OREX MINERALS INC. (FORMERLY OREX VENTURES INC.)
(An Exploration Stage Company)
QUARTERLY REPORT TO SHAREHOLDERS
FOR THE NINE MONTHS ENDED JANUARY 31, 2008 AND 2007
(Expressed in Canadian Dollars)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2008 AND 2007

Dated: March 31, 2008

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements have been prepared by management and are in accordance with Canadian Generally Accepted Accounting Principles. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. Management maintains a system of disclosure controls and procedures designed to provide reasonable assurance that the assets are safeguarded and the financial and other factual information contained herein is accurate and reliable. Further, management has evaluated these controls and procedures and determined that they are appropriate and effective, and have so certified. In the current year, there has been no change in the Company's internal control over financial reporting that has materially affected, or is likely to materially affect, the Company's internal control over financial reporting.

The Board of Directors approves the financial statements and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See Notes to the Financial Statements regarding going concern, commitments, contingencies, legal matters, environmental matters and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

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Description of Business

The Company is engaged primarily in the acquisition and exploration of mineral properties.

PERU:

In 2004, the Company undertook a number of reviews of potential business opportunities, and ultimately secured working interests in two properties, El Tigre and Las Sorpresas, both located in Peru, from Candente Resource Corp ("Candente").

The Company initiated exploration on the El Tigre and Las Sorpresas properties but as the Company reported in previous periods, all work on the Peruvian properties had been halted due to uncertain social conditions that had developed in many parts of the country. Candente had also agreed to defer all funding and other mutual commitments specified in the option agreements for both properties pending a favourable resolution of these conditions. With respect to El Tigre, while some resolution of the civil unrest has occurred in the area, following the assessment of all of the El Tigre results to date, the Company decided to discontinue any further work on the property and terminate its option, effective June 30, 2007. Unfortunately conditions in the Las Sorpresas area continue to be unsettled and no work can be attempted as yet.

On November 28, 2005, the Company had announced that it had acquired an option to earn a 51% interest in the Pamel property in Central Peru from Candente Resource Corp. through its subsidiaries, Cia Minera Oro Candente S.A. and Exploraciones Milenio S.A. Under the agreement, Orex has the right to earn a 51% interest in the property by incurring exploration expenditures of US$2.5 million over 5 years on the property with Candente conducting all exploration over the 5 years. In addition to the exploration expenditure commitments, Candente received 60,000 Orex common shares upon approval of the Agreement by the TSX Venture Exchange, and will receive additional staged share issuances totaling 250,000 common shares by May 31st, 2010. Of these, the Company issued 50,000 common shares to Candente on June 1, 2007.

Geochemical and geophysical work started in December 2005 on this property and identified a large anomaly. Based on these results, the Company planned a drilling program and a total of eleven holes, each of approximately 100 to 300 metres depth, were completed for a total of 2,586 metres. The Company received the results of the assays for all eleven holes and management was disappointed with the results overall. Consequently, a decision was made to not do further work on the Pamel property and to terminate the Pamel joint venture with Candente, effective June 30, 2007.

Description of Business (continued)

MEXICO:

Following this determination, management turned its attention to acquiring additional properties of merit, and on June 21, 2007, the Company announced that it had entered into an option agreement with Silverex S.A. de C.V. ("Silverex") to acquire up to a 75% interest in the Santa Cruz property in Durango, Mexico. Under the terms of the agreement, to earn an undivided 50% interest, the Company will issue 500,000 common shares and pay US $800,000 to Silverex upon the TSX Venture Exchange (the "Exchange") acceptance of the agreement. After one year from the date of acceptance, based on the success of the exploration, the Company may issue an additional 500,000 common shares and pay an additional US $800,000. After the second anniversary, the Company may make an additional cash payment to bring the total value of cash payments and share issuances to US $4,000,000. In addition, the Company is required to incur a minimum of US $500,000 of expenditures on the property in each year from the acceptance date for a total period of four years. At any time during this initial four-year program period, the Company has the option to earn an additional undivided 25% interest, having met the above share issue and cash payment requirements, by issuing additional common shares having a deemed value of US $1,000,000 and pay an additional US $3,000,000. Upon earning an undivided 75% interest, Orex and Silverex will participate on a joint venture basis in further exploration and development of the Santa Cruz property.

Located in the Sierra Madre Occidental Mountains, Otaez Municipality, midway between Tayoltita (San Dimas) and Topia mining camps, the Santa Cruz Property is in one of the world's most prolific mineral belts. Santa Cruz is an epithermal gold-silver camp divided into three structural districts. The property hosts three main gold-silver bearing districts, the Eastern, Central and Western, as well as the previously operating Santa Cruz Mine. Road access to the Orozco area of the Eastern District has now been completed. Construction of new roads to access the Zambraneña and Jesus Maria areas of the Western District is proceeding well following the rainy season. Additional reconnaissance rock sampling analyzed in October from the Western District is in agreement with the March 2007 sampling and has confirmed the high gold and silver prospectivity of this part of the Santa Cruz Camp, in particular the Zambraneña area.

Once the work program of upgrading and extending current roads has been completed, a full scale exploration program will begin immediately. We are currently evaluating numerous drilling options and anticipate signing a contract shortly. All exploration will be overseen by Orex Minerals Inc.

To date, the Company has paid the initial US $800,000 and issued 500,000 common shares to Silverex pursuant to the terms of the agreement. The Company has also advanced US $600,000 to rehabilitate old access roads, construct new access roads and an airstrip and to install an on-site communication system. As reported previously, there is an existing 90 ton/day mill facility on the property which required some refurbishing to recommence production. In November 2007, the Company signed a loan agreement to provide US $500,000 to Silverex to reinstate the mill to operating condition. Silverex provided the full mill facility as security for the loan. The loan provisions require that all net proceeds from the mill be paid to the Company to repay the loan, after which, the Company and Silverex will share operating net proceeds equally. Silverex will operate the mill and oversee test milling from both the mill and the highly lucrative tennantite operation which is not milled but hand-cobbed and sold directly to Chinese buyers.

The road access is now extended to the Zambraneña area. A little road work remains to be completed. With regards to the airstrip, approval by the Civil Aeronautics in Mexico City is still pending before repairs to the strip can commence. The hand-cobbed tennantite operation has now commenced in the La Fragua area, under the direction of the Company's joint-venture partner, Silverex S.A. de C.V. This tennantite ore, the amount and grade of which are yet unknown, will be shipped directly to Chinese buyers. The net cash proceeds from the tennantite operation will be shared equally between Orex and Silverex.

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Results for the Three Months Ended January 31, 2008 and 2007:

During the third quarter of 2008, the Company incurred exploration expenses amounting to $293,362, which were significantly lower than the $634,266 incurred in the third quarter of fiscal 2007 when drilling on the Pamel property was underway. These expenses consisted of geological costs of $28,555, assay costs of $157, site preparation costs of $264,260 and other general exploration costs of $390, all incurred on the Santa Cruz property. The exploration expenditures in 2007 were related to the Pamel program, discontinued in June of 2007.

General operating costs totalled $195,872 for the third quarter, which was 30 per cent lower than those incurred in the third quarter of the prior year of $277,877. The Company incurred higher management costs of $41,100, up 16 per cent from the prior year amount of $35,500, due to the higher level of involvement by management in the site rehabilitation and construction occurring on the Santa Cruz property. Rent of $18,390 increased from the prior year amount of $12,000 due to additional office space requirements. These increases were offset in part by lower consulting fees of $15,000 down from $23,491, travel costs of only $1,038 down from $39,501, and transfer agent and filing fees of $2,999 compared to $11,696 incurred in the same period of last year when the Company closed a private placement of its common shares. Also, for the third quarter of 2008, the Company recorded a $77,125 charge to reflect the imputed non-cash cost of stock options to directors, officers, staff and consultants that vested in the quarter whereas the charge in same period of 2007 was $107,975. Other costs were consistent with those incurred in the prior year.

The loss in the third quarter of 2008 amounted to $476,537 or $0.01 per share, which is 47 per cent lower than the loss for the same period of 2007 of $898,618 or $0.02 per share. The decrease can be attributed primarily to the lower exploration costs for this year’s third quarter.

Results for the Nine Months Ended January 31, 2008 and 2007:

During the first nine months of 2008, the Company incurred exploration expenses amounting to $665,672, which were significantly lower than the $1,126,915 incurred in fiscal 2007. These expenses consisted of geological costs of $71,832, assay costs of $2,099, site costs of $580,753 and other general exploration costs of $10,988, all incurred on the Santa Cruz property. The exploration expenditures in 2007 were related to the Pamel program, discontinued in June of 2007, and included $361,177 of drilling costs.

General operating costs totalled $758,998 for the first nine months, which was 17 per cent higher than those incurred in first nine months of the prior year of $646,794. The Company incurred higher management costs of $121,600, up 14 per cent from the prior year amount of $107,000, and professional fees of $64,629, up from $31,486, both due to the increase in activity in the year, especially with regards to assessment and optioning of the Santa Cruz property. Rent increased from $32,000 incurred in the prior year’s first nine months to $54,120 due to the renewal of office space lease terms and the addition of office space for our geologists. In addition, the financing activity this year led to higher investor relations costs of $81,077, up 29 per cent, from $62,683, and higher travel expenses of $71,926 as compared to $61,832 incurred in the first nine months of the prior year. Also for the first nine months of 2008, the Company recorded a $247,801 charge to reflect the imputed non-cash cost of stock options to directors, officers, staff and consultants that vested in the period, which was 29 per cent higher than the charge of $192,325 in the same period of 2007. These increases were offset in part by lower consulting fees of $50,660, down 33 per cent, from $75,419 and transfer agent and filing fees of $22,475 compared to $38,341 incurred in the same period of last year when the Company closed three private placements of its common shares. Other costs were consistent with those incurred in the prior year.

The loss in the first nine months of 2008 amounted to $1,389,690 or $0.03 per share, which is 21 per cent lower than the loss for the same period of 2007 of $1,751,918 or $0.07 per share. The decrease can be attributed primarily to the lower exploration costs for this year.

(Expressed in Canadian Dollars)

Property Acquisition Costs as of January 31, 2008:

	El Tigre Peru $	Las Sorpresas Peru $	Pamel Peru $	Santa Cruz Mexico $	Total $
Mineral properties, April 30, 2005	87,633	87,633	–	–	175,266
Acquisition costs capitalized during the year	–	–	16,800	–	16,800
Acquisition costs written-off during the year	(87,633	–	–	–	(87,633)
Mineral properties, April 30, 2006	–	87,633	16,800	–	104,433
Acquisition costs capitalized during the year	–	–	15,500	–	15,500
Acquisition costs written-off during the year	–	–	(32,300)	–	(32,300)
Mineral properties, April 30, 2007	–	87,633	–	–	87,633
Acquisition costs capitalized during the period	–	–	–	1,111,100	1,111,100
Mineral properties, January 31, 2008 and March 24, 2008	–	87,633	–	1,111,100	1,198,733

In April of 2006, the Company issued 60,000 common shares valued at $16,800 to Candente Resource Corp. per the terms of the option agreement to earn a 51 per cent interest in the Pamel property in Peru. In July of 2007, the Company issued an additional 50,000 common shares valued at $15,500 to Candente. In June of 2007, the Company made a strategic decision to discontinue funding exploration on the Pamel property and to allow the option agreement on this property to expire. Accordingly, in fiscal 2007, the Company recorded a loss on disposal in the amount of $32,300 to reverse acquisition costs that had been capitalized to date.

In June of 2006, the Company made a strategic decision to discontinue funding exploration on the El Tigre property and to allow the option agreement on this property to expire. Accordingly, in fiscal 2006, the Company recorded a loss on disposal in the amount of $87,633 to reverse acquisition costs that had been capitalized in a prior period.

In June of 2007, the Company announced that it had entered into an option agreement with Silverex S.A. de C.V. to acquire up to 75% interest in the Santa Cruz property in Durango, Mexico. Per the terms of the agreement, the Company paid $866,100 and issued 500,000 common shares valued at $245,000 to Silverex.

(Expressed in Canadian Dollars)

Property Exploration Expenditures as of January 31, 2008:

	El Tigre Peru $	Las Sorpresas Peru $	Pamel Peru $	Santa Cruz Mexico $	Total $
YEAR TO DATE					
Drilling	–	–	–	–	–
Geophysical	–	–	–	–	–
Geochemical	–	–	–	–	–
Geological	–	–	–	71,832	71,832
Assay	–	–	–	2,099	2,099
Site costs	–	–	–	580,753	580,753
General exploration	–	–	–	10,988	10,988
Total expenditures for the period	–	–	–	665,672	665,672
TOTAL TO DATE					
Drilling	–	–	436,948	–	436,948
Geophysical	131,703	144,977	104,226	–	350,906
Geochemical	69,303	57,807	175,202	–	302,312
Geological	95,054	181,533	185,230	71,832	533,649
Assay	–	–	–	2,099	2,099
Site costs	–	–	–	580,753	580,753
General exploration	33,448	48,620	464,023	10,988	557,079
Total expenditures to date	329,508	402,937	1,365,629	665,672	2,763,746

Selected annual financial information:

		For the year ended April 30, 2007	For the year ended April 30, 2006	For the year ended April 30, 2005
Total revenues		Nil	Nil	Nil
Loss before discontinued operations and extraordinary items:				
(i)	total for the year	2,311,292	997,037	988,036
(ii)	per share	0.09	0.08	0.10
(iii)	per share fully diluted	0.09	0.08	0.10
Net loss:				
(i)	total for the year	2,311,292	997,037	988,036
(ii)	per share	0.09	0.08	0.10
(iii)	per share fully diluted	0.09	0.08	0.10
Total assets		2,103,514	499,207	756,507
Total long-term financial liabilities		Nil	Nil	Nil
Cash dividends declared per-share		Nil	Nil	Nil

In fiscal year 2007, the loss for the year increased significantly due to the active exploration program underway which cost $1,332,792. General operating costs were also up significantly from prior years at $984,708 due to the inclusion of a $430,214 charge for stock-based compensation.

Property exploration costs incurred in 2006 and 2005 aggregated $336,895 and $428,387 respectively. The Company incurred general operating costs of $571,658 in 2006 and $559,063 in 2005 in support of the program and associated financing.

(Expressed in Canadian Dollars)

Selected quarterly financial information:

		4th Quarter Ended April 30, 2008	3rd Quarter Ended January 31, 2008	2nd Quarter Ended October 31, 2007	1st Quarter Ended July 31, 2007
(a)	Revenue		Nil	Nil	Nil
(b)	Loss for period		476,537	652,231	257,922
(c)	Loss per share		0.01	0.02	0.01
		4th Quarter Ended April 30, 2007	**3rd Quarter Ended January 31, 2007**	**2nd Quarter Ended October 31, 2006**	**1st Quarter Ended July 31, 2006**
(a)	Revenue	Nil	Nil	Nil	Nil
(b)	Loss for period	559,374	898,618	452,997	400,303
(c)	Loss per share	0.02	0.03	0.02	0.02
		4th Quarter Ended April 30, 2006	**3rd Quarter Ended January 31, 2006**	**2nd Quarter Ended October 31, 2005**	**1st Quarter Ended July 31, 2005**
(a)	Revenue	Nil	Nil	Nil	Nil
(b)	Loss for period	286,124	360,066	154,353	196,494
(c)	Loss per share	0.02	0.03	0.01	0.02

The loss in the first quarter of fiscal 2008 was primarily due to the costs of sustaining the Company. The higher second and third quarter losses were primarily due to exploration costs on the Santa Cruz property, which amounted to $342,742 and $293,362 for the second and third quarter respectively. General operating costs remained relatively in line in all quarters.

The losses in fiscal 2007 were primarily due to the Company's exploration efforts on its three Peruvian properties, the Pamel property in particular. Losses for the fiscal year 2006 reflect the Company's costs of exploration on the Pamel property primarily, and for the previous three quarters, essentially the costs of sustaining the Company, as the work on the Company's other two properties, El Tigre and Las Sorpresas, had been halted due to social instability in the region.

(Expressed in Canadian Dollars)

Capital Stock:

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and Outstanding

	Number of Shares	Amount $
Balance at April 30, 2006	12,930,000	3,145,035
Issued during the year		
For cash:		
Private placements, net of share issuance costs	17,400,000	2,475,910
Exercise of options	200,000	40,000
Exercise of warrants	435,000	153,000
For services:		
Finders’ fees for private placements	1,158,420	389,067
Transferred from contributed surplus:		
Exercise of options	–	12,000
Exercise of warrants	–	8,991
Balance at April 30, 2007	32,123,420	6,224,003
Issued during the period		
For cash:		
Private placements, net of share issuance costs	8,000,000	726,468
Exercise of warrants	1,380,000	306,000
For services:		
Finders’ fees for private placements	397,500	125,200
For property:		
Issued for Pamel property	50,000	15,500
Issued for Santa Cruz property	500,000	245,000
Transferred from contributed surplus:		
Exercise of warrants	–	107,969
Balance at January 31, 2008	42,450,920	7,750,140
Issued during the period		
For cash:		
Exercise of options	150,000	31,500
Exercise of warrants	1,210,000	345,500
Transferred from contributed surplus:		
Exercise of options	–	9,000
Exercise of warrants	–	67,410
Balance at March 28, 2008	43,810,920	8,203,550

(Expressed in Canadian Dollars)

(c) Stock Options

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted. Vesting terms are determined at the discretion of the board of directors.

Stock option activity since April 30, 2006 is presented below:

	Number of Shares	**Weighted Average Exercise Price** $
Outstanding, April 30, 2006	1,287,000	0.32
Granted	1,430,000	0.43
Exercised	(200,000)	0.20
Expired	(25,000)	0.40
Outstanding, April 30, 2007	2,492,000	0.39
Granted	1,565,000	0.27
Outstanding, January 31, 2008	4,057,000	0.34
Exercised	(150,000)	0.21
Outstanding, March 28, 2008	3,907,000	0.34

Stock options outstanding at March 28, 2008 expire between April 19, 2008 and September 27, 2012.

The following table summarizes the stock options outstanding at January 31, 2008 and March 28, 2008:

Number of Common Shares Issuable			
January 31, 2008	**March 28, 2008**	**Exercise Price**	**Expiry Date**
150,000	–	$0.21	March 27, 2008
25,000	25,000	$0.23	April 19, 2008
584,000	584,000	$0.40	June 7, 2009
100,000	100,000	$0.33	November 2, 2009
111,000	111,000	$0.30	March 23, 2010
92,000	92,000	$0.25	May 6, 2010
1,205,000	1,205,000	$0.43	September 11, 2011
25,000	25,000	$0.44	November 1, 2011
200,000	200,000	$0.43	November 6, 2011
25,000	25,000	$0.35	May 9, 2012
1,540,000	1,540,000	$0.27	September 27, 2012
4,057,000	3,097,000		

(Expressed in Canadian Dollars)

(d) Warrants

Warrant activity since April 30, 2006 is presented below:

	Number of Shares	**Weighted Average Exercise Price $**
Outstanding, April 30, 2006	3,280,000	0.42
Issued	9,279,210	0.30
Exercised	(435,000)	0.35
Expired	(2,980,000)	0.42
Outstanding, April 30, 2007	9,144,210	0.30
Issued	4,198,750	0.20
Exercised	(1,380,000)	0.26
Outstanding, January 31, 2008	11,962,960	0.27
Exercised	(1,210,000)	0.29
Expired	(795,060)	0.30
Outstanding, March 28, 2008	9,957,900	0.27

Warrants outstanding at March 28, 2008 expire between May 3, 2008 and June 4, 2009.

The following table summarizes the warrants outstanding at January 31, 2008 and March 28, 2008:

Number of Common Shares Issuable			
January 31, 2008	**March 28, 2008**	**Exercise Price**	**Expiry Date**
1,830,060	–	$0.30	March 25, 2008
2,343,600	2,343,600	$0.50	May 3, 2008
3,640,550	3,565,550	$0.20	June 6, 2008
4,148750	4,048,750	$0.20	June 4, 2009
11,962,960	9,957,900		

(Expressed in Canadian Dollars)

(e) Contributed Surplus

	Amount
	$
Balance at April 30, 2006	148,180
Stock-based compensation recorded during the year	430,214
Fair value of warrants issued for services	107,975
Relative fair value of warrants issued for cash in private placements	830,740
Transferred to share capital upon exercise of stock options	(12,000)
Transferred to share capital upon exercise of warrants	(8,991)
Balance at April 30, 2007	1,496,118
Stock-based compensation recorded during the period	247,801
Fair value of warrants issued for services	40,500
Relative fair value of warrants issued for cash in private placements	293,500
Transferred to share capital upon exercise of warrants	(107,969)
Balance at January 31, 2008	1,969,950
Transferred to share capital upon exercise of stock options	(9,000)
Transferred to share capital upon exercise of warrants	(67,410)
Balance at March 28, 2008	1,893,540

Financial Position:

The Company's cash position declined from the opening level of $1,967,092 comprised of cash on hand of $167,092 and $1,800,000 in short-term investments at the beginning of the year to the period end level of $861,335.

On June 4, 2007, the Company closed a private placement and issued 8,000,000 units at $0.15 per unit for gross proceeds of $1,200,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.20 per common share. Values of $906,500 and $293,500 were assigned to the common shares and warrants, respectively, based on their relative fair values at the closing date of the private placements. In connection with the private placement, the Company issued 397,500 units as a commission with terms similar to those issued under the private placement. Values of $125,200 and $40,500 were assigned to the common shares and warrants, respectively, based on their fair values at the closing date of the private placements. The Company incurred other cash share issuance costs of $14,332. The fair values of the warrants issued in connection with this private placement were computed using the Black-Scholes option-pricing model.

Additional funding was received during the first nine months of fiscal 2008 from the exercise of warrants whereby the Company issued 1,380,000 shares for proceeds of $306,000.

During the year, the Company incurred cash property acquisition costs of $866,100 for the Santa Cruz property, pursuant to the terms of the option agreement with Silverex S.A. de C.V. Also in accordance with the terms of the property agreement, the Company loaned on a secured basis $500,000 (US $500,000) to Silverex to refurbish the existing mill on the Santa Cruz property.

The proceeds from the completion of the private placement and warrant exercises were used to make the initial payment pursuant to the option agreement for the Santa Cruz property in Mexico, to provide a loan to Silverex, to perform preliminary rehabilitation work on the property and to sustain the Company's general operations. The operating loss for the year of $1,386,690, after adjustments for non-cash items and changes in other working capital balances, required total cash funding of $1,231,325.

As a consequence, at the end of the third quarter, the funds on hand at the beginning of the year of $1,967,092, supplemented by the net cash proceeds of share and warrant issuances aggregating $1,491,668 were used to partially fund the cash loss from operations of $1,231,325, the cash costs of the Santa Cruz property agreement of $866,100 and the $500,000 secured loan to Silverex, such that at January 31, 2008, the Company held $861,335 in its accounts.

Subsequent to January 31, 2008 and to the date of this report, the Company received $377,000 for the exercise of stock options and warrants whereby the Company issued 1,360,000 common shares.

(Expressed in Canadian Dollars)

Commitments:

As reported previously under the terms of the option agreement with Candente, the original phasing of exploration expenditures for the Las Sorpresas property was as follows:

		Las Sorpresas (US$)
December 31, 2004	$	250,000
December 31, 2005		500,000
December 31, 2006		750,000
December 31, 2007		1,000,000
	$	2,500,000

However, due to the uncertain conditions in Peru, Candente had agreed to defer these scheduled funding commitments until conditions improved and work could resume on the Las Sorpresas property. Pursuant to the Las Sorpresas option agreement, the Company was committed to issue a further 200,000 common shares in stages before January 31, 2008 but these share issuances have also been deferred until the exploration program resumes.

On May 29, 2007, the Company gave written notice to Candente of its decision to terminate the options on the El Tigre and Pamel properties effective June 30, 2007. The Company does not have any outstanding obligations or commitments for these two properties.

Pursuant to an agreement dated June 14, 2007, the Company was granted an option by Silverex S.A. de C.V. to acquire up to a 75% interest in the Santa Cruz property in Durango, Mexico. Under the terms of the agreement, to earn an undivided 50% interest, the Company will issue 500,000 common shares and pay US $800,000 to Silverex upon the TSX Venture Exchange (the “Exchange”) acceptance of the agreement. After one year from the date of acceptance, based on the success of the exploration, the Company may issue an additional 500,000 common shares and pay an additional US $800,000. After the second anniversary, the Company may make an additional cash payment to bring the total value of cash payments and share issuances to US $4,000,000. In addition, the Company is required to incur a minimum of US $500,000 of expenditures on the property in each year from the acceptance date for a total period of four years. At any time during this initial four-year program period, the Company has the option to earn an additional undivided 25% interest, having met the above share issue and cash payment requirements, by issuing additional common shares having a deemed value of US $1,000,000 and pay an additional US $3,000,000. Upon earning an undivided 75% interest, Orex and Silverex will participate on a joint venture basis in further exploration and development of the Santa Cruz Property. To date, the Company has issued 500,000 shares, valued at $245,000, and paid US $800,000 to Silverex thus maintaining the Santa Cruz property agreement in good standing at the date of this report.

As reported under the terms of the option agreement with Silverex, the phasing of exploration expenditures for the Santa Cruz property is as follows:

		Santa Cruz (US$)
November 1, 2008	$	500,000
November 1, 2009		500,000
November 1, 2010		500,000
November 1, 2011		500,000
	$	2,000,000

Commitments (continued):

Presently, management believes it has adequate working capital to meet its short-term obligations but anticipates that additional working capital will be required before drilling can commence and will be raised by additional placements of its common shares with investors in the near future.

Related Party Transactions:

(a) Due to Related Parties

At January 31, 2008, a company controlled by an officer of the Company was owed $12,500 for management fees and reimbursable travel expenses. At April 30, 2007 there were no amounts due to related parties for management fees and reimbursable travel expenses.

(b) Related Party Transactions

During the nine months ended January 31, 2008, the Company incurred management fees of $121,600 (2007 – $107,000) to companies controlled by officers of the Company. These transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties.

Adoption of New Accounting Standards and Developments:

(a) Accounting Changes

Effective May 1, 2007, the Company adopted the revised CICA 1506, “Accounting Changes”, which requires that: (i) a voluntary change in accounting principles can be made if, and only if, the changes result in more reliable and relevant information, (ii) changes in accounting policies are accompanied with disclosures of prior period amounts and justification for the change, and (iii) for changes in estimates, the nature and amount of the change should be disclosed. The Company has not made any voluntary change in accounting principles since the adoption of the revised standard.

(b) Financial Instruments

Effective May 1, 2007, the Company adopted three new accounting standards and related amendments to other standards on financial instruments issued by the CICA. Prior periods have not been restated.

(i) CICA 3855, “Financial Instruments – Recognition and Measurement”

This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. Effective May 1, 2007, the Company’s cash equivalents have been classified as held-for-trading and are recorded at fair value on the balance sheet. Fair values are determined directly by reference to published price quotations in an active market. Changes in the fair value of these instruments are reflected in foreign exchange gain/loss in the statement of operations. All other financial instruments are recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing an other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance. Regular-way purchases and sales of financial assets are accounted for on the trade date.

(ii) CICA 3865, "Hedges"

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG–13, "Hedging Relationships", and CICA 1650, "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company had no hedging relationships as at May 1, 2007. There was no impact on the Company's financial statements upon adoption of this standard.

(iii) CICA 1530, "Comprehensive Income"

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. During the nine months ended January 31, 2008, there were no items classified as other comprehensive income.

(c) Financial Instruments – Disclosures and Presentation

The Company will adopt two new accounting standards on financial instruments issued by the CICA commencing with its interim and annual financial statements for the fiscal year ending April 30, 2009.

(iv) CICA 3862, "Financial Instruments – Disclosures"

This standard relates to the disclosure of financial instruments. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. CICA 3863, "Financial Instruments – Presentation" must be adopted at the same time, replacing CICA 3861, "Financial Instruments – Disclosure and Presentation".

(v) CICA 3863, "Financial Instruments – Presentation"

This standard relates to the presentation of financial instruments. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. CICA 3862, "Financial Instruments – Presentation" must be adopted at the same time, replacing CICA 3861, "Financial Instruments – Disclosure and Presentation".

(d) CICA 1535, "Capital Disclosures"

This standard relates to the disclosure of capital management strategies. It applies to interim and annual financial statements for fiscal years beginning on or after October 1, 2007. Early adoption is permitted. The Company will adopt the standard commencing with its interim and annual financial statements for the fiscal year ending April 30, 2009.

(e) CICA 3064, "Goodwill and Intangible Assets" and amended CICA 1000, "Financial Statement Concepts"

These standards clarify the criteria for the recognition of assets, intangible assets and internally developed intangible assets. They apply to interim and annual financial statements for fiscal years beginning on or after October 1, 2008. Early adoption is permitted. The Company will adopt these standards commencing for its interim and annual financial statements for the fiscal year ending April 30, 2010.

(f) International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB') confirmed the date for the mandatory changeover from existing Canadian GAAP to International Financial Reporting Standards ("IFRS"). The change is to take effect for financial years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact that IFRS will have on its financial statements.

Subsequent Events:

From February 1, 2008 to March 28, 2008, the Company issued 1,360,000 common shares pursuant to the exercise of options and warrants for gross proceeds of $377,000.

Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.