OREX MINERALS INC.

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

January 31, 2019

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
As at January 31, 2019 and April 30, 2018
(Expressed in Canadian Dollars)

		January 31, 2019		April 30, 2018
ASSETS				
Current				
Cash	$	1,551,472	$	2,990,351
Receivables		40,204		50,358
Prepaid expenses and deposits		145,388		29,049
		1,737,064		3,069,758
Equipment (Note 4)		38,658		50,449
Deposits		31,000		31,000
Investment in associate (Note 6)		1,967,111		2,106,150
IVA receivable		334,346		427,122
Exploration and evaluation assets (Note 5)		687,071		640,211
	$	4,795,250	$	6,324,690
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	121,338	$	64,710
Shareholders' equity				
Share capital (Note 7)		29,278,742		29,264,742
Reserves (Note 7)		5,698,916		5,660,481
Accumulated other comprehensive income (loss)		(51,837)		(27,404)
Deficit		(30,251,909)		(28,637,839)
		4,673,912		6,259,980
	$	4,795,250	$	6,324,690

Nature and continuance of operations (Note 1)

Approved and authorized by the board on March 27, 2019

/s/ Gary Cope	Director	*/s/ Rick Sayers*	Director
Gary Cope		Rick Sayers	

The accompanying notes are an integral part of these condensed consolidated interim financial statements

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended January 31,		Nine months ended January 31,	
	2019	2018	2019	2018
EXPLORATION EXPENSES				
Geological (Note 10)	$ 112,724	$ 110,350	$ 264,209	$ 320,007
Assay	-	-	-	1,694
General exploration	303,358	226,288	576,476	399,263
	416,082	336,638	840,685	720,964
GENERAL EXPENSES				
Consulting fees	12,500	10,000	27,500	32,786
Depreciation (Note 4)	3,930	4,900	11,791	13,962
Investor relations (Note 10)	29,196	39,954	99,051	222,577
Management fees (Note 10)	99,887	105,003	221,327	234,776
Office and administrative (Note 10)	41,208	16,713	140,208	189,968
Professional fees	15,028	17,472	64,934	120,009
Rent (Note 10)	15,000	13,333	45,000	53,512
Share-based payments (Note 7, 10)	-	-	38,435	358,226
Transfer agent and filing fees	3,328	31,239	14,876	55,699
Travel and entertainment	14,756	13,339	33,898	48,613
	234,833	251,953	697,020	1,330,128
	(650,915)	(588,591)	(1,537,705)	(2,051,092)
Interest income	19,907	10,695	44,034	28,446
Equity loss in associated company (Note 6)	(96,093)	(29,416)	(137,082)	(68,109)
Other foreign exchange gain (loss)	21,392	(702)	16,683	(149,388)
	(54,794)	(19,423)	(76,365)	(189,051)
Loss for the period	(705,709)	(608,014)	(1,614,070)	(2,240,143)
Equity investment – foreign currency translation (Note 6)	49,487	(81,583)	(24,433)	(56,867)
Comprehensive loss for the period	$ (656,222)	$ (689,597)	$ (1,638,503)	$ (2,297,010)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding	113,544,566	113,447,683	113,535,727	113,436,814

The accompanying notes are an integral part of these condensed consolidated interim financial statements

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
As at January 31, 2019
(Expressed in Canadian Dollars)

	Common Shares	**Share Capital**	**Reserves**	**Accumulated other comprehensive income**	**Deficit**	**Total Shareholders' Equity**
Balance, April 30, 2017	**113,431,379**	**$ 29,247,742**	**$ 5,302,255**	$ **26,777**	**$ (25,258,852)**	**$ 9,317,922**
Share-based payments	-	-	358,226	-	-	358,226
Shares issued for exploration and evaluation assets (Note 5)	100,000	17,000	-	-	-	17,000
Loss for the period	-	-	-	(56,867)	(2,240,143)	(2,297,010)
Balance, January 31, 2018	**113,531,379**	**29,264,742**	**5,660,481**	**(30,090)**	**(27,498,995)**	**7,396,138**
Shares issued for exploration and evaluation assets (Note 5)	-	-	-	-	-	-
Loss for the period	-	-	-	2,686	(1,138,844)	(1,136,158)
Balance, April 30, 2018	**113,531,379**	**29,264,742**	**5,660,481**	**(27,404)**	**(28,637,839)**	**6,259,980**
Share-based payments	-	-	38,435	-	-	38,435
Shares issued for exploration and evaluation assets (Note 5)	200,000	14,000	-	-	-	14,000
Loss for the period	-	-	-	(24,433)	(1,614,070)	(1,638,503)
Balance, January 31, 2019	**113,731,379**	**$ 29,278,742**	**$ 5,698,916**	**$ (51,837)**	**$ (30,251,909)**	**$ 4,673,912**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Nine Months Ended January 31, 2019 and 2018
(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,614,070)	$ (2,240,143)
Items not affecting cash:		
Share-based payments	38,435	358,226
Depreciation	11,791	13,962
Equity loss of associated company	137,082	68,109
Accrued interest income	-	(16,377)
Unrealized foreign exchange	-	149,388
Changes in non-cash working capital items:		
Decrease in receivables	10,154	108,587
Decrease (increase) in prepaid expenses	(116,339)	123,221
Decrease in IVA receivable	92,776	88,307
Increase (decrease) in accounts payable and accrued liabilities	23,768	83,228
Cash used in operating activities	(1,416,403)	(1,263,492)
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investment	(22,476)	(65,406)
Acquisition of exploration and evaluation assets	-	(123,210)
Cash used in investing activities	(22,476)	(188,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Agnico Eagle Mines Ltd. receivable	-	2,497,000
Cash provided by financing activities	-	2,497,000
Increase (decrease) in cash during the period	(1,438,879)	1,044,892
Cash, beginning of period	2,990,351	2,387,496
Cash, end of period	$ 1,551,472	$ 3,432,388

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Orex Minerals Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on April 25, 1996. The Company's principal business activities include the acquisition and exploration of mineral properties in Mexico, and Canada.

The head office of the Company is located at Suite 1130 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

The Company's financial statements and those of its controlled subsidiaries ("condensed consolidated interim financial statements") are presented in Canadian dollars.

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether any of its properties contain ore reserves that are economically recoverable. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd...)

Critical Accounting Estimates

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The recoverability of receivables. The Company considers collectability and historical collection rates in estimating the recoverable amount of receivables. If the recoverable amount of receivables is estimated to be less than the carrying amount, the carrying amount of receivables is reduced to the recoverable amount and an impairment loss is recognized in profit or loss for the period.

b) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

c) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes option-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

d) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

e) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

f) The functional currency of the equity investment is considered to be the Mexican Peso. The investment is controlled by a Mexican parent company and expenditures are primarily in the local currency.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries (Note 10). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany balances and transactions have been eliminated upon consolidation.

Exploration and evaluation assets

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring concessions, and the fair value, upon acquisition, of mineral properties acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale.

Equipment

Equipment is recorded at cost and depreciated over its estimated useful life using the declining balance method at a rate of 25% per annum. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. When parts of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The cost of major overhauls of parts of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Impairment

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The Company has no material restoration, rehabilitation or environmental obligations as the disturbance to date is limited.

Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no material impact to the Corporation's financial statements as a result of transitioning to IFRS 9 effective May 1, 2018.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

a) Classification and measurement of financial assets and liabilities

The adoption of IFRS 9 has not had a significant effect on the Corporation's accounting policies related to financial assets. However, it eliminated the previous IAS 39 categories for financial assets held to maturity, loans and receivables and available for sale.

A financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired. The Corporation's financial assets, which consist primarily of cash, and receivables, are classified at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is substantially unchanged.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

b) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Corporation's financial assets are measured at amortized cost and subject to the ECL model. The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets on the transition date given that receivables are current and have minimal level of default.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the corporate entity is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

On inclusion of an equity investment with functional currency other than the Canadian dollar, the assets and liabilities are translated into Canadian dollars using the period-end rate and the operations and cash flows translated using the average rates of exchange. Exchange adjustments arising when the opening net assets and the profit or loss are translated into Canadian dollars are taken into a separate component of equity and reported in other comprehensive income or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants.

The fair value of stock options granted to directors, officers, employees and consultants is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period as expense, with a corresponding increase in reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

Investment in associate

Associated companies over which the Company has significant influence are accounted for using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received. The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated.

Objective evidence of impairment of equity investment includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or
- National or local economic conditions that correlate with defaults of the associated companies.

Income (loss) per share

Basic income (loss) per share is calculated using the weighted average number of common shares outstanding during the period.

The Company recognizes the dilutive effect on income or loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New standards not yet adopted

IFRS 16 Leases ("IFRS 16")

Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company expects that this new IFRS standard will have an insignificant effect on its consolidated financial statements.

(Expressed in Canadian Dollars)

4. EQUIPMENT

		Field equipment
Cost		
Balance, as at April 30, 2018	$	92,625
Acquisition costs		-
Disposals		-
Balance, as at January 31, 2019		92,625
Accumulated depreciation		
Balance, as at April 30, 2018	$	(42,176)
Additions		(11,791)
Disposals		-
Balance, as at January 31, 2019	$	(53,967)
Net book value		
Balance, as at April 30, 2018	$	50,449
Balance, as at January 31, 2019	$	38,658

5. EXPLORATION AND EVALUATION ASSETS

	Cordero Project, Mexico	Sandra Escobar, Mexico	Coneto, Mexico	Jumping Josephine, Canada	Total
Balance, as at April 30, 2017	$ -	$ 500,000	$ -	$ 730,000	$ 1,230,000
Impairment	-	-	-	(729,999)	(729,999)
Acquisition costs	140,210	-	-	-	140,210
Balance, as at April 30, 2018	140,210	500,000	-	1	640,211
Impairment	-	-	-	-	-
Acquisition costs	46,860	-	-	-	46,860
Balance, as at January 31, 2019	$ 187,070	$ 500,000	$ -	$ 1	$ 687,071

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

San Luis del Cordero, Mexico

On January 26, 2018 the Company entered into an agreement with Exploraciones del Altiplano S.A. de C.V. ("Altiplano") to acquire 100% of the San Luis del Cordero property ("Cordero Project"), in Durango, Mexico. Under the terms of the agreement, the Company is required to make the following annual cash and share payments to Altiplano:

a) On signing: issue 100,000 common shares (issued at a value of $17,000) and pay US$100,000 (paid - CAD$123,210).

b) On January 26, 2019: issue 200,000 common shares and pay US$150,000.

c) On January 26, 2020: issue 300,000 common shares and pay US$200,000.

d) On January 26, 2021: issue 400,000 common shares and pay US$550,000.

e) On January 26, 2022: pay US$1.5 million (of which 30% can be issued in shares).

In order to acquire the Cordero Project, the Company is also required to satisfy work commitments of US$400,000 in the first year and US$600,000 in the second year. Excess expenditures from year one can be applied to year two.

However, on December 13, 2018 the Company amended the terms of the original agreement to defer cash payments as follows:

a) On signing: issue 100,000 common shares (issued at a value of $17,000) and pay US$100,000 (paid - CAD$123,210).

b) On January 26, 2019: issue 200,000 common shares (issued at a value of $14,000) and pay US$25,000 (paid on February 5, 2019)

c) On April 26, 2019 pay US$12,500.

d) On July 26, 2019 pay US$112,500.

e) On January 26, 2020 issue 300,000 common shares.

f) On July 26, 2020 pay US$200,000.

g) On January 26, 2021 issue 400,000 common shares.

h) On July 26, 2021 pay US$550,000.

i) On January 26, 2022: pay US$1.5 million (of which 30% can be issued in shares).

In order to acquire the Cordero Project, the Company is also required to satisfy work commitments of US$400,000 by July 26, 2019 and a further US$600,000 by July 26, 2020. Excess expenditures from year one can be applied to year two.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Sandra Escobar, Mexico

On September 15, 2015, the Company entered into an option agreement (the "Orex-Cansil JV") with Canasil Resources Inc. ("Canasil"), with respect to Canasil's Sandra Escobar Project ("Sandra Property") in Durango, Mexico. The Company has a right to earn up to a 65% ownership interest in the Project.

The Option Agreement provides that the Company may earn a 55% ownership interest (the "First Option") in the Project by making a payment of $500,000 (paid) to Canasil upon execution of the Option Agreement and completing US$2,000,000 in exploration and development expenditures (the "Expenditures") on the Sandra Property within three years of entering into the Option Agreement. In connection with the First Option, the Company must incur a minimum of US$675,000 (incurred) in Expenditures in the first year of the Option Agreement and US$500,000 (incurred) in Expenditures in the second year of the Option Agreement. Provided that the Company exercises the First Option, the Company may earn an additional 10% ownership interest (the "Second Option", and together with the First Option, the "Options") in the Project, for a total 65% ownership interest, by completing a further US$2,000,000 in Expenditures within two years of exercising the First Option and by making a payment to Canasil of $500,000 in cash and/or the Company shares, at the option of the Company. In connection with the Second Option, the Company must incur a minimum of US$675,000 in Expenditures during the first year of the Second Option.

Upon exercise of the First Option, the Company and Canasil will enter into a joint venture with respect to the development of the Project based on their respective interests in the Project. If the Company exercises the Second Option, the Company's interest in the joint venture will be increased to 65%.

During the year ended April 30, 2017, the Company completed the First Option, and has earned a 55% ownership interest. The Company will not be proceeding with the Second Option.

On December 19, 2017 the Company announced the signing of a non-binding letter of intent with Pan American Silver Corp. ("Pan American") and Canasil to combine their respective mineral concessions in the Sandra Escobar District into a single joint venture project to advance the exploration of the properties.

Through various stages, the planned joint venture would allow Pan American to acquire an undivided 51% of the resultant project following an aggregate expenditure of US$5,000,000. The Company would retain an undivided 26.95% of the resultant project and Canasil would retain an undivided 22.05% of the resultant project following an aggregate expenditure of US$1,000,000 by the Company and Canasil.

Coneto, Mexico

In fiscal 2010, the Company purchased 100% of the core mineral concessions within the Coneto silver-gold mining camp in Durango State, Mexico, in exchange for 2,200,000 common shares, valued at $2,090,000.

The Coneto property is subject to a 2.5% net smelter returns ("NSR") royalty payable to the vendors.

During fiscal 2011, the Company signed a non-binding letter of intent with Fresnillo PLC ("Fresnillo") to jointly explore the contiguous mineral concessions held by the Company and Fresnillo in the Coneto mining district. A definitive Association Agreement was signed on February 2, 2012. The principal terms of the Agreement are:

a) Fresnillo will spend a minimum of US$2,000,000 on exploration during the first year after the necessary exploration permits are obtained (Fresnillo fulfilled this commitment during fiscal 2013). A minimum of 70% of this exploration was required to be conducted on the Company's concessions.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Coneto, Mexico (cont'd…)

b) Fresnillo will have the option to spend an additional US$2,000,000 per year on exploration for each of the following two years. A minimum of 70% of this exploration must also be conducted on the Company's concessions.

c) Upon Fresnillo spending an aggregate of US$6,000,000 on exploration activities, the Company and Fresnillo will each contribute their respective Coneto mining concessions to a new company ("NewCo") that initially would be owned 55% by Fresnillo and 45% by the Company. On September 24, 2015, the Company announced that the Coneto project earn-in expenditures of US$6 million had been reached by Fresnillo. The Company and Fresnillo will now proceed on the basis of a 45%/55% respective ownership.

d) Fresnillo will have the right to increase its ownership of NewCo to 70% by either completing a prefeasibility study or spending up to an additional US$21,000,000 in the process of preparing a prefeasibility study. If Fresnillo chooses to not exercise the right to increase its ownership of NewCo to 70%, the costs incurred to complete a prefeasibility study will be shared by Fresnillo and the Company in proportion to their ownership of NewCo; 55% by Fresnillo and 45% by the Company.

e) Any additional funding required by NewCo will be provided by the Company and Fresnillo in proportion to their respective ownership interests in NewCo at that time.

f) Fresnillo will have a right of first refusal to acquire the Company's ownership interest in NewCo if the Company receives an offer for its interest in NewCo that it proposes to accept.

g) During the life of the Association Agreement, in the event that the Company, or any of its subsidiaries, enters into a transaction to acquire an interest in any additional mineral properties in Mexico and then later decides to sell or option out that interest to a third party, Fresnillo will have a right of first refusal to participate in such transaction on the same terms and conditions as offered to the third party.

On July 1, 2016, the Company and Fresnillo, pursuant to the definitive agreement, have contributed their respective Coneto mining concessions to a new company, Exploracions y Desarrollos Mineros Coneto S.A.P.I. de C.V. ("EDMC"). The ownership is 55% Fresnillo, 45% by the Company (Note 6).

Jumping Josephine, Canada

On February 12, 2013, the Company completed the acquisition of Astral Mining Corporation and as a result, acquired a 60% interest in mining claims, collectively known as the Jumping Josephine Property, located in the West Kootenay Mining District of British Columbia, Canada. On February 3, 2014 the Company acquired the remaining 40% of their Jumping Josephine Property from Kootenay Silver Inc. by issuing 1,000,000 common shares valued at $230,000.

There are no current or future planned exploration activities on the Jumping Josephine Property. Accordingly, the Company has reduced the carrying value of the Property to $1.

(Expressed in Canadian Dollars)

6. INVESTMENT IN ASSOCIATE

During the year ended April 30, 2017, the Company and Fresnillo, pursuant to a definitive agreement contributed their respective Coneto mining concessions to a new company, EDMC by way of merger. The ownership of EDMC is 55% Fresnillo, 45% by the Company (Note 5).

The Company has a minority position on the technical committee and board of directors of EDMC, and does not control operational decisions. The Company's judgement is that it has significant influence, but not control and accordingly equity accounting is appropriate.

As at January 31, 2019, EDMC's aggregate assets, aggregate liabilities and net losses are as follows:

		January 31, 2019		April 30, 2018
Current assets	$	153,133	$	243,660
Non-current assets		1,761,053		1,749,305
Current liabilities		(171,086)		(545)
Net assets		1,743,100		1,992,420
The Company's ownership %		45%		45%
The Company's share of net assets	$	784,395	$	896,589

		January 31, 2019		April 30, 2018
Loss for the period	$	(304,626)	$	(150,554)
Other comprehensive income (loss)– currency translation		(54,295)		(120,402)
Total comprehensive income/loss		(358,921)		(270,958)
The Company's ownership %		45%		45%
The Company's share of comprehensive income/loss	$	(161,515)	$	(121,930)

		January 31, 2019		April 30, 2018
Net investment, opening	$	2,106,150	$	2,127,125
Additional investment		22,476		100,955
Equity loss for the period		(137,082)		(67,749)
Other comprehensive income (loss) - currency translation		(24,433)		(54,181)
Net investment, closing	$	1,967,111	$	2,106,150

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Share issuances

On January 26, 2018, the Company issued 100,000 shares for the Cordero Project valued at $17,000.

On January 26, 2019, the Company issued 200,000 shares for the Cordero Project valued at $14,000.

Stock options and warrants

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. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

During the nine months ended January 31, 2019, no options or warrants were exercised.

On May 3, 2017, the Company granted 2,950,000 stock options to consultants at an exercise price of $0.17 per share with a five-year term. The options vested immediately.

On September 10, 2018 the Company granted 500,000 stock options to consultants at an exercise price of $0.10 per share with a five-year term. The options vested immediately.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd...)

Stock options and warrants (cont'd…)

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants			Stock options		
	Number of Shares		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
Outstanding, April 30, 2017	5,267,500	$	0.30	7,780,000	$	0.25
Granted	-		-	2,950,000		0.17
Exercised	-		-	-		-
Expired	(5,267,500)		0.30	-		-
Forfeited	-		-	(800,000)		0.21
Outstanding, April 30, 2018	-	$	-	9,930,000	$	0.23
Granted	-		-	500,000		0.10
Expired	-		-	(1,555,000)		0.15
Forfeited	-		-	(200,000)		0.17
Outstanding, January 31, 2019	-	$	-	8,675,000	$	0.24
Exercisable at January 31, 2019	-	$	-	8,675,000	$	0.24

The following stock options to acquire common shares of the Company were outstanding at January 31, 2019:

	Number of Shares	Exercise Price	Expiry Date
Options			
	150,000	0.15	May 9, 2019
	1,975,000	0.15	June 26, 2020
	3,250,000	0.35	January 29, 2021
	150,000	0.55	May 13, 2021
	2,650,000	0.17	May 3, 2022
	500,000	0.10	September 10, 2023
	8,675,000		

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd...)

Stock options and warrants (cont'd…)

During the nine months ended January 31, 2019, the Company granted 500,000 (2018 - 2,950,000) stock options to officers, directors, employees and consultants of the Company. The weighted average fair values of options granted are calculated using the Black-Scholes option pricing model. During the nine months ended January 31, 2019, the weighted average fair value of each option granted was $0.08 (2018 - $0.12) and was calculated using the following weighted average assumptions:

	For the nine months ended January 31, 2019	For the nine months ended January 31, 2018
Expected option lives	5 years	5 years
Risk-free interest rate	2.21%	0.99%
Expected dividend yield	0%	0%
Expected stock price volatility	104%	99%

The share-based payments expense for stock options granted and vested during the nine months ended January 31, 2019 was $38,435 (2018 – $358,226).

8. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the year.

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the nine months ended January 31, 2019:

a) Other comprehensive loss – currency translation $24,433

b) Exploration and evaluation asset additions in accounts payable of $32,860

c) Shares issued for exploration and evaluation additions valued at $14,000

Significant non-cash transactions during the nine months ended January 31, 2018 included:

a) Other comprehensive loss – currency translation $56,867

b) Shares issued for the Cordero Project with fair value of $17,000

10. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Orex Minerals Inc. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
OVI Exploration de Mexico S.A. de C.V.	Mexico	100%	Mineral exploration
Servicios Mineros Orex Silver S.A. de C.V.	Mexico	100%	Mineral exploration
Astral Mining Corporation	Canada	100%	Mineral exploration
Astral Mining S.A. de C.V.	Mexico	100%	Mineral exploration

During the nine months ended January 31, 2019, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (cont'd…)

Compensation paid or payable to key management personnel for services rendered are as follows:

		Nine months ended January 31, 2019		Nine months ended January 31, 2018
Management fees	$	221,327	$	221,327
Geological consulting fees		114,313		120,141
Share-based compensation		-		212,507
Total	$	335,640	$	553,975

		Nine months ended January 31, 2019		Nine months ended January 31, 2018
Office and administrative, investor relations and management fees*	$	163,282	$	255,980
Total	$	163,282	$	255,980

*Fees paid to a management service company controlled by the chief executive officer and director of the Company that provides a corporate secretary, and accounting and administration staff to the Company, on a shared cost basis.

Included in accounts payable and accrued liabilities as at January 31, 2019 is $1,783 (April 30, 2018 - $3,253) due to directors or officers or companies controlled by directors.

Included in accounts receivable as at January 31, 2019 is $Nil (April 30, 2018 - $29,602) due from companies controlled by directors.

Included in prepaid expenses and deposits as at January 31, 2019 is $16,247 (April 30, 2018 - $Nil) due to companies controlled by directors.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company has various financial instruments including cash, receivables, accounts payable and accrued liabilities. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Concentrations of business risk

The Company maintains a majority of its cash with a major Canadian financial institution and the remainder of its cash with a major Mexican financial institution. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

As the Company operates in an international environment, some of the Company's transactions are denominated in currencies other than the Canadian dollar. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of value added tax (VAT), input value-added tax (IVA) and goods and services tax (GST), which are recoverable from the governing body in Mexico and Canada, respectively. As the Company's exploration operations are conducted in Mexico and Canada, the Company's operations are also subject to the economic risks associated with those countries.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Foreign exchange risk

A portion of the Company's operational transactions are originally or effectively denominated in US dollars. As well, because the Company's operations are in Mexico, some costs are denominated in Mexican Pesos. Accordingly, the results of the Company's operations and comprehensive loss as stated in Canadian dollars will be impacted by exchange rate fluctuations. The Company does not hedge its exposures to movements in the exchange rates at this time.

The Company's exposure to foreign currency risk is on its cash, receivables, accounts payable and accrued liabilities. At January 31, 2019, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have an effect of $49,000 on loss and comprehensive loss; a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and the Mexican Peso would have an effect of $38,000 on loss and comprehensive loss.

Interest rate risk

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

Price risk

Mineral prices, in particular gold and silver, are volatile, and may fluctuate sharply. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

12. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	January 31, 2019	April 30, 2018
Equipment		
Mexico	$ 38,658	$ 50,449
Exploration and evaluation assets		
Mexico	$ 687,070	$ 640,210
Canada	1	1