

**Management Discussion And Analysis**  
For the nine-month period ended March 31, 2009

*May 28, 2009*

# Report on Exploration - Goldboro Property

## Updated Mineral Resources Estimate in conformity with National Instrument (NI) 43-101

Orex has completed Phases 2A to 2C of its current drilling campaign and engaged InnovExplo Inc. of Val-d'Or, Quebec, to complete a National Instrument (NI) 43-101 Technical Report updating mineral resource estimates for the Goldboro Project. InnovExplo and Orex management completed a site visit at Goldboro on April 23, 2009, as part of the due diligence process.

As part of the quality assurance and quality control processes, a total of 1,249 Coarse Reject check assays and 149 Metallic Screen check assays are pending from the 2008 drill campaign (Phases 2A to 2C). Assay results are expected in the coming days. This data will be incorporated into the final resource models and resource estimates.

A total of 36 of the 44 holes drilled in Phases 2A to 2C of this current campaign are documented to contain visible gold (VG), with 84 occurrences and another 8 possible occurrences. The overall grade of the VG samples using the Metallic Screen assay method is 44.2 g/t gold.

Alex Horvath, P. Eng., of A.S. Horvath Engineering Inc. of Ottawa, Ontario, Goldboro's Project Manager, added, "The 2005 and 2008 drilling campaigns were designed to establish the mineral resources under NI 43-101 standards. The drilling covered 1km of the 1.5km strike length of the historic pre-NI 43-101 mineral resources along the West Gold Brook to East Gold Brook segments of the Boston-Richardson corridor. InnovExplo will be reporting current mineral resource estimates for the 1km strike length. The planned Phase 2D program would bring the entire 1.5km strike length under NI 43-101 standards with respect to mineral resources."

The 123 Zone, based of the Phase 2A drilling, now extends three times the down-plunge length, initially from 225m in the Ramp Area to 750+m from the Ramp Area to below the Boston-Richardson historic workings. The Phase 2B drilling has outlined new mineralized zones above the Boston-Richardson (BR) Zone as it extends to the East Gold Brook area. The drilling density appears sufficient to define a series of zones above the BR Zone over a down-plunge length of 500m to a depth of 200m below surface. The Phase 2C results identified mineralization 150m to 200m below surface at the western extent of the Ramp Area. All of this new drilling will potentially impact the InnovExplo mineral resource estimates.

*The technical information contained in this report has been prepared by Mr. Jean Lafleur, M. Sc., P. Geo., Senior Technical Advisor to Orex. The drill campaigns, core descriptions, assay sample preparations, tabulations and synthesis 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

Quarter – Nine month period ended March 31, 2009

This 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 period ended March 31, 2009 to those of the comparative period in 2008. This MD&A, prepared as of May 28, 2009, is intended to complement and supplement our interim financial statements for the nine-month period ended March 31, 2009. It should be read in conjunction with the MD&A for the year ended June 30, 2008, our audited annual financial statements and notes thereto, together with our interim financial statements and notes thereto for the nine-month period ended March 31, 2008. Our financial statements and this MD&A are intended to provide investors with reasonable basis for assessing our result of operations 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

NINE-MONTH PERIODS ENDED MARCH 31, (NON AUDITED)	2009	2008
<b>STATEMENTS OF OPERATION AND CASH FLOWS (\$)</b>		
Interest	12,051	38,872
Administrative expenses	(556,000)	(800,771)
Income tax	(57,316)	-
Net loss	(601,265)	(742,954)
Net loss per share on a diluted basis	(0.0058)	(0.0099)
<b>BALANCE SHEET (\$)</b>	March 31, 2009 Non Audited	June 30, 2008 Audited
Cash and cash equivalents	150,001	123,598
Funds to be expended in exploration	326,443	1,537,869
Total assets	10,330,399	9,787,863
Shareholders' equity	10,227,089	9,609,898

For the nine-month period ended March 31, 2009, Orex incurred a net loss of \$601,265 or \$0.0058 per share compared to a net loss of \$742,954 or \$0.0099 per share for the same period ended in 2008.

Administrative expenses and income taxes decreased from \$800,771 for the nine-month period ended March 31, 2008, to \$613,316 for the same period ended in 2009. The decrease of \$187,455 is related to variations in the following accounts:

	March 31, 2008 (\$)	March 31, 2009 (\$)	Variation (\$)
Interest	38,872	12,051	(26,821)
Gain on cancellation of accounts payable	18,945	-	(18,945)
	57,817	12,051	(45,766)
<b>ADMINISTRATIVE EXPENSES</b>			
General administrative expenses	47,247	138,846	91,599
Stock-based compensation	433,570	24,412	(409,158)
Professional fees	232,398	288,840	56,442
Information to shareholders	65,750	82,805	17,055
Listing and registration fees	21,806	21,097	(709)
Income taxes on flow-through financings	-	57,316	57,316
	800,771	613,316	(187,455)
Net Loss	(742,954)	(601,265)	160,634

## CASH FLOWS STATEMENTS

### *Operating*

Operating activities, before net changes in non-cash working capital items, generated negative cash flows of (\$576,853) for the nine-month period ended March 31, 2009, compared to negative cash flows of (\$688,786) for the same period ended in 2008.

Net changes in non-cash working capital items affecting operations were (\$44,583) for the nine-month period ended March 31, 2009 compared to \$371,781 for the same period ended in 2008.

### *Financing*

During the nine-month period ended March 31, 2008, Orex issued \$388,560 in common shares following the exercise of share purchase options and issued \$2,539,280 in common shares under private placements and paid \$303,177 in commissions, intermediation fees and issue expenses. For the same period ended March 31, 2009, Orex issued \$1,342,200 in common shares under private placements and paid \$253,214 in commissions, intermediation fees and issue expenses.

### *Investing*

During the nine-month period ended March 31, 2009, cash and cash equivalents of \$1,767,462 were invested in exploration expenses on the Goldboro property, compared to \$330,161 for the same period in 2008.

### *Cash*

Total cash and cash equivalents of \$26,403 were generated during the nine-month period ended March 31, 2009, whereas operations for the same period in 2008 generated an increase of cash and cash equivalents of \$445,705.

## BALANCE SHEETS

### *Asset*

The Company's total assets amounted to \$10,330,399 as at March 31, 2009, compared to \$9,787,863 as at June 30, 2008. This variation is attributable to:

- the increase of \$1,767,462 in mining deferred exploration expenses,
- the reduction of (\$1,211,426) in funds reserved for exploration,
- the increase of \$26,403 in cash and cash equivalents,
- the reduction of (\$7,330) in sales tax receivable;
- the reduction of (\$73) in term deposit;
- the reduction of (\$32,500) in the receivable subscriptions.

### *Cash and cash equivalents*

As at June 30, 2008, cash and cash equivalents amounted to \$123,598 compared to \$150,001 as at March 31, 2009.

### *Deferred exploration expenses*

Deferred exploration expenses went from \$6,407,029 as at June 30, 2008 to \$8,174,591 as at March 31, 2009 as a result of the exploration work realized on the Goldboro Property.

### *Liabilities*

Liabilities amounted to \$103,310 as at March 31, 2009 compared to \$177,965 as at June 30, 2008.



Orex is presently completing Phase 2 of its drilling program on Goldboro. The Phase 2 drill program will in part validate the metallurgical test work, with the objective of delineating higher grade gold resources in the 1 kilometre long Boston-Richardson corridor. Orex engaged InnovExplo Inc. to complete a National Instrument (NI) 43-101 Technical Report updating the mineral resource estimates for the Goldboro Project.

## ACCOUNTING POLICIES

\* See note 5 of the Company's audited financial statements for the years ended June 30, 2008 and 2007.

## SIGNIFICANT ANNUAL FINANCIAL DATA (Audited)

YEARS ENDED JUNE 30	2008	2007	2006
<b>STATEMENTS OF EARNINGS (\$)</b>			
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)
<b>BALANCE SHEET (\$)</b>			
Cash and cash equivalents	123,598	5,865	116,554
Funds to be expended in exploration	1,537,869	750,000	-
Total assets	9,787,863	8,001,792	7,381,497
Total long-term debt	-	865,771	766,260
Shareholders' equity	9,609,898	6,943,194	6,479,765
<b>MINING EXPLORATION (\$)</b>			
Exploration expenses	758,161	41,647	321,130

## QUARTERLY INFORMATION (Unaudited)

QUARTERS	2009 March	2008 December	2008 September	2008 June	2008 March	2007 December	2007 September	2007 June
<b>STATEMENTS OF EARNINGS (\$)</b>								
Interest	651	2,924	8,476	13,244	20,657	10,273	7,972	726
Net loss before income taxes	(194,490)	(199,315)	(150,144)	(198,411)	(528,349)	(178,201)	(36,404)	(385,138)
Txes	-	(57,316)	-	710,000	-	-	-	-
Net (loss) gain	(194,490)	(256,631)	(150,144)	511,589	(528,349)	(178,201)	(36,404)	(385,138)
(Net loss) gain, per share on a diluted basis	(0.0019)	(0.0025)	(0.0015)	0.0062	(0.0073)	(0.0030)	(0.0005)	(0.0059)
<b>BALANCE SHEET (\$)</b>								
Cash and cash equivalents	150,001	(102,444)	(67,693)	123,598	452,320	18,535	(12,848)	5,865
Funds to be expended in exploration	326,443	547,500	1,214,823	1,537,869	1,965,869	2,251,412	742,200	750,000
Total assets	10,330,399	10,523,934	9,584,366	9,787,863	10,157,532	9,577,298	7,981,373	8,001,792
Total long-term debt	-	-	-	-	580,646	698,652	893,119	865,771
<b>MINING EXPLORATION (\$)</b>								
Exploration expenses	221,057	1,222,609	323,796	428,000	285,543	37,568	7,050	4,515

## INFORMATION ON OUTSTANDING SECURITIES

### Capital-Stock

As at March 31, 2009, Orex's share capital consisted of 120,253,062, (2008, 93,901,599) 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	- Décembre 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	
		Exercise of stock purchase options			
	2,560,000	- November 14, 2007			
March 31, 2008	93,901,599			120,253,062	March 31, 2009

### Stock Purchase Options

The Company has a stock option plan for its directors, officers, employees and consultants. A maximum of 9,900,000 common shares may be issued pursuant to that stock option plan. As at March 31, 2009, options to purchase 6,100,000 common shares were issued and outstanding. During the nine-month period ended March 31, 2009, no option to purchase shares was exercised (2008, 2,560,000).

Balance as at	Number of options	Weighted average exercise price		Number of options	Weighted average exercise price	Balance as at
June 30, 2007	3,110,000	\$0.11		5,600,000	\$0.142	June 30, 2008
	(2,560,000)	0.10	Exercised	-	-	
			Granted:			
	3,200,000	0.145	- to directors and officers	350,000	0.10	
	1,850,000	0.138	- to intermediaries	600,000	0.142	
		-	Expired	(450,000)	0.117	
March 31, 2008	5,600,000	0.142		6,100,000	\$0.141	March 31, 2009

### Options to purchase Units

The Company granted options to purchase units at a 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. As at March 31, 2009, the options to purchase units consisted of 1,796,263 comparatively to 1,236,263 as at March 31, 2008.

		Issued	Units Price Note (1)	Exercise Price Year 1 Note (2)	Exercise Price Year 2 Note (3)	Maturity
Balance as at June 30, 2007	428,571	June 19, 2007	\$0,175	\$0,30	\$0,40	June 19, 2009
	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 March 31, 2008	1,236,263					
	560,000	December 30, 2008	\$0,075	\$0,10	\$0,15	December 30, 2010
Balance as at March 31, 2009	1,796,263					

### Warrants

For the nine month period ended March 31, 2009, the Company issued 20,999,500 share purchase warrants (2008, 16,817,944) at various exercise prices and maturing dates, 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	N/A	June 19, 2009
	6,538,461	November 28, 2007	\$0.20	\$0.40	N/A	November 28, 2009
	1,538,461	December 21, 2007	\$0.20	\$0.40	N/A	December 21, 2009
	4,203,522	December 31, 2007	\$0.20	\$0.40	N/A	December 31, 2009
	1,950,000	February 11, 2008	\$0.15	\$0.15	N/A	February 11, 2010
	2,587,500	March 10, 2008	\$0.15	\$0.15	N/A	March 10, 2010
Balance as at March 31, 2008	21,103,656					
	7,415,000	December 30, 2008	\$0.10	\$0.15	N/A	December 30, 2010
	13,584,500	February 25, 2009	\$0.10	\$0.10	\$0.10	February 25, 2012
Balance as at March 31, 2009	42,103,156					

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

### Long-Term Debt

The long-term debt of the Company was settled by a shares-for-debt exchange at \$0.10 per share 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 nine month period ending March 31, 2009, the Company paid equipment rental expenses of \$9,000 (2008, \$9,000), professional fees of \$90,000 (2008, \$90,000) and services and rental of office and equipment of \$72,000 (2008, \$72,000) 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 nine month period ended March 31, 2009, the Company incurred management fees of \$69,000 (2008, \$33,403) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$6,544 (2008, \$35,750) to a company controlled by a former director.

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.

## **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.

<b>ACCOMPLISHMENTS DURING 2008</b>
<ol style="list-style-type: none"><li>1. Closing of \$2,539,280 private financings.</li><li>2. Initiation of the Phase 2 exploration program on the Goldboro property.</li><li>3. Phase 2 drilling program in order to validate the metallurgical test work and to delineate higher grade gold resources in the 1 kilometre long Boston-Richardson corridor.</li></ol>



<b>GOALS FOR 2009</b>
<ol style="list-style-type: none"><li>1. New estimation of resources at Goldboro and filing of a NI43-101 Technical Report.</li><li>2. Put in place a financing to begin an exploration program covering the entire property and eventually conduct a feasibility study.</li></ol>



### *Additional Information and Continuous Disclosure*

This MD&A has been prepared as of May 28, 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](http://www.sedar.com)).

*(S) Mark Billings*

Mark Billings  
President