OREX EXPLORATION INC.

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Management Discussion And Analysis

(Year ended June 30, 2007)

October 19, 2007

Report on Exploration - Goldboro Property

The Goldboro project is historically known for its severe nugget effect and high grade zones. Previous metallurgical test work completed on Goldboro samples during the 1980’s and 1990’s indicated that 25% to 35% of gold in Goldboro samples occurs in freely-liberated grains greater than 0.5 millimetres in diameter with individual gold grains up to 1 centimetre in diameter. Consequently, it is very difficult to estimate with a high level of confidence the overall grade of the deposit based on the inaccuracy of the conventional fire assay analytical method in a coarse gold environment. A comparative review of conventional fire assay results and several metallurgical test programs from surface and underground exploration holes, and underground sampling programs completed in the 1980’s and 1990’s, indicates that the average grade of the Goldboro mineralization may be significantly higher grade than shown in the current resource estimate of 13.3 million tonnes grading 0.78 g/t Au in the Measured and Indicated Resources categories, and 15.6 million tonnes grading 0.63 g/t Au in the Inferred Resources category. Recent statistical studies at Goldboro have provided minimum sample size specifications in order of 85 kilograms to obtain representative grade determinations of mineralization based on the diameter of the largest gold grains in the mineralization.

In 2005, the Company initiated an exploration program recommended in the Technical Report dated August 31, 2004 on the Goldboro Property. Under the supervision of **Jean Lafleur, P. Geo.**, a qualified person under NI 43-101, a Phase 1 drilling program was designed to determine a more realistic grade for the Goldboro mineralization. The program focused on re-drilling several of the near-surface new “belt zones” immediately below and west of the historically mined Boston-Richardson Belt on a series of sections over a 225 meter strike length. The drilling began in late February and was completed in early May, and comprised of 23 diamond drill holes for 2,436 metres of HQ calibre core. The drill core was logged at the Goldboro site by **Bruce Mitchell, P. Geo.**. After logging, the core was photographed and sealed with security bands in the original boxes in preparation for truck transport to Val-d’Or, Quebec. Under the supervision of **Alex Horvath, P. Eng.** and **Martin Bourgoin, P.Geo.**, all of the Goldboro HQ size drill core was processed by conventional sample preparation and sent for fire-assay at ALS-Chemex in Val-d’Or, Quebec. The core lengths analyzed varied in length from 0.6 to 1.8 meters averaging 1.5 meters, with the individual core sample weights ranging from 2.5 to 7 kilograms. Core samples were sawed in half, bagged, sealed and sent to the assay laboratory. The samples were subsequently crushed to –10 mesh size (2 millimetres), followed by pulverizing of a 250 gram split to –150 mesh size (0.125 millimetres), from which a 50 gram sample of the pulp was used for conventional fire-assay..

Preliminary observations of the drill core shows that all 23 drill holes intersected abundant “gold belts”, averaging 5 belts greater than one meter per hole, ranging from under 0.5 to over 23 meters in core length, representing 20% of the total available footage drilled. The “gold belts” consist of argillites typical for the region, with minor inter-bedded greywackes. The drilling identified a 400 meter extension of the Boston-Richardson Belt west of the historic underground workings. Visible gold grains were seen in 18 of the 23 holes drilled in either quartz veins within “gold belts” or quartz veins outside of belts. Of significance is that visible gold also occurred in silicified greywackes, distant from any quartz veining or any sulphides. Some 66 quartz veins greater than one meter in core length were intersected. Of the total 137 “gold belt” intervals intersected in the 23 drill holes, more than 27% of the “belts” host quartz veins greater than 1 meter. A number of the greywackes host large quartz veins. Quartz veins greater than one meter in core length represent nearly 6% of the total footage drilled. Almost all of the “belts” have quartz veins and veinlets in the 1 to 50 centimeter range.

Fire-assay results from the 23 drill holes from 7 sections covering a strike length of 225 meters show extreme grade variability even in the presence of visible gold, and even with larger core samples, as historically observed at Goldboro, due to the gold nugget effect. The westerly extension of the south limb of the historically mined Boston-Richardson belt has been identified. The south limb of the Boston-Richardson Belt has averaged 2.22 g/t Au over an average width of 3.93 meters for a 225 meter strike length from the seven sections with assays available. Visible gold was identified in three of the eight drill holes intersecting the zone. Wider mineralized and continuous mineralized intervals that combine several of the gold belts are also being identified below the Boston-Richardson Belt. Slate belts 1, 2, 3 (and 4) form a single mineralized zone located approximately 50 metres beneath the Boston-Richardson Belt. Within the hinge and along the south limb of the Boston-Richardson Anticline, this zone has averaged 3.55 g/t over an average width of 16.59 metres from 18 of the 20 drill holes intersecting the zone over a 150 metre strike length. There is also evidence confirming additional wider mineral zones beneath the 1-2-3(-4) zone comprising slate belts 5-6 and 7-8, respectively. The zones appear continuous over the 225 meters length of the structure drilled in the 2005 program from the 2.5 kilometre full length of the Anticline.

Fire-assay results from the 2005 campaign are being reconciled with the detailed core logging and historical fire-assays, and are being used in defining the full extent of the mineralized intervals, including all historic surface and underground drilling. Drill core composites are being assembled from the complete mineralized intervals in individual drill holes and from combined drill holes in the same section and across two or more sections. The 2.0 to 6.5 kilogram coarse crushed rejects from each of the initial samples will be assembled into these larger composite or mini-bulk samples weighing up to 100 kilograms for total gold extraction metallurgical testing. All results were used to re-evaluate the mineral resources at Goldboro.

The following sections « **Resources Modeling** » and « **New Mineral Resources** » are extracted from press releases issued by Orex on August 31 and September 13, 2006, which were prepared under the supervision of Jean Lafleur, Geo., Orex's main counsultant and a « qualified person » under NC 43-101 concerning information on mining projects.

Resource Modeling

The metallurgical test drilling targeted the best defined portion of the "123 Zone" along a 225 meter strike length of the mineralization to a depth of -100 meters from surface in the historic ramp area. The "123 Zone" consists of three historic gold-bearing slate belts. The large diameter drill core provided 36 bulk composite metallurgical samples, of which 17 were taken from intersections within the "123 Zone". Individual tests were completed on 48 to 129 kilogram composites of the drill core assay rejects. Results from the metallurgical testing demonstrate that conventionally assayed grades of typical drill core size samples (from 2 to 10 kilograms) underestimate the total gold content of the Goldboro mineralization due to a high nugget effect.

A block model mineral resource estimate ("Metallurgical Model") was completed using the 2005 metallurgically recovered grades from the 23 holes drilled in the "123 Zone". The model was compared to a block model estimate using the conventional assay grades from the same holes ("Assay Model 1"), as well as another model using assays from all 187 historic holes ("Assay Model 2") within the model area. Resources were estimated only within the "123 Zone" from which the most significant metallurgical test data are available. There are at least 3 other zones defined in the 2005 drill campaign – the "456 Zone", "78 Zone" and "910 Zone".

The block model used 2.5 meter composites within the mineralized zones with assays cut to 60 g/t gold prior to compositing. Results of the block model estimates for the "123 Zone" at a 0.5 g/t Au cut-off grade are:

Block Model	Tonnes	G/T Gold	Ounces Gold
Metallurgical Model (23 holes)	481,000	3.40	52,600
Assay Model 1 (23 holes)	437,000	2.29	32,200
Assay Model 2 (187 holes)	435,000	1.83	25,600

The "Metallurgical Model" produced results that are in-line with metallurgical recovery tests to-date, as well as the historic mining grade. The loss of grade demonstrated in the "Assay Model 1" of the identical holes similarly reflects results from metallurgical testing to-date. The further loss of grade when all historic drill hole assays ("Assay Model 2") were used is attributed to the poorer sampling methods used in the historic drill programs.

The comparative analysis of metallurgical test results and assay results demonstrates that mineral resource estimates at Goldboro using conventional drill assay results such as the historic holes, will seriously underestimate the recoverable gold content, and therefore understate the mineral resource. The grade loss demonstrated from the "Metallurgical Model" grades of 3.40 g/t gold to the "Assay Model 2" of 1.83 g/t gold is attributable predominantly to the nugget effect of the smaller size individual drill core samples.

The conclusion drawn as a result of this exercise is that the historic estimates of gold grade at Goldboro have been understated by approximately 55%.

New Mineral Resources

The new mineral resource estimates for a 225 meter segment (to a -200 meter vertical depth from surface) of the 2,500 meter long mineralized zone at Goldboro was completed by **Alex Horvath, P.Eng.**, Mineral Exploration Consultant and Qualified Person under NI 43-101 standards, and reviewed by **Eugene Puritch, P.Eng.**, of **P&E Mining Consultants Inc.**, of Brampton, Ontario, also a Qualified Person under NI 43-101 standards. An **NI 43-101**

compliant resource estimate technical report authored by **Tracy Armstrong, P.Geo.**, of P&E Mining Consultants Inc. is posted on SEDAR.

In accordance, with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005, the current mineral resources for the 225 meter long Ramp Area at a 0.5 g/t gold cut-off grade are stated as follows:

Classification	Tonnes	Gold (g/t)	Gold Ounces
Measured Resources	481,000	3.40	52,600
Indicated Resources	2,624,000	2.17	183,400
Measured + Indicated Resources	***3,105,000***	***2.36***	***235,800***

The Measured Resources have been estimated using grades from bulk sample metallurgical test results of composite drill core samples. The Indicated Resources have been estimated using grade determinations from conventional drill core sample assaying. The metallurgical testing to-date (38 bulk test samples totaling 12.4 tonnes) has demonstrated that conventional assay grades understate actual grades due to a strong nugget effect. Comparative models have demonstrated that the grade of the Measured Resources is similar to the grade of the Indicated Resources when conventional assay results are used for both.

It is suggested that once adequate metallurgical testing has been completed within the defined Indicated Resources, the grade of the Indicated Resources could approach the grade of the Measured Resources. The inference is a conceptual increase in the contained gold content of the existing Indicated Resource tonnes. The grade of the Conceptual Target shown below is simply the difference between the current Measured and Indicated Resource grades. Should additional bulk sampling within the Indicated Resource tonnes demonstrate similar results as demonstrated for the Measured Resources, the current Indicated tonnes would contain the additional gold as tabulated below:

Conceptual	***(2,624,000)****	***(1.23***)	***103,500*****

* The Conceptual Target tonnes are <u>not</u> additional tonnes to the Measured and Indicated tonnes.
** Only the contained ounces of gold would be additional.

The quantity and grade of the Conceptual Target are conceptual in nature. There has been insufficient exploration to define the Conceptual Target as a mineral resource, and it is uncertain if further exploration will result in the discovery of a mineral resource.

The additional mineral resources[1] located outside the Ramp Area have been calculated by subtracting the new resource estimate for the Ramp Area from the August 2004 mineral resource estimate in the NI 43-101 Technical Report. The 2004 estimate was calculated for a 1.5 km length of the deposit to a depth of 300 meters. The outside the Ramp Area resources remain unchanged from previously reported figures as follows:

Classification	Tonnes	Gold (g/t)	Gold Ounces
Measured Resources	274,000	1.21	10,700
Indicated Resources	9,876,000	0.75	238,100
Measured + Indicated Resources	*10,150,000*	*0.76*	*248,800*
Inferred Resources	*15,600,000*	*0.63*	*316,000*

(1) These mineral resources do not have demonstrated economic viability. The estimate of these mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There are no assurance that any of these resources can be economically recovered, nor is there any guarantee that any value will ever be realized in whole or in part A revised NI 43-101 Technical Report will be filed on SEDAR with the necessary.

P&E Mining Consultants have recommended follow-up work programs requiring significant in-fill and extensional drilling to be completed over the entire 2.5 kilometer strike length of the Goldboro mineralization to better define and correlate the mineral zones, and to produce more realistic mineral resources for the entire length of the gold corridor, particularly with regard to the gold grade. The drilling and sampling programs would use large diameter coring and continue to follow-up on the individual conventional short interval assays with metallurgically tested composite samples of the individual assay rejects.

Management Discussion And Analysis

(Year ended June 30, 2007)

The Management's Discussion and Analysis (« MD&A ») provides a discussion and analysis of our financial condition and results of operations to enable a reader to assess material changes for the year ended June 30, 2007 to those of the comparative year. This MD&A, prepared as of October 19, 2007 is intended to complement and supplement financial statements. It should also be read in conjunction with the MD&A for the year ended June 30, 2006, our audited annual financial statements and notes thereto. Our financial statements and this MD&A are intended to provide investors with reasonable basis for assessing our result 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,	2007	2006
STATEMENTS OF OPERATION AND CASH FLOWS ($)		
Interest	1,245	251
Administrative expenses	(528,150)	(484,047)
Net loss	(526,905)	(483,796)
Net loss per share on a diluted basis	(0.01)	(0.01)
BALANCE SHEET ($)		
Cash and cash equivalents	5,865	116,554
Funds to be expended in exploration	750,000	-
Total assets	8,001,792	7,381,497
Total long-term debt	865,771	766,260
Shareholders' equity	6,943,194	6,479,765

For the year ended June 30, 2007, Orex presents a net loss of $526,905 or ($0.01) per share compared to a net loss of $483,796 or ($0.01) per share for the same period in 2006.

The general administrative expenses for the financial year ended June 30, 2007, totaled $528,150 compared to $484,047 for the same period in 2006.

The following table presents the variation of the administrative expenses for the periods ended June 30, 2006 and June 30, 2007.

	June 30, 2007 ($)	June 30, 2006 ($)	Variation ($)
Loss	(526,905)	(483,796)	(43,109)
Interest	1,245	251	994
General administrative expenses	39,520	45,180	(5,660)
Stock-based compensation	25,512	0	25,512
Professional fees	129,571	155,023	(25,452)
Research of financing	0	225,000	(225,000)
Information to shareholders	15,986	41,554	(25,568)
Listing and registration fees	16,436	17,290	(854)
Settlement of litigation	301,125	0	301,125
	528,150	484,047	44,103
	(526,905)	(483,796)	(43,109)

CASH FLOWS STATEMENTS

Operating

Operating activities, before net changes in non-cash working capital items and in advances from companies controlled by the president, generated a negative cash flow of $200,268 for the financial year ended June 30, 2007, compared to a negative cash flows of $483,796 for the same period in 2006.

Net change in non-cash working capital items and in advances from companies controlled by the president affecting operations is of ($75,706) in 2007 compared to $178,036 in 2006.

Financing

During the financial year ended June 30, 2006, Orex closed a financing of $300,000 ($270,000 net of commissions of $30,000) and issued shares for a debt settlement of $66,950, for the exercise of share purchase warrants for $421,200 and for the exercise of stock options for $170,850. During the financial year 2007, Orex completed financings of $1,025,000 ($896,435 net of $128,565 of commissions), and issued shares the for exercise of stock options for $48,900.

Investing

During the financial year ended June 30, 2007, cash and cash equivalents of $49,537 were invested in exploration expenses on the Goldboro property, compared to $277,441 made in exploration expenses for the same period in 2006.

Total cash and cash equivalents of $639,311 (funds to be expended in exploration for $750,000 less decrease in cash flows of $110,689) were generated during the financial year ended June 30, 2007, whereas operations for the year ended June 30, 2006 generated an increase of the cash of $25,499.

BALANCE SHEETS

The Company's total assets amounted to $8,001,792 as at June 30, 2007, compared to $7,381,497 as at June 30, 2006. This variation of $620,295 is attributable to the increase of $41,647 in mining deferred exploration expenses, to the decrease of $60,663 of accounts receivable and to the decrease of $110,689 in cash and cash equivalents and to the increase of $750,000 in funds to be expended in exploration. As at June 30, 2007, cash and cash equivalents amounted to $5,865 compared to $116,554 as at June 30, 2006.

Deferred exploration expenses went from $5,607,321 as at June 30, 2006 to $5,648,968 as at June 30, 2007, in reason of the $41,647 of exploration work realized in 2007.

Liabilities amounted to $1,058,598 as at June 30, 2007 compared to $901,732 as at June 30, 2006.

The increase in the shareholders' equity of $463,429 during the financial year 2007 is the result of the net proceeds of the private placements of $896,435, the increase of the contributed surplus of $44,999 and the exercise of stock options for $48,900, after deduction of the operating loss of $526,905.

For 2007, the increase of $44,999 in the contributed surplus is a follow:

Balance June 30, 2006		$ 227,710
Stock-based compensation with corresponding debit to the statement of earnings	$ 25,512	
Amount debited to the capital stock with respect to share issuance expenses following the grant of common shares stock purchase	42,887	
Amount credited to the capital stock on the exercise of stock options	(23,400)	44,999
Balance, June 30, 2007		$ 272,709

GOLDBORO PROJECT, FINANCING AND EXPLORATION

In January 2005 and February 2004, Orex has completed two private financings for an aggregate amount of $850,000, of which $500,000 for exploration work on the Goldboro project, Orex's only mining project. An additional amount of $422,562 was used during the end of the years 2006 and 2007 to complete the exploration program.

Exploration program - Financing				**June 30, 2007**
-	June 30, 2004	Private financing of common shares		$ 200,000
-	June 30, 2005	Private financing of common shares		300,000
-	June 30, 2006	Private financing of common shares	$ 200,000	
-	June 30, 2006 and 2007	Exercise of warrants and stock options	167,403	367,403
-	June 30, 2006 and 2007	Accounts payable and accrued liabilities charges		55,159
				$ 922,562
Exploration expenses incurred during the years ended				
-	June 30, 2004			$ 39,733
-	June 30, 2005			520,052
-	June 30, 2006			321,130
-	June 30, 2007			41,647
				$ 922,562

On June 19, 2007, Orex has completed a flow-through private financing of $750,000 that will allow the Company to initiate the Phase 2 exploration program on the Goldboro Property.

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.

The Phase 2 drill program 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

Stock-Based Compensation Plan and other stock-based payments *

Cash and cash equivalents *

* See note 2 of the Company's financial statements for the years ended June 30, 2007 and 2006.

SIGNIFICANT ANNUAL FINANCIAL DATA (Audited)

YEARS ENDED JUNE 30	2007	2006	2005
STATEMENTS OF EARNINGS ($)			
Interest	1,245	251	3,608
Net loss	(526,905)	(484,796)	(392,192)
Net loss per share on a diluted basis	(0.01)	(0.01)	(0.01)
BALANCE SHEET ($)			
Cash and cash equivalents	5,865	116,554	91,055
Funds to be expended in exploration	750,000	-	-
Total assets	8,001,792	7,381,497	6,999,967
Total long-term debt	865,771	766,260	688,453
Shareholders' equity	6,943,194	6,479,765	6,044,161
MINING EXPLORATION ($)			
Exploration expenses	41,647	321,130	520,052

QUARTERLY INFORMATION (Unaudited)

QUARTERS	2007 June	2007 March	2006 December	2006 September	2006 June	2006 March	2005 December	2005 September
STATEMENTS OF EARNINGS ($)								
Interest	726	88	178	253	56	42	90	63
Net loss	(385,138)	(41,083)	(57,510)	(43 174)	(50 916)	(275 505)	(108 831)	(48 544)
Net loss per share on a diluted basis	(0.0059)	(0.0006)	(0.0009)	(0.0007)	(0.0007)	(0.0045)	(0.0018)	(0.0007)
BALANCE SHEET ($)								
Cash and cash equivalents	5,865	17,169	17,282	22,815	116,554	212,473	43,934	125,666
Funds to be expended in exploration	750,000	-	-	-	-	-	-	-
Total assets	8,001,792	7,256,240	7,262,834	7,268,238	7,381,497	7,470,971	7,294,554	7,154,118
Total long-term debt	865,771	740,298	715,450	690,102	766,260	824,654	701,665	689,059
MINING EXPLORATION ($)								
Exploration expenses	4,515	3,562	8,776	24,793	26,114	(34,169)	198,155	131,031

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Long-Term Debt

The long-term debt comes from advances of companies controlled by the president of Orex, non-interest bearing and with no term of repayment.

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 research of financing fees of $0 (2006, $225,000), equipment rental expenses of $12,000 (2006, $8,500) and services and location of office and equipments of $96,000 (2006, $96,000) to companies controlled by the president of Orex Exploration Inc. The balance payable to these companies arising from those transactions is included under « Advances from related companies » in the current liabilities and to the « Long-term debt ». The Company also incurred fees as consultation in geology of $10,688 (2006, 0) to company controlled by a director. The balance payable to this company is included under « Advances from a company controlled by a director ».

The Company and his president received during the year an action in damages and interests of $262,500 plus interest and additional indemnity. Following this settlement, companies controlled by the president has transferred 2,200,000 shares of Orex Exploration Inc. to the other Party. The Company decided to assume a part of the settlement by accounting an overdue of $301,125 to companies controlled by the president in counterpart of 1,825,000 Orex Exploration Inc. shares at $0,165 per share.

Also, during the year, professional fees of $8,270 (2006, $17,500) have been incurred with the corporate secretary, a related person to the president of the Company. Balance payable arising from this transaction is included under « Accounts payable and accrued liabilities charges ».

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

As at June 30, 2007, Orex's share capital was of 69,714,447 common shares issued and outstanding. On June 30, 2006, Orex's share capital was of 63,850,165 common shares issued and outstanding.

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, 2007, 150,000 (2006, 735,000) common shares were issued on exercise of stock options. As at June 30, 2007, options to purchase 3,110,000 (2006, 3,310,000) common shares are outstanding under the stock option plan.

In relation with private placements, the Company also issued an option to purchase 428,570 units (2006, 0) at the price of $0,175 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 $0.30 per share up to June 19, 2008 and at $0.40 per share up to June 19, 2009.

During the year, the Company issued 4,285,172 share purchase warrants at an exercise price of $0.30 up to June 19, 2008 and at $0.40 per share up to June 19, 2009, as part of private placements. Each warrant entitles the holder to one common share of the Company.

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 2007 EXERCISE
1. Closing of a $750 000 private financing.
2. Complete current exploration program - Phase 1 on the Goldboro property.
3. New estimation of resources at Goldboro and filing the NI43-101 Technical Report of P&E Mining Consultant Inc.

GOALS FOR 2008
4. Phase 2 drilling program 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 an eventually conduct to a feasibility study.

Additional Information and Continuous Disclosure

This MD&A has been prepared as of October 19, 2007. 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) Jacques Levesque

Jacques Levesque
Président