



UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED  
SEPTEMBER 30, 2009

Notice to Reader

Management has compiled the unaudited interim financial statements of Orex Exploration Inc. consisting of the interim balance sheet as at September 30, 2009 and the statements of Deferred Exploration Expenditures, Earnings and Deficit and Cash Flows for the three-month period ended September 30, 2009. An accounting firm has not reviewed or audited these interim financial statements.

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**CORPORATE INFORMATION**

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***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](mailto:orex@cablevision.qc.ca)  
Web Site : [www.orexexploration.ca](http://www.orexexploration.ca)

***Transfer Agent***

Computershare Trust  
Company of Canada

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

***Investor Relations***

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

***Listings***

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

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**Balance Sheets**

	September 30, 2009 (Unaudited) \$	June 30, 2009 (Audited) \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	32,032	56,926
Marketable securities	7,250	7,250
Receivable	25,293	33,073
Term deposit	5,100	5,071
	<u>69,675</u>	<u>102,320</u>
Funds reserved for exploration	69,683	113,149
Mining property - Goldboro	1,587,855	1,587,855
Deferred exploration expenditures - Goldboro	8,431,351	8,387,885
	<u>10,158,564</u>	<u>10,191,209</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	289,764	155,912
Advances from director, non-interest bearing	-	-
	<u>289,764</u>	<u>155,912</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock		
Issued and paid		
120,253,062 common shares		13,847,534
120,568,062 common shares	13,879,034	
Contributed surplus	1,250,498	1,250,498
Deficit	(5,260,732)	(5,062,735)
	<u>9,868,800</u>	<u>10,035,297</u>
	<u>10,158,564</u>	<u>10,191,209</u>

Three-month Periods ended September 30, 2009		Three-month Periods ended September 30, 2008	
\$	\$	\$	\$

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

EXPLORATION EXPENDITURES				
Analysis	160	118,386	160	118,386
Consultants and subcontractors	41,140	6,000	41,140	6,000
Drilling	1,446	195,796	1,446	195,796
Equipment rental	720	3,615	720	3,615
INCREASE IN DEFERRED EXPENDITURES	43,466	323,797	43,466	323,797
BALANCE, BEGINNING	8,387,885	6,407,129	8,387,885	6,407,129
BALANCE, ENDING	8,431,351	6,730,926	8,431,351	6,730,926

Three-month Periods ended September 30, 2009		Three-month Periods ended September 30, 2008	
\$	\$	\$	\$

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

Interest	29	8,476	29	8,476
	29	8,476	29	8,476

**ADMINISTRATIVE EXPENSES**

General administrative expenses	91,265	51,993	91,265	51,993
Stock-based compensation	-	-	-	-
Professional fees	85,000	85,000	85,000	85,000
Information to shareholders	19,661	19,500	19,661	19,500
Listing and registration fees	2,100	2,127	2,100	2,127
	198,026	158,620	198,026	158,620

NET LOSS BEFORE INCOMES TAXES	(197,997)	(150,144)	(197,997)	(150,144)
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FUTURE INCOME TAXES	-	-	-	-
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NET LOSS	(197,997)	(150,144)	(197,997)	(150,144)
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DEFICIT, BEGINNING	(5,062,735)	(4,186,492)	(5,062,735)	(4,186,492)
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DEFICIT, ENDING	(5,260,732)	(4,336,636)	(5,260,732)	(4,336,636)
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BASIS AND DILUTED LOSS PER SHARE	(0,0016)	(0,0015)	(0,0016)	(0,0015)
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	Three-month Periods ended September 30,		Three-month Periods ended September 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>CASH FLOW STATEMENTS</b>				
<i>(unaudited)</i>				
CASH FLOWS FROM:				
OPERATING ACTIVITIES				
Net loss	(197,997)	(150,144)	(197,997)	(150,144)
Adjustments for:				
Net change in non-cash working capital items affecting operations	141,632	(41,371)	141,632	(41,371)
Stock-based compensation	-	-	-	-
CASH FLOWS FROM OPERATING ACTIVITIES	(56,365)	(191,515)	(56,365)	(191,515)
FINANCING ACTIVITIES				
Advances from director	-	-	-	-
Advances from related company controlled by the president	-	-	-	-
Advances from related company controlled by a director	-	265	-	265
Repayment of the long-term debt	-	-	-	-
Issuance of common shares	31,500	-	31,500	-
Issuance expenses	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	31,500	265	31,500	265
INVESTING ACTIVITIES				
Term Deposit	(29)	(40)	(29)	(40)
Funds reserved for exploration	43,466	309,465	43,466	309,465
Deferred exploration expenditures	(43,466)	(323,797)	(43,466)	(323,797)
CASH FLOWS FROM INVESTING ACTIVITIES	(29)	(14,372)	(29)	(14,372)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(24,894)	(205,622)	(24,894)	(205,622)
CASH AND CASH EQUIVALENTS, BEGINNING	56,926	123,598	56,926	123,598
CASH AND CASH EQUIVALENTS, ENDING	32,032	(82,024)	32,032	(82,024)

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 120,306,637 common shares for the three-month period ended September 30, 2009 and 99,708,062 for the three-month period ended September 30, 2008.

**Note 3 :** During the three month period ended September 30, 2009, the Company paid equipment rental expenses of \$3,000 (2008, \$3,000), professional fees of \$30,000 (2008, \$30,000) and services of secretary, rental of office and equipment of \$24,000 (2008, \$24,000) 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 month period ended September 30, 2009, the Company incurred management fees of \$30,000 (2008, \$19,500) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$0 (2008, \$6,544) 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, 2009 has been changed to conform with the presentation adopted for the three month period ending September 30, 2009.

**Note 5 : SUBSEQUENT 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. The common shares issued in this private placement and the shares underlying the warrants and finder's warrants (as defined below) are subject to a hold period of four months.

Orex will pay cash commissions and finder's fees of \$148,400 and will issue 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 will be used for general working capital purposes, acquisitions and exploration and development work.

2) On **November 11, 2009**, the Company has entered into an option and Joint Venture Agreement 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.

Upon signing 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 consist 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.

Notes to Interim Financial Statements  
(Unaudited)

**Note 5 : SUBSEQUENT EVENTS (CONTINUED)**

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 will pay a finder's fee to Canaccord Adams in the amount of \$65,000 in cash and 650,000 Units, which are to be issued on the same terms and conditions as the Units issued to Osisko and as described above.

**Note 6 : FUTURE ACCOUNTING STANDARDS**

In February 2008, Canada' 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.