financings			
- Dec. 30, 2008 – Private financing in flow-through shares			547,500
Exploration Expenses incurred during			
- Year end June 30, 2009			
- the period ended December 31, 2008			547,500
			0
Funds reserved for exploration as at December 31, 2008			\$ 547,500

The Phase 1 program completed in 2005 and 2006, defined a more realistic gold grade for the overall Goldboro mineralization using the *total metallurgical extraction* analytical method and more advanced geological modeling of mineralized lenses from the Boston-Richardson Mine area over a 250 metre strike length.

Orex is presently completing Phase 2 of its drilling program on Goldboro. The Phase 2 drill program will in part validate the metallurgical test work, with the objective of delineating higher grade gold resources in the 1 kilometre long Boston-Richardson corridor.

ACCOUNTING POLICIES

* See note 5 of the Company's audited financial statements for the years ended June 30, 2008 and 2007.

SIGNIFICANT ANNUAL FINANCIAL DATA (Audited)

YEARS ENDED JUNE 30	2008	2007	2006
STATEMENTS OF EARNINGS (\$)			
Interest	52,116	1,245	251
Net loss	(250,310)	(526,905)	(484,796)
Net loss per share on a diluted basis	(0.003)	(0.01)	(0.01)
BALANCE SHEET (\$)			
Cash and cash equivalents	123,598	5,865	116,554
Funds to be expended in exploration	1,537,869	750,000	-
Total assets	9,787,863	8,001,792	7,381,497
Total long-term debt	-	865,771	766,260
Shareholders' equity	9,609,898	6,943,194	6,479,765
MINING EXPLORATION (\$)			
Exploration expenses	758,161	41,647	321,130

QUARTERLY INFORMATION (Unaudited)

QUARTERS	2008 December	2008 September	2008 June	2008 March	2007 December	2007 September	2007 June	2007 March
STATEMENTS OF EARNINGS (\$)								
Interest	2,924	8,476	13,244	20,657	10,273	7,972	726	88
Net loss before income taxes	(199,315)	(150,144)	(198,411)	(528,349)	(178,201)	(36,404)	(385,138)	(41,083)
Income taxes	(57,316)	-	710,000	-	-	-	-	-
Net (loss) gain	(256,631)	(150,144)	511,589	(528,349)	(178,201)	(36,404)	(385,138)	(41,083)
Net loss per share on a diluted basis	(0.0025)	0.0015	0.0062	(0.0073)	(0.0030)	(0.0005)	(0.0059)	(0.0006)
BALANCE SHEET (\$)								
Cash and cash equivalents	(102,444)	(67,693)	123,598	452,320	18,535	(12,848)	5,865	17,169
Funds to be expended in exploration	547,500	1,214,823	1,537,869	1,965,869	2,251,412	742,200	750,000	-
Total assets	10,523,934	9,584,366	9,787,863	10,157,532	9,577,298	7,981,373	8,001,792	7,256,240
Total long-term debt	-	-	-	580,646	698,652	893,119	865,771	740,298
MINING EXPLORATION (\$)								
Exploration expenses	1,222,609	323,796	428,000	285,543	37,568	7,050	4,515	3,562

INFORMATION ON OUTSTANDING SECURITIES

Capital-Stock

As at December 31, 2008, Orex's share capital consisted of 107,008,062, (2007, 84,826,599) common shares issued and outstanding.

	December 31, 2008	December 31, 2007
Balance as at June 30, 2008, 2007	99,708,062	69,714,447
- Private Placements		
- November 27, 2007		7,192,307
- December 21, 2007		1,538,461
- December 31, 2007		3,821,384
- December 30, 2008	7,300,000	
- Exercise of stock purchase options		
- November 14, 2007		2,560,000
Balance as at December 31, 2008, 2007	<u>107,008,062</u>	<u>84,826,599</u>

Stock Purchase Options

The Company has a stock option plan for its directors, officers, employees and consultants. A maximum of 9,900,000 common shares may be issued pursuant to that stock option plan. As at December 31, 2008, options to purchase 6,400,000 common shares were issued and outstanding. During the six-month period ended December 31, 2008, no option to purchase shares was exercised (2007, 2,560,000).

Options to purchase Units

In relation to private placements, the Company granted 560,000 (2007, 1,236,263) options to purchase units at the 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.

	Issued	Units Price Note (1)	Exercise Price Year 1 Note (2)	Exercise Price Year 2 Note (3)	Maturity	
	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 December 31, 2008	1,796,263					

Warrants

The Company issued 7,450,000 (2007, 21,103,656) share purchase warrants at various exercise prices and maturing dates, 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	Maturity	
	4,285,712	June 19, 2007	\$0.30	\$0.40	June 19, 2009
	6,538,461	November 28, 2007	\$0.20	\$0.40	November 28, 2009
	1,538,461	December 21, 2007	\$0.20	\$0.40	December 21, 2009
	4,203,522	December 31, 2007	\$0.20	\$0.40	December 31, 2009
	1,950,000	February 11, 2008	\$0.15	\$0.15	February 11, 2010
	2,587,500	March 10, 2008	\$0.15	\$0.15	March 10, 2010
	7,450,000	December 30, 2008	\$0.10	\$0.15	December 30, 2010
Balance as at December 31, 2008	28,553,656				

CONTRIBUTED SURPLUS

	December 31, 2007	December 31, 2008
Balance as at June 30, 2007, 2008	272,709	957,067
Adjustment to the operations following the grant of stock options	33,810	30,563
Adjustment following the exercise of stock options / Cancellation	(132,560)	(6,150)
Value attributed to the options granted to the intermediaries as commission and intermediation fees	70,771	26,882
Balance as at December 31, 2007, 2008	244,730	1,008,362

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Long-Term Debt

The long-term debt was settled by a shares-for-debt exchange on June 12, 2008.

Royalties and Lien on the Goldboro Property

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

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 three months period ended December 31, 2008, the Company paid equipment rental expenses of \$6,000 (2007, \$6,000), professional fees of \$60,000 (2007, \$60,000) and services and rental of office and equipment of \$48,000 (2007, \$48,000) to companies controlled by a significant shareholder of Orex Exploration Inc. This significant shareholder was also the president and a director of the Company up to the end of October 2007. During the three months ended December 31, 2008, the Company incurred management fees of \$39,000 (2007, \$13,903) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$0 (2007, \$29,750) to a company controlled by a former director.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to 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 that we entirely own with no lien, hypothec or royalties held by third parties.

ACCOMPLISHMENTS DURING 2008
<ol style="list-style-type: none">1. Closing of \$2,539,280 private financings.2. Initiation of the Phase 2 exploration program on the Goldboro property.3. Acquisition of many claims surrounding the Goldboro property.

GOALS FOR 2009
<ol style="list-style-type: none">1. New estimation of resources at Goldboro and filing of a NI43-101 Technical Report.2. Phase 2 drilling program in order to validate the metallurgical test work and to delineate higher grade gold resources in the 1 kilometre long Boston-Richardson corridor.3. Put in place a financing to begin an exploration program covering the entire property and eventually conduct a feasibility study.

Additional Information and Continuous Disclosure

This MD&A has been prepared as of February 23, 2009. 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).

(S) Mark Billings

Mark Billings
President