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Management Discussion And Analysis

Year ended June 30, 2009

October 9, 2009

Report on Exploration - Goldboro Property

In 2008 and 2009, the Company completed 12,201 metres of diamond drilling in 44 holes. Visible gold was observed in 36 of the 44 total drill holes completed. There are 90 separate reported occurrences of visible gold in the 44 holes, with another 9 occurrences reported as possible.

At the demand of Orex, InnovExplo Inc. has released September 15, 2009 National Instrument 43-101 compliant MRE* in all categories over a 1.5km strike length covering 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 current MRE* Technical Report is available on SEDAR at www.sedar.com. The current MRE* at 1.5 g/t gold cut-off grade 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 September 29, 2009, the Company has entered into a binding Letter of Intent, whereby Osisko Mining Corporation ("Osisko") will have 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.

This Letter of Intent serves the basis for a more Formal Agreement to be signed no later than 20 days after the signing of the Letter of Intent. The signing of the Formal Agreement is contingent upon completion of due diligence by Osisko.

- Upon signing of the Formal Agreement, Osisko shall make 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 shall consist of one common share and one transferable common share purchase warrant. Each transferable 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:
 - 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.

Private Placement

Orex plans to proceed with a financing of up to \$1,500,000, consisting of 15,000,000 Units. Each Unit is comprised of one Common Share at a price of \$0.10 per share and one Warrant, giving its holder the right to buy one Common Share at a price of \$0.125 per share for a period of 36 months from closing.

In addition, Orex plans to proceed with a financing of up to \$1,750,000, consisting of 14,000,000 Flow-Through Units. Each Flow-Through Unit includes one Flow-Through Share, priced at \$0.125 per share, and one-half of one Warrant. Each whole Warrant will entitle its holder to subscribe for one Common Share at a price of \$0.20 for a period of 24 months from closing.

The common shares and the common shares underlying the warrants in both financings mentioned above will be subject to a hold period of four months. This financing is subject to final Orex Board and regulatory approvals.

About Orex Exploration Inc.

Orex Exploration Inc. is a Canadian based junior resource and exploration company trading under the symbol OX on the TSX Venture Exchange and O5D on the Frankfurt Stock Exchange. The Company holds a 100% interest in the Goldboro Gold Project in Nova Scotia.

The technical information contained in this news release has been prepared by Mr. Jean Lafleur, M. Sc., P. Geo., Senior Technical Advisor to Orex, a Qualified Person under National Instrument 43-101 regulations.

Management Discussion And Analysis

(Year ended June 30, 2009)

The 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 year ended June 30, 2009 to those of the previous year. This MD&A, prepared as of October 9, 2009 is intended to complement and supplement our financial statements. It should also be read in conjunction with the MD&A for the year ended June 30, 2008, our audited annual financial statements and notes thereto. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing our results of operation 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 (Audited)

YEARS ENDED JUNE 30,	2009	2008
STATEMENTS OF OPERATION AND CASH FLOWS (\$)		
Interest	12,102	52,116
Administrative expenses	(1,035,345)	(1,012,426)
Net loss before income taxes	(1,023,243)	(960,310)
Future income taxes	147,000	710,000
Net loss	(876,243)	(250,310)
Net loss per share on a diluted basis	(0.01)	(0.003)
BALANCE SHEET (\$)		
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
Shareholders' equity	10,035,297	9,577,398

For the year ended June 30, 2009, Orex presents a net loss of \$876,243 or (\$0.01) per share compared to a net loss of \$250,310 or (\$0.003) per share for the same period in 2008.

The general administrative expenses for the financial year ended June 30, 2009, totaled \$1,035,345 compared to \$1,012,428 for the same period in 2008.

The following table presents the variation of the administrative expenses for the periods ended June 30, 2008 and June 30, 2009.

	June 30, 2008 (\$)	June 30, 2009 (\$)	Variation (\$)
Interest Income	52,116	12,102	(40,014)
ADMINISTRATIVE EXPENSES			
General administrative expenses	82,738	234,629	151,891
Stock-based compensation - directors	475,397	146,362	(329,035)
Stock-based compensation - consultants	-	108,237	108,237
Professional fees	330,786	365,839	35,053
Information to shareholders	107,744	98,015	(9,729)
Listing and registration fees	29,706	23,197	(6,509)
Non-realized loss on marketable securities	5,000	1,750	(3,250)
Gain on write off of accounts payables	(18,945)	-	18,945
Part XII.6 income taxes	-	57,316	57,316
	1,012,426	1,035,345	22,919
Loss before income taxes	(960,310)	(1,023,243)	(62,933)
Future income taxes	710,000	147,000	(563,000)
Net loss	(250,310)	(876,243)	(625,933)

CASH FLOWS STATEMENTS

Operating

Operating activities, before net changes in non-cash working capital items generated a negative cash flow of (\$498,858) for the financial year ended June 30, 2008, compared to a negative cash flows of (\$766,894) for the same period in 2009.

Net change in non-cash working capital items is of (\$21,822) in 2008 compared to \$139,230 in 2009.

Financing

During the financial year 2009, Orex completed financings of \$1,374,700 (\$1,048,011 net of \$326,689 of issuing fees) and issued warrants with common shares for a fair value of \$7,300.

During the financial year 2008, Orex completed financings of \$2,539,280 (\$1,544,264 net of \$995,016 of issuing fees) issued shares for the exercise of stock options for \$388,560, issued shares for a debt settlement for an amount of \$580,646 and issued warrants with common shares for a fair value of \$291,564.

		June 30, 2008 (\$)		June 30, 2009 (\$)
Common share private placements		907,500		794,700
Flow through shares private placements		1,546,780		547,500
Common share issued as fees		85,000		-
Subscription receivable		-		32,500
		2,539,280		1,374,700
Issuing fees				
- Commissions	191,928		131,373	
- Issuing fees	43,131		16,784	
- Future income taxes	710,000		147,000	
- Intermediaries warrants	242		11,950	
- Stock options to intermediaries	49,715	(995,016)	19,582	326,689
		1,544,264		1,048,011
Exercise of stock options		388,560		-
Debt settlement		580,646		-
Fair value of the warrants		(291,564)		(7,300)
		2,221,906		1,040,711

Investing

During the financial year ended June 30, 2009, cash and cash equivalents of \$2,010,221 were invested in exploration expenses on the Goldboro property, compared to \$634,583 made in exploration expenses for the same period in 2008.

Total cash and cash equivalents of \$117,733 were generated during the financial year ended June 30, 2008, whereas operations for the year ended June 30, 2009 generated a decrease of cash of (\$66,672).

BALANCE SHEETS

The Company's total assets amounted to \$10,191,209 as at June 30, 2009, compared to \$9,755,363 as at June 30, 2008. This increase of 435,846 is attributable to:

- the increase of \$1,980,756 in mining deferred exploration expenses,
- the decrease of (\$1,424,720) in funds reserved for exploration,
- the decrease of (\$66,672) in cash and cash equivalents,
- the decrease of (\$51,724) in sales tax receivable,
- the decrease of (\$1,750) in marketable securities, and
- the decrease of (\$44) in term deposit

As at June 30, 2009, cash and cash equivalents amounted to \$56,926 compared to \$123,598 as at June 30, 2008.

Deferred exploration expenses went from \$6,407,129 as at June 30, 2008 to \$8,387,885 as at June 30, 2009, in reason of the \$1,980,756 of exploration work realized in 2009.

Liabilities amounted to \$155,912 as at June 30, 2009 compared to \$177,965 as at June 30, 2008.

The increase in the shareholders' equity of \$457,899 during the financial year 2009 is the result of the net proceeds of the private placements of \$1,040,711, the increase of the contributed surplus of \$293,431 and a deduction of the operating loss of (\$876,243).

For 2009, the increase of \$293,431 in the contributed surplus is as follow:

	(\$)	(\$)
Balance June 30, 2008		957,067
Stock-based compensation with corresponding debit to the statement of earnings	254,599	
Amount debited to the capital stock with respect to share issuance expenses following the grant of warrants to intermediaries	12,100	
Amount debited to the capital stock with respect to share issuance expenses following the grant of options on units to intermediaries	19,432	
Warrants issued with common shares	7,300	293,431
Balance June 30, 2009		<u>1,250,498</u>

GOLDBORO PROJECT, FINANCING AND EXPLORATION

Orex has completed flow-through private financings of \$2,296,780 in 2007 and \$547,500 in 2008 that will allow the Company to initiate in 2008 and 2009 the Phases 2A and 2B of the exploration program on the Goldboro Property.

	Expenses Period (\$)	Expenses Years (\$)	Flow-through Financing 2007 (\$)	Flow-through Financing 2007 (\$)	Flow-through Financing 2008 (\$)
Financing					
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
Exploration expenses					
Year 2007					
September 30, 2006	-				
December 31, 2006	-				
March 31, 2007	-				
June 30, 2007	750	750	(750)	749,250	
		<u>750</u>			
Funds reserved for exploration - June 30, 2007				2,296,030	
Year 2008					
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)	
		<u>758,160</u>			
Funds reserved for exploration - June 30, 2008				1,537,870	
Year 2009					
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)
		<u>1,980,756</u>			
Funds reserved for exploration - June 30, 2009				-	113,149

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 meter strike length.

Orex has completed in 2008 and 2009 the Phases 2A and 2B of its drilling program on Goldboro. The Phases 2C and 2D of the drill program that will be completed during the next year will in part validate the metallurgical test work and will delineate higher grade gold resources in the 1 kilometer long Boston-Richardson corridor.

ACCOUNTING POLICIES

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

SIGNIFICANT ANNUAL FINANCIAL DATA (Audited)

YEARS ENDED JUNE 30	2009	2008	2007
STATEMENTS OF EARNINGS (\$)			
Interest	12,102	52,116	1,245
Net loss	(876,243)	(250,310)	(526,905)
Net loss per share on a diluted basis	(0.01)	(0.003)	(0.01)
BALANCE SHEET (\$)			
Cash and cash equivalents	56,926	123,598	5,865
Funds to be expended in exploration	113,149	1,537,869	750,000
Total assets	10,191,209	9,755,363	8,001,792
Total long-term debt	-	-	865,771
Shareholders' equity	10,035,297	9,577,398	6,943,194
MINING EXPLORATION (\$)			
Exploration expenses	1,980,756	758,161	41,647

QUARTERLY INFORMATION (Unaudited)

QUARTERS	2009 June	2009 March	2008 December	2008 September	2008 June	2008 March	2007 December	2007 September
STATEMENTS OF EARNINGS (\$)								
Interest	51	651	2,924	8,476	13,244	20,657	10,273	7,972
Net loss before income taxes	(421,978)	(194,490)	(256,631)	(150,144)	(198,411)	(528,349)	(178,201)	(36,404)
Taxes	147,000	-	-	-	710,000	-	-	-
Net (loss) gain	(274,978)	(194,490)	(256,631)	(150,144)	511,589	(528,349)	(178,201)	(36,404)
(Net loss) gain, per share on a diluted basis	(0.0039)	(0.0019)	(0.0025)	(0.0015)	0.0062	(0.0073)	(0.0030)	(0.0005)
BALANCE SHEET (\$)								
Cash and cash equivalents	59,926	150,001	(102,444)	(67,693)	123,598	452,320	18,535	(12,848)
Funds to be expended in exploration	113,149	326,443	547,500	1,214,823	1,537,869	1,965,869	2,251,412	742,200
Total assets	10,191,209	10,330,399	10,523,934	9,584,366	9,787,863	10,157,532	9,577,298	7,981,373
Total long-term debt	-	-	-	-	-	580,646	698,652	893,119
MINING EXPLORATION (\$)								
Exploration expenses	213,294	221,057	1,222,609	323,796	428,000	285,543	37,568	7,050

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.

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 financial year, the Company paid vehicle rental expenses of \$12,000 (2008, \$12,000), professional fees of \$120,000 (2008, \$90,000), shares issuing fees of \$9,480 (2008, \$12,500), rental of equipment of \$48,000 (2008, \$0) and services and rental of office and equipment of \$96,000 (2008, \$96,000) 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 financial year, the Company incurred management fees of \$99,000 (2008, \$53,468) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$12,000 (2008, \$42,000) to a company controlled by a director.

Also, during the year, professional fees of \$11,000 (2008, \$16,000) and shares issuing fees of \$10,000 (2008, \$0) have been incurred with the corporate secretary, a related person to a significant shareholder.

As at June 30, 2009 and 2008, accounts payable and accrued liabilities doesn't include any amount payable to a related.

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.

COMPLIANCE WITH CSA 52-109 AND 52-316

The CEO and CFO of the Company have designed and evaluated the Company's disclosure controls and procedures for effectiveness. These disclosure controls and procedures were judged to be effective as of June 30, 2007. Also, the CEO and CFO have designed the internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

INFORMATION ON OUTSTANDING TITLES

Share capital

As at June 30, 2009, Orex's share capital was of 120,253,062 common shares issued and outstanding. On June 30, 2008, Orex's share capital was of 99,708,062 common shares issued and outstanding.

Balance as at				Balance as at
June 30, 2007	69,714,447		99,708,062	June 30, 2008
		Private Placements		
	7,192,307	- November 27, 2007		
	1,538,461	- December 21, 2007		
	3,821,384	- December 31, 2007		
	3,900,000	- February 11, 2008		
	5,175,000	- March 10, 2008		
		- December 30, 2008	7,300,000	
		- February 25, 2009	13,245,000	
		Debt redemption		
	5,806,463	- June 12, 2008		
		Exercise of stock purchase options		
	2,560,000	- November 14, 2007		
June 30, 2008	99,708,062		120,253,062	June 30, 2009

Stock Option Plan

On February 19, 2008, the Board of Directors of the Company adopted a new stock option plan (the "Plan") aiming, amongst other things, to comply with the applicable policies of TSX Venture Exchange for Tier 2 issuers. The Plan was approved by the majority of the shareholders at the Annual and Special Shareholders' Meeting held on March 31, 2008. The Plan was approved by the TSX Venture Exchange on April 10, 2008.

The maximum number of shares that may be reserved for issuance pursuant to the grant and exercise of stock options under the Plan is 9,900,000.

The Company has a stock option plan for its directors, officers, employees and consultants. The plan provides for the grant of non-transferable options for the purchase of common shares. During the financial year ended June 30, 2009, 0 (2008, 2,560,000) common shares were issued on exercise of stock options. As at June 30, 2009, options to purchase 9,600,000 (2008, 6,528,570) common shares are outstanding under the stock option plan.

Summary of the status of the Company's stock option plan as of June 30, 2009 and 2008 and changes during those periods:

	2009		2008	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Outstanding, beginning of year	6,528,570	0.145	3,538,570	0.115
Exercised	-	-	(2,560,000)	0.10
Granted:				
- to directors and officers	1,750,000	0.148	3,200,000	0.145
- to consultants	2,200,000	0.1527	2,350,000	0.14
Expired:				
- to directors and officers	(100,000)	0.10	-	-
- to consultants	(350,000)	0.121	-	-
- to intermediaries	(428,570)	0.175	-	-
Outstanding, end of year	9,600,000	0.1471	6,528,570	0.145
Options exercisables, end of year	9,375,000	0.1471	6,453,570	0.145

During the year, 3,950,000 (2008, 5,550,000) options were granted by the Company at a weighted average price of \$0.151 (2008, (\$0.143)).

Options to purchase units

In relation to the private placements, the Company also granted 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	Unit Price Note (1)	Exercise Price Year 1 Note (2)	Exercise Price Year 2 Note (3)	Maturity	
Balance as at June 30, 2007	-					
	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
Balance as at June 30, 2008	807,692					
	560,000	December 30, 2008	\$0.75	\$0.10	\$0.15	December 30, 2010
Balance as at June 30, 2009	1,367,692					

Warrants

During the year, the Company issued 20,999,500 share purchase warrants (2008, 16,817,944) at various exercise price and maturing date, 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	Maturity
Balance as at June 30, 2007	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
Issued during the exercise	4,203,522	December 31, 2007	\$0.20	\$0.40		December 31, 2009
	1,950,000	February 11, 2008 (a)	\$0.15	N/A		February 11, 2009
	2,587,500	March 10, 2008 (a)	\$0.15	N/A		March 10, 2009
Balance as at June 30, 2008	21,103,656					
Expired during the exercise	(4,285,712)		N/A	N/A		June 19, 2009
	7,415,000	December 30, 2008	\$0.10	\$0.15		December 30, 2010
Issued during the exercise	13,584,500	February 25, 2009	\$0.10	\$0.10	\$0.10	February 25, 2012
Balance as at June 30, 2009	37,817,444					

(a) During the year, the Company has extended the expiration date of those warrants from February and March 2009 to February and March 2010.

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.

REALISATIONS DURING THE 2009 EXERCISE

1. Closing of \$547,500 private financings.
2. Completing the Phases 2A and 2B of the exploration program on the Goldboro property.
3. New estimation of resources at Goldboro and filing the NI43-101 Technical Report.

GOALS FOR 2009

4. Drilling in order to validate the metallurgical test work and to delineate higher grade gold resources in the 1 kilometer long Boston-Richardson corridor.
5. Put in place a global financing to begin an exploration program covering the entire property and eventually conduct to a feasibility study.
6. Conclude the agreement with Corporation Minière Osisko.

Additional Information and Continuous Disclosure

This MD&A has been prepared as of October 9, 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
Président