

Management Discussion And Analysis
Year ended June 30, 2008

October 28, 2008

Report on Exploration - Goldboro Property

On October 8, 2008, Orex Exploration Inc. («Orex» or «the Company») provided by press release the latest developments on the Goldboro property:

Goldboro drilling provides additional positive results: Ramp Area Gold zones extended for over 500m strike length and 200m vertical depth

Orex provided its shareholders with additional gold assay results from the Phase 2A diamond drilling program (Holes BR08-12 to 15, inclusive) on the Company's wholly-owned Goldboro Gold Project ("Goldboro") in north eastern Nova Scotia. All 16 holes (BR08-01 to 16), comprising approximately 4,650 m of the Phase 2A drill program, have been completed with assays pending on hole BR08-16. Selected higher grade assay results received for holes BR08-12 to 15* are tabulated as follows:

HOLE #	FROM (m)	TO (m)	CORE LENGTH (m)	GOLD GRADE (g/t)	ZONE IDENTIFICATION
BR08-12	172.0	204.0	32.0	1.25	"123" Zone, North Limb/Hinge
including	177.0	178.5	1.5	3.72	
including	177.5	178.0	0.5	8.40	
and	185.0	194.0	9.0	2.23	
including	185.5	189.0	3.5	4.44	
including	185.5	186.0	0.5	11.30	
and	199.5	204.0	4.5	2.01	
	218.5	220.5	2.0	2.46	"4" Zone, North Limb
	226.0	235.5	9.5	0.74	
	243.0	249.0	6.0	1.41	"123" Zone, South Limb
	254.5	255.0	0.5	40.80	
	277.5	277.75	0.25	19.70	"A" Vein, South Limb
BR08-13	186.5	218.5	32.0	1.21	"123" Zone, North Limb/Hinge
including	187.5	190.5	3.0	4.23	
including	187.5	188.0	0.5	11.75	
and	204.0	205.5	1.5	4.99	
and	215.5	216.0	0.5	8.71	
	230.5	237.75	7.25	2.23	"56" Zone, North Limb
including	235.5	237.75	2.25	5.80	
including	236.5	237.0	0.5	14.50	
	288.5	297.5	9.0	1.61	"56" Zone, 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	231.5	234.0	2.5	5.55	
including	232.0	232.5	0.5	10.15	
and	233.0	233.5	0.5	9.28	
and	247.5	250.0	2.5	21.82	
including	249.7	250.0	0.3	167.50	
	267.5	270.0	2.5	1.52	"A" Vein, South Limb
BR08-15	224.0	227.5	3.5	4.49	"123" Zone, North Limb
including	224.0	224.5	0.5	23.05	
	262.5	267.0	4.5	1.79	"56" Zone, North Limb
including	263.5	264.5	1.0	4.73	
	277.0	283.5	6.5	0.57	"56" Zone, South Limb

* Assay and QA/QC protocols are outlined below. Assay results reported in this news release are current for samples processed and assayed by the laboratory. Logging and sampling has been completed for BR08-16, and the assay results are pending.

Mark Billings, President and CEO of Orex, commented, "These results continue to demonstrate good gold grades over widths of up to 40m. With these encouraging results, and the first indications of completed drill holes from Phases 2B and 2C of our drilling campaign, I am looking forward to providing shareholders with an updated resource estimate in the coming months."

The 2008 Goldboro drilling campaign

The recently completed **Phase 2A** drill program *doubled* the strike length of the gold mineralization a further 225m between the Goldboro Ramp Resources eastward towards the Boston-Richardson Mine, outside the current limits of the defined NI 43-101 Mineral Resources (the "Resources") in the Goldboro Ramp Area (3,105,000 tonnes grading 2.36 g/t gold in the Measured and Indicated Resources categories). The campaign targeted the down-plunge extensions to the "123", "4", "56" and other zones of gold mineralization as they plunge shallowly to the east beneath the historic Boston-Richardson Mine at vertical depths ranging from -75m to -200m.

In addition to the assay results recently received from the Phase 2A program, logging and sampling of hole BR08-16 has been completed. Hole BR08-16 was drilled near the ramp collar on an easterly azimuth at -45 degree dip and designed to intersect the "123" hinge zone and continue along its shallow plunge to the east. The hole intersected the "123" hinge zone at a down-hole depth of 155m and deviated along the south limb to a depth of 300m before exiting the zone. Abundant quartz and sulphides are logged throughout the intersection and visible gold noted in an occurrence at 244m.

The **Phase 2B** drill program continues with 8 of 16 planned drill holes completed to-date with sampling/assays pending. The Phase 2B drill program will cover a 350m strike length extending from the historic Boston-Richardson Mine eastward towards the historic East Gold Brook Shaft. Drilling is targeting the down-plunge hinge of the historic Boston-Richardson Zone as well as other zones *above* the Boston-Richardson that plunge similarly eastwards towards East Gold Brook. Historic drill intersections in this area suggest the presence of similar "Slate Belt" zones stratigraphically above the Boston-Richardson that may correlate and form continuous zones with the East Gold Brook slate belts.

Holes BR08-17 and 18, the first two most westerly drill holes of the Phase 2B program tested the Boston-Richardson and other slate belts stratigraphically above as they plunge eastward from the Boston Richardson Shaft towards the East Gold Brook Shaft. Hole BR08-17 intersected multiple 5m to 20m wide quartz and sulphide mineralized zones all stratigraphically above the Boston-Richardson Zone and included three separate occurrences of visible gold at downhole depths of 96m, 148m and 164m. Hole BR08-18 located 50m east of hole BR08-17 similarly intersected multiple wide quartz and sulphide mineralized zones above the Boston-Richardson Zone and also included an occurrence of visible gold at a down-hole depth of 124m.

The **Phase 2C** drill program is progressing rapidly with a second drill having completed 8 of 13 planned drill holes with sampling/assays pending. The Phase 2C drill program will cover a 150m strike length extending from the Goldboro Ramp area *westward* towards the historic West Gold Brook Shaft. The program is designed to investigate gold potential of the deeper 5-6, 7-8 and 9-10 gold zones as they trend up-plunge just west of the ramp area. These holes will in-fill and potentially add to existing resources in the Ramp area. In addition, Phase 2C will include two step-out holes to the south intended to explore for new gold zones as well as the possible fault displacement of the Boston-Richardson Antiform Structure.

In 2008 and 2009, the Company plans to drill the Boston-Richardson Antiform Structure over its entire 2.5km length in successive drill programs (from Phases 2A to 2E) totaling 21,034m in 79 drill holes to define the ultimate gold potential of the property. Drilling of the 44 holes in Phases 2A, 2B and 2C is expected to be completed by late November with assay results available by year end/early 2009. The work will also include updating the geological and resource model, and producing an updated Mineral Resource estimate in early 2009.

Assay Protocols

Sample preparation and assaying are being performed by the *ALS Laboratories Group* facility in Vancouver, British-Columbia, using the Fire-Assay Method with Atomic Absorption Spectrometry Finish. The NQ-sized drill core is being logged, sampled, bagged, tagged and sealed at the Goldboro site by qualified personnel. Samples were inserted in numbered pails and shipped to the laboratory in Vancouver by commercial trucking. Sample pails were opened at the laboratory; sample bags were checked, contents dried and weighed; crushed to -10 mesh (2mm), followed by pulverizing a 250 gram sample fraction to -150 mesh size (0.125mm), from which a 50 gram sample of the pulp was fire assayed. Pulp duplicate check assays are completed in each batch of samples fire assayed and metallic screen assays for samples containing Visible Gold are included in the initial assay protocols. Field blank and certified reference standards are also routinely included to monitor the laboratories' performance.

After review of initial assay results and reconciliation with the logged zones of mineralization, specific samples are being identified for re-assaying. A portion of the samples are to be re-processed / assayed by total metallic screen methods, while other samples will have a second pulp prepared from the coarse reject and re-assayed by fire assay. Multiple assay determinations provide a more accurate determination of gold content in the samples.

The information contained in this news release has been prepared by Mr. Jean Lafleur, M. Sc., P. Geo., Director and Technical Advisor at Orex. The drill campaign, core descriptions and assay sample preparations 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

(Year ended June 30, 2008)

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, 2008 to those of the previous year. This MD&A, prepared as of October 28, 2008 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, 2007, 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,	2008	2007
STATEMENTS OF OPERATION AND CASH FLOWS (\$)		
Interest	52,116	1,245
Administrative expenses	(1,012,426)	(528,150)
Net loss before income taxes	(960,310)	(526,905)
Future income taxes	710,000	-
Net loss	(250,310)	(526,905)
Net loss per share on a diluted basis	(0.003)	(0.01)
BALANCE SHEET (\$)		
Cash and cash equivalents	123,598	5,865
Funds to be expended in exploration	1,537,869	750,000
Total assets	9,755,363	8,001,792
Total long-term debt	-	865,771
Shareholders' equity	9,577,398	6,943,194

For the year ended June 30, 2008, Orex presents a net loss of \$250,310 or (\$0.003) per share compared to a net loss of \$526,905 or (\$0.01) per share for the same period in 2007.

The general administrative expenses for the financial year ended June 30, 2008, totaled \$1,012,426 compared to \$528,150 for the same period in 2007.

The following table presents the variation of the administrative expenses for the periods ended June 30, 2007 and June 30, 2008.

	June 30, 2008 (\$)	June 30, 2007 (\$)	Variation (\$)
Interest income	52,116	1,245	50,871
ADMINISTRATIVE EXPENSES			
General administrative expenses	82,738	39,520	43,218
Stock-based compensation	475,397	25,512	449,885
Professional fees	330,786	129,571	201,215
Information to shareholders	107,744	15,986	91,758
Listing and registration fees	29,706	16,436	13,270
Gain on cancellation of accounts payables	(18,945)	0	(18,945)
Settlement of litigation	0	301,125	(301,125)
Non-realized loss on investment	5,000	0	5,000
	<u>1,012,426</u>	<u>528,150</u>	<u>484,276</u>
Loss before income taxes	(960,310)	(526,905)	(433,405)
Future income taxes	710,000	0	710,000
Net loss	<u>(250,310)</u>	<u>(526,905)</u>	<u>276,595</u>

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 (\$200,268) for the same period in 2007.

Net change in non-cash working capital items is of (\$54,322) in 2008 compared to \$98,589 in 2007.

Financing

During the financial year 2007, Orex completed financings of \$1,025,000 (\$896,435 net of \$128,565 of commissions), and issued shares for the exercise of stock options for \$48,900.

During the financial year 2008, Orex completed financings of \$2,539,280 (\$1,252,700 net of \$1,286,580 of commissions) and issued shares for the exercise of stock options for \$388,560 and issued shares for a debt settlement for an amount of \$580,646.

	June 30, 2008 \$	June 30, 2007 \$
Common share private placements	907,500	200,000
Flow through shares private placements	1,546,780	750,000
Common shares issued as fees	85,000	75,000
	<u>2,539,280</u>	<u>1,025,000</u>
Issuing fees		
– Fair value of the warrants	291,564	-
– Commissions	191,928	117,887
– Issuing fees	43,131	10,678
– Future income taxes	710,000	-
– Intermediaries warrants	242	-
– Stock options to intermediaries	49,715	-
	<u>(1,286,580)</u>	<u>(128,565)</u>
	1,252,700	896,435
Exercise of stock options	388,560	48,900
Debt settlement	580,646	-
	<u>2,221,906</u>	<u>945,335</u>

Investing

During the financial year ended June 30, 2008, cash and cash equivalents of \$634,583 were invested in exploration expenses on the Goldboro property, compared to \$49,537 made in exploration expenses for the same period in 2007.

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, 2007 generated a decrease of cash of (\$110,689).

Long term debt

The long term debt amounted to \$0 as at June 30, 2008 compared to \$861,771 as at June 30, 2007. On February 11, 2008, the Company concluded an agreement with 2541-8203 Quebec 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.

BALANCE SHEETS

The Company's total assets amounted to \$9,755,363 as at June 30, 2008, compared to \$8,001,792 as at June 30, 2007. This variation is attributable to the increase of

- \$758,161 in mining deferred exploration expenses,
- \$787,869 in funds reserved for exploration,
- \$117,733 in cash and cash equivalents,
- \$72,088 in sales tax receivable,
- \$11,855 in mining properties
- \$7,750 in marketable securities, and
- \$115 in term deposit

As at June 30, 2008, cash and cash equivalents amounted to \$123,595 compared to \$5,865 as at June 30, 2007.

Deferred exploration expenses went from \$5,648,968 as at June 30, 2007 to \$6,407,129 as at June 30, 2008, in reason of the \$758,165 of exploration work realized in 2008.

Liabilities amounted to \$177,965 as at June 30, 2008 compared to \$1,058,598 as at June 30, 2007.

The increase in the shareholders' equity of \$2,634,204 during the financial year 2008 is the result of the net proceeds of the private placements of \$1,272,700, the increase of the contributed surplus of \$634,358, the exercise of stock options for \$388,560, a shares-for-debt settlement of 580,646, a modification in the accountant practices of \$10,750, a deduction of the operating loss of \$250,310 and a deduction of a subscription receivable of \$32,500.

For 2008, the increase of \$684,358 in the contributed surplus is as follow:

Balance June 30, 2007		\$	272,709
Stock-based compensation with corresponding debit to the statement of earnings	\$	475,397	
Amount debited to the capital stock with respect to share issuance expenses following the grant of warrants to intermediaries		242	
Amount debited to the capital stock with respect to share issuance expenses following the grant of options on units to intermediaries		49,715	
Warrants issued with common shares		291,564	
Amount credited to the capital stock on the exercise of stock options		(132,560)	684,358
Balance, June 30, 2008			<u>\$ 957,067</u>

GOLDBORO PROJECT, FINANCING AND EXPLORATION

Orex has completed flow-through private financings of \$2,296,780 that will allow the Company to initiate the Phase 2 exploration program on the Goldboro Property.

Exploration program - Completed financings	June 30, 2008		
- 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
Funds reserved for exploration			<u>\$ 1,537,869</u>

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 is presently conducting Phase 2 of its drilling program on Goldboro. 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

* See note 5 of the Company's 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	9,755,363	8,001,792	7,381,497
Total long-term debt	-	865,771	766,260
Shareholders' equity	9,577,398	6,943,194	6,479,765
MINING EXPLORATION (\$)			
Exploration expenses	758,161	41,647	321,130

QUARTERLY INFORMATION (Unaudited)

QUARTERS	2008 June	2008 March	2007 December	2007 September	2007 June	2007 March	2006 December	2006 September
STATEMENTS OF EARNINGS (\$)								
Interest	13,244	20,657	10,273	7,972	726	88	178	253
Net loss before income taxes	(198,411)	(528,349)	(178,201)	(36,404)	(385,138)	(41,083)	(57,510)	(43,174)
Future income taxes	710,000	-	-	-	-	-	-	-
Net (loss) gain	511,589	(528,349)	(178,201)	(36,404)	(385,138)	(41,083)	(51,510)	(43,174)
Net loss per share on a diluted basis	0.0062	(0.0073)	(0.0030)	(0.0005)	(0.0059)	(0.0006)	(0.0009)	(0.0007)
BALANCE SHEET (\$)								
Cash and cash equivalents	123,598	452,320	18,535	(12,848)	5,865	17,169	17,282	22,815
Funds to be expended in exploration	1,537,869	1,965,869	2,251,412	742,200	750,000	-	-	-
Total assets	9,755,363	10,157,532	9,577,298	7,981,373	8,001,792	7,256,240	7,262,834	7,268,238
Total long-term debt	-	580,646	698,652	893,119	865,771	740,298	715,450	690,102
MINING EXPLORATION (\$)								
Exploration expenses	428,000	285,543	37,568	7,050	4,515	3,562	8,776	24,793

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Long-Term Debt

The long-term debt was settled by a shares-for-debt 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 financial year, the Company paid equipment rental expenses of \$12,000 (2007, \$12,000), professional fees of \$90,000 (2007, \$0), shares issuing fees of \$12,500 (2007, \$0) and services and location of office and equipment of \$96,000 (2007, \$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 \$53,468 (2007, 0) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$42,000 (2007, \$10,688) to a company controlled by a director.

During 2007, the Company and its former president received an action in damages and interest of \$262,500 plus interest and additional indemnity. Following this settlement, companies controlled by the president, who is a significant shareholder, 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 amount 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 \$16,000 (2007, \$8,270) have been incurred with the corporate secretary, a related person to a significant shareholder. Balance payable arising from this transaction is included under « Accounts payable and accrued liabilities charges ».

As at June 30, 2008, accounts payable and accrued liabilities include an amount payable to a related company for an amount of \$2,093.

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, 2008, Orex's share capital was of 99,708,062 common shares issued and outstanding. On June 30, 2007, Orex's share capital was of 69,714,447 common shares issued and outstanding.

Stock Option Plan

On February 19, 2008, the Board of Directors of the Company adopted a new stock option plan (the "2008 Plan") aiming, amongst other things, to comply with the applicable policies of TSX Venture Exchange for Tier 2 issuers. The 2008 Plan was approved by the majority of the shareholders at the Annual and Special Shareholders' Meeting held on March 31, 2008. The 2008 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 2008 Plan is 8,000,000.

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,

2008, 2,560,000 (2007, 150,000) common shares were issued on exercise of stock options. As at June 30, 2008, options to purchase 6,100,000 (2007, 3,110,000) common shares are outstanding under the stock option plan.

Summary of the status of the Company's stock option plan as of June 30, 2008 and 2007 and changes during those periods:

	June 30, 2008		June 30, 2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	3,538,570	\$0.11	3,310,000	\$0.11
Exercised	(2,560,000)	0.10	(150,000)	0.17
Granted :				
- to directors	3,200,000	0.15	200,000	0.15
- to consultants	2,350,000	0.14	-	-
- to intermediaries	-	-	428,570	0.175
Expired	-	-	(250,000)	0.17
Options outstanding, end of the period	6,528,570	\$0.14	3,538,570	\$0.11

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	Units Price Note (1)	Exercise Price Year 1 Note (2)	Exercise Price Year 2 Note (3)	Maturity
Balance as at June 30, 2007	0				
	653,846	November 28, 2007	\$0.13	\$0.20	November 28, 2009
	153,846	December 21, 2007	\$0.13	\$0.20	December 21, 2009
Balance as at June 30, 2008	807,692				

Warrants

During the year, the Company issued 16,817,944 share purchase warrants (2007, 4,285,172) 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	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
	4,203,522	December 31, 2007	\$0.20	\$0.40	December 31, 2009
	1,950,000	February 11, 2008	\$0.15	N/A	February 11, 2009
	2,587,500	March 10, 2008	\$0.15	N/A	March 10, 2009
Balance as at June 30, 2008	21,103,656				

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 2008 EXERCISE
<ol style="list-style-type: none">1. Closing of \$2,539,280 private financings.2. Initiate 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">4. New estimation of resources at Goldboro and filing the NI43-101 Technical Report.5. 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.6. 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 28, 2008. 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