



UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED  
DECEMBER 31, 2008

Notice to Reader

Management has compiled the unaudited interim financial statements of Orex Exploration Inc. consisting of the interim balance sheet as at December 31, 2008 and the statements of Deferred Exploration Expenditures, Earnings and Deficit and Cash Flows for the six-month period ended December 31, 2008. An accounting firm has not reviewed or audited these interim financial statements.

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**CORPORATE INFORMATION**

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***Listings***

TSX Venture Exchange

Ticker Symbol : OX

Frankfurt Stock Exchange

Ticker Symbol : 05D

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**Balance Sheets**

	December 31, 2008 (Unaudited) \$	June 30, 2008 (Audited) \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	(102,444)	123,598
Marketable securities	9,000	9,000
Receivable	114,083	84,797
Term deposit	5,021	5,115
Subscriptions receivable (note 5)	409,385	32,500
	<u>435,045</u>	<u>255,010</u>
Funds reserved for exploration	547,500	1,537,869
Mining property - Goldboro	1,587,855	1,587,855
Deferred exploration expenditures - Goldboro	7,953,534	6,407,129
	<u>10,523,934</u>	<u>9,787,863</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	792,983	175,871
Advances from director, non-interest bearing	5,000	-
Advances from company controlled by a director, non-interest bearing	19,120	2,094
	<u>817,103</u>	<u>177,965</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock		
Issued and paid		
99,708,062 common shares		12,839,323
107,008,062 common shares	13,291,736	
Contributed surplus	1,008,362	957,067
Deficit	(4,593,267)	(4,186,492)
	<u>9,706,831</u>	<u>9,609,898</u>
	<u>10,523,934</u>	<u>9,787,863</u>

Three-month Periods ended December 31		Six-month Periods ended December 31	
2008	2007	2008	2007
\$	\$	\$	\$

**STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES**
*(unaudited)*

EXPLORATION EXPENDITURES				
Analysis	416,544	-	534,930	-
Consultants and subcontractors	24,439	29,000	30,439	29,750
Drilling	781,625	6,418	977,421	6,418
Equipment rental	-	2,750	3,615	8,450
Travelling expenses	-	(600)	-	-
INCREASE IN DEFERRED EXPENDITURES	1,222,608	37,568	1,546,405	45,218
BALANCE, BEGINNING	6,730,926	5,656,018	6,407,129	5,648,968
BALANCE, ENDING	7,953,534	5,693,586	7,953,534	5,694,186

Three-month Periods ended December 31		Six-month Periods ended December 31	
2008	2007	2008	2007
\$	\$	\$	\$

**STATEMENTS OF EARNINGS AND DEFICIT**
*(unaudited)*
**REVENUES**

Interest	2,924	10,273	11,400	18,215
	2,924	10,273	11,400	18,215

**ADMINISTRATIVE EXPENSES**

General administrative expenses	45,228	11,257	97,221	19,398
Stock-based compensation	24,412	33,810	24,412	33,810
Professional fees	97,243	122,419	182,243	156,419
Information to shareholders	33,255	15,983	52,755	16,088
Listing and registration fees	2,101	5,005	4,228	7,105
	202,239	188,474	360,859	232,820

**LOSS BEFORE INCOME TAXES**
**INCOME TAXES**
**NET LOSS**
**DEFICIT, BEGINNING**
**DEFICIT, ENDING**
**BASIS AND DILUTED LOSS PER SHARE**

	(199,315)	(178,201)	(349,459)	(214,605)
	(57,316)	-	(57,316)	-
	(256,631)	(178,201)	(406,775)	(214,605)
	(4,336,636)	(3,983,336)	(4,186,492)	(3,946,932)
	(4,593,267)	(4,161,537)	(4,593,267)	(4,161,537)
	(0,0025)	(0,0025)	(0,0040)	(0,0030)

	Three-month Periods ended December 31		Six-month Periods ended December 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>CASH FLOW STATEMENTS</b>				
<i>(unaudited)</i>				
CASH FLOWS FROM:				
OPERATING ACTIVITIES				
Net loss	(256,631)	(178,201)	(406,775)	(214,605)
Adjustments for:				
Net change in non-cash working capital items affecting operations	252,313	173,514	210,941	155,510
Stock-based compensation	24,412	33,810	24,412	33,810
CASH FLOWS FROM OPERATING ACTIVITIES	20,094	29,123	(171,422)	(25,285)
FINANCING ACTIVITIES				
Advances from directors	5,000	5,949	5,000	10,982
Advances from a related company controlled by the president	-	30,351	-	33,769
Advances from a related company controlled by a director	16,761	2,579	17,026	1,725
Repayment of the long-term debt	-	(194,467)	-	(167,119)
Issuance of common shares	547,500	1,802,780	547,500	1,802,780
Issuance expenses	(68,204)	(98,119)	(68,204)	(98,119)
CASH FLOWS FROM FINANCING ACTIVITIES	501,057	1,549,073	501,322	1,584,018
INVESTING ACTIVITIES				
Term Deposit	134	(33)	94	(33)
Funds reserved for exploration	666,573	(1,509,212)	990,369	(1,502,162)
Deferred exploration expenditures	(1,222,609)	(37,568)	(1,546,405)	(44,618)
CASH FLOWS FROM INVESTING ACTIVITIES	(555,902)	(1,546,813)	(555,942)	(1,546,813)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,751)	31,383	(226,042)	11,920
CASH AND CASH EQUIVALENTS, BEGINNING	(67,693)	(12,848)	123,598	6,615
CASH AND CASH EQUIVALENTS, ENDING	(102,444)	18,535	(102,444)	18,535

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, 2008.

**Note 2:** Loss per common share is based on a weighted average number of shares outstanding of 99,728,062 common shares for the six-month period ended December 31, 2008 and 70,766,678 for the six-month period ended December 31, 2007.

**Note 3:** During the six month period ending 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 six month period 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 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, 2008 has been changed to conform with the presentation adopted for the six month period ending December 31, 2008.

**Note 5 :** Amounts held in trust for the Company in relation to a flow-through private placement closed on December 30, 2008.