



UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED  
SEPTEMBER 30, 2008

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, 2008 and the statements of Deferred Exploration Expenditures, Earnings and Deficit and Cash Flows for the three-month period ended September 30, 2008. An accounting firm has not reviewed or audited these interim financial statements.

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**CORPORATE INFORMATION**

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***Listings***

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

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**Balance Sheets**

	September 30, 2008 (Unaudited) \$	June 30, 2008 (Audited) \$
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	(67,693)	123,598
Marketable securities	9,000	9,000
Receivable	72,551	84,797
Term deposit	5,155	5,115
Subscription receivable	32,500	32,500
	<u>51,513</u>	<u>255,010</u>
Funds reserved for exploration	1,214,073	1,537,869
Mining property - Goldboro	1,587,855	1,587,855
Deferred exploration expenditures - Goldboro	6,730,925	6,407,129
	<u>9,584,366</u>	<u>9,787,863</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges	122,253	175,871
Advances from director, non-interest bearing	2,359	2,094
	<u>124,612</u>	<u>177,965</u>
<b>LONG-TERM DEBT</b>	<u>0</u>	<u>0</u>
	<u>124,612</u>	<u>177,965</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock		
Issued and paid		
99,708,062 common shares		12,839,323
99,708,062 common shares	12,839,323	
Contributed surplus	957,067	957,067
Deficit	(4,336,636)	(4,186,492)
	<u>9,459,754</u>	<u>9,609,898</u>
	<u>9,584,366</u>	<u>9,787,863</u>

Three-month Periods ended September 30 2008		Three-month Periods ended September 30 2007	
\$	\$	\$	\$

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

EXPLORATION EXPENDITURES				
Analysis	118,386	0	118,386	0
Consultants and subcontractors	6,000	750	6,000	750
Drilling	195,796	0	195,796	0
Equipment rental	3,615	5,700	3,615	5,700
Travelling expenses	0	600	0	600
INCREASE IN DEFERRED EXPENDITURES	323,797	7,050	323,797	7,050
BALANCE, BEGINNING	6,407,129	5,648,968	6,407,129	5,648,968
BALANCE, ENDING	6,730,926	5,656,018	6,730,926	5,656,018

Three-month Periods ended September 30 2008		Three-month Periods ended September 30 2007	
\$	\$	\$	\$

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

REVENUES				
Interest	8,476	7,942	8,476	7,942
	8,476	7,942	8,476	7,942
ADMINISTRATIVE EXPENSES				
General administrative expenses	51,993	8,141	51,993	8,141
Professional fees	85,000	34,000	85,000	34,000
Information to shareholders	19,500	105	19,500	105
Listing and registration fees	2,127	2,100	2,127	2,100
	158,620	44,346	158,620	44,346
NET LOSS	(150,144)	(36,404)	(150,144)	(36,404)
DEFICIT, BEGINNING	(4,186,492)	(3,956,932)	(4,186,492)	(3,956,932)
DEFICIT, ENDING	(4,336,636)	(3,993,336)	(4,336,636)	(3,993,336)
BASIS AND DILUTED LOSS PER SHARE	(0,0015)	(0,0005)	(0,0015)	(0,0005)

	Three-month Periods ended September 30		Three-month Periods ended September 30	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>CASH FLOW STATEMENTS</b>				
<i>(unaudited)</i>				
CASH FLOWS FROM:				
OPERATING ACTIVITIES				
Net loss	(150,144)	(36,404)	(150,144)	(36,404)
Adjustments for:				
Net change in non-cash working capital items affecting operations	(41,372)	(18,004)	(41,371)	(18,004)
CASH FLOWS FROM OPERATING ACTIVITIES	(191,516)	(54,408)	(191,515)	(54,408)
FINANCING ACTIVITIES				
Advances from director	0	5,033	0	5,033
Advances from related company controlled by the president	0	3,418	0	3,418
Advances from related company controlled by a director	265	(854)	265	(854)
Repayment of the long-term debt	0	27,348	0	27,348
CASH FLOWS FROM FINANCING ACTIVITIES	265	34,945	265	34,945
INVESTING ACTIVITIES				
Term Deposit	(40)	0	(40)	0
Funds reserved for exploration	323,796	7,050	309,465	7,050
Deferred exploration expenditures	(323,796)	(7,050)	(323,797)	(7,050)
CASH FLOWS FROM INVESTING ACTIVITIES	(40)	0	(14,372)	0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(191,291)	(19,463)	(205,622)	(19,463)
CASH AND CASH EQUIVALENTS, BEGINNING	123,598	6,615	123,598	6,615
CASH AND CASH EQUIVALENTS, ENDING	(67,693)	(12,848)	(82,024)	(12,848)

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, 2008.

**Note 2:** Loss per common share is based on a weighted average number of shares outstanding of 99,708,062 common shares for the three-month period ended September 30, 2008 and 69,714,447 for the three-month period ended September 30, 2007.

**Note 3:** During the three month period ending September 30, 2008, the Company paid equipment rental expenses of \$3,000 (2007, \$3,000), professional fees of \$30,000 (2007, \$0) and services and location of office and equipment of \$24,000 (2007, \$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, 2008, the Company incurred management fees of \$19,500 (2007, \$0) to a company controlled by the president, chief executive officer and director and consultation fees in geology of \$6,544 (2007, \$2,250) to a company controlled by a 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, 2008 has been changed to conform with the presentation adopted for the three month period ending September 30, 2008.