OREX MINERALS INC.

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

July 31, 2021

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
(Expressed in Canadian Dollars)
As at

	July 31, 2021	April 30, 2021
ASSETS		
Current		
Cash	$ 5,042,732	$ 5,627,706
Receivables	48,466	54,126
Prepaid expenses and deposits	37,076	46,146
	5,128,274	5,727,978
Equipment (Note 4)	19,938	21,267
Deposits	31,000	31,000
Investment in associates (Note 6)	2,724,128	2,657,002
IVA receivable	153,804	147,777
Exploration and evaluation assets (Note 5)	1	1
	$ 8,057,145	$ 8,585,025
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 10)	$ 67,032	$ 66,180
Shareholders' equity		
Share capital (Note 7)	37,552,572	37,552,572
Reserves (Note 7)	6,499,071	6,511,354
Accumulated other comprehensive income (loss)	22,857	63,980
Deficit	(36,084,387)	(35,609,061)
	7,990,113	8,518,845
	$ 8,057,145	$ 8,585,025

Nature and continuance of operations (Note 1)

Approved and authorized by the board on September 28, 2021

/s/ Bernard H. Whiting	Director	*/s/Harry White*	Director
Bernard H. Whiting		Harry White	

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
Three Months Ended July 31,
(Expressed in Canadian Dollars)

		2021		2020
EXPLORATION EXPENSES				
Geological (Note 10)	$	74,677	$	92,078
General exploration		53,485		85,208
		128,162		177,286
GENERAL EXPENSES				
Consulting fees		5,750		53,550
Depreciation (Note 4)		1,329		1,772
Investor relations (Note 10)		53,369		41,053
Management fees (Note 10)		100,581		60,720
Office and administrative (Note 10)		70,290		58,750
Professional fees		9,235		16,551
Rent (Note 10)		20,400		19,250
Share-based payments (Note 7)		(12,283)		9,143
Transfer agent and filing fees		8,134		14,031
		256,805		274,820
		(384,967)		(452,106)
Interest income		4,185		-
Equity loss in associated companies (Note 6)		(112,199)		(12,748)
Foreign exchange gain (loss)		17,655		28,272
		(90,359)		15,524
Loss for the period		(475,326)		(436,582)
Equity investment – foreign currency translation (Note 6)		(41,123)		(27,202)
Comprehensive loss for the period	$	(516,449)	$	(463,784)
Basic and diluted loss per common share	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding		166,024,922		124,590,835

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
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' Equity
Balance, April 30, 2020	**122,031,379**	**$ 30,015,913**	**$ 5,999,356**	$ **97,497**	$ **(33,064,941)**	$ **3,047,825**
Private placement - units	26,250,000	2,100,000	-	-	-	2,100,000
Share issuance costs – cash	-	(68,009)	-	-	-	(68,009)
Share- based payments (Note 7)	-	-	9,143	-	-	9,143
Gain (loss) for the period	-	-	-	(27,202)	(436,582)	(463,784)
Balance, July 31, 2020	**148,281,379**	**32,047,904**	**6,008,499**	**70,295**	**(33,501,523)**	**4,625,175**
Private placement - units	36,666,666	5,500,000	-	-	-	5,500,000
Finder's units (Note 7)	2,199,999	515,820	-	-	-	515,820
Share issuance costs – Finder's units (Note 7)	-	(515,820)	-	-	-	(515,820)
Share issuance costs - cash	-	(36,422)	-	-	-	(36,422)
Exercise of options	250,000	41,090	(16,090)	-	-	25,000
Share- based payments (Note 7)	-	-	518,945	-	-	518,945
Comprehensive loss for the period	-	-	-	(6,315)	(2,107,538)	(2,113,853)
Balance, April 30, 2021	**187,398,044**	**37,552,572**	**6,511,354**	**63,980**	**(35,609,061)**	**8,518,845**
Share- based payments (Note 7)	-	-	(12,283)	-	-	(12,283)
Comprehensive loss for the period	-	-	-	(41,123)	(475,326)	(516,449)
Balance, July 31, 2021	**187,398,044**	**$ 37,552,572**	**$ 6,499,071**	**$ 22,857**	**$ (36,084,387)**	**$ 7,990,113**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.
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OREX MINERALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Three Months Ended July 31,
(Expressed in Canadian Dollars)

		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(475,326)	$	(436,582)
Items not affecting cash:				
Share-based payments		(12,283)		9,143
Depreciation		1,329		1,772
Equity loss in associated company		112,199		12,748
Changes in non-cash working capital items:				
Receivables		5,660		(9,494)
Prepaid expenses		9,070		(30,880)
IVA receivable		(6,027)		3,666
Accounts payable and accrued liabilities		852		11,551
Cash used in operating activities		(364,526)		(438,076)
CASH FLOWS FROM INVESTING ACTIVITIES				
Equity investment		(220,448)		(35,561)
				-
Cash used in investing activities		(220,448)		(35,561)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from option exercise		-		2,049,938
Cash provided by financing activities		-		2,049,938
Change in cash during the period		(584,974)		1,576,301
Cash, beginning of period		5,627,706		242,385
Cash, end of period	$	5,042,732	$	1,818,686

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. The Company had incurred a loss of $475,326 for the three months ended July 31, 2021 and accumulated losses of $36,084,387 as of July 31, 2021. 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

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 certain financial instruments measured at fair value. In addition, these consolidated 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 and judgements

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 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.

b) 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.

c) 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.

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

e) The determination of an investments in an associate as an equity investment requires judgement as to whether the Company has significant influence over the strategic financial and operating decisions relating to the activity of the investee.

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 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 or 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 less depreciation, and any impairments and is 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

The details of IFRS 9, Financial Instruments are set out below.

a) Classification and measurement of financial assets and liabilities

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 Company's financial assets, which consist primarily of cash classified as FVTPL, and receivables 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.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Amortized cost: This category includes accounts payable and accrued liabilities which is recognized at amortized cost.

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 Company's financial assets are measured at amortized cost and subject to the ECL model.

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

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 a 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.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and options are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction form the proceeds.

Equity financing transactions may involve issuance of common shares or units. A unit comprises of a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued.

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 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.

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

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.

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.

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

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, or for leases of low value. The payments for such leases are recognized in the statement of loss and comprehensive loss on a straight-line basis over the lease term. For the three months ended July 31, 2021, rent expense of $20,400 (2020 - $19,250) and rent in general exploration of $3,560 (2020- $3,487) has been incurred.

(Expressed in Canadian Dollars)

4. EQUIPMENT

Cost		**Field equipment**
Balance, as at April 30, 2021 and July 31, 2021	$	92,625
Accumulated depreciation		
Balance, as at April 30, 2020	$	(64,267)
Additions		(1,772)
Balance, as at July 31, 2020		(66,039)
Additions		(5,319)
Balance, as at April 30, 2021		(71,358)
Additions		(1,329)
Balance, as at July 31, 2021	$	(72,687)
Net book value		
Balance, as at April 30, 2021	$	21,267
Balance, as at July 31, 2021	$	19,938

5. EXPLORATION AND EVALUATION ASSETS

		Cordero Project, Mexico		Sandra, Mexico		Jumping Josephine, Canada		Total
Balance, as April 30, 2020	$	-	$	500,000	$	1	$	500,001
Joint venture transfer		-		(500,000)		-		(500,000)
Balance, as April 30, 2021		-		-		1		1
Balance, as July 31, 2021	$	-	$	-	$	1	$	1

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.

San Luis del Cordero, Mexico

On January 26, 2018 the Company entered into an agreement, subsequently amended, 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 amended agreement, the Company was required to a series of annual cash and share payments to Altiplano over a five year period in addition to satisfying certain work commitments.

As of October 31, 2019, there were no current or future planned exploration activities on the Cordero Project and accordingly the Company has returned the Cordero Project to Altiplano and has reduced the carrying value to $Nil. Any necessary subsequent payments will be expensed. The Company fulfilled its commitment to pay the mineral concession taxes on the Cordero Project of $12,523 in July 2020.

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

Sandra Escobar, Mexico

On September 15, 2015, the Company entered into an option agreement with Canasil Resources Inc. ("Canasil"), with respect to Canasil's Sandra Project ("Sandra Property") in Durango, Mexico.

During the year ended April 30, 2017, the Company earned a 55% ownership interest by paying $500,000 and incurring exploration expenditures of US$2,000,000.

On June 27, 2019 the Company signed a letter agreement with Pan American Silver Corp, (the "Letter Agreement"), through its subsidiary Plata Panamericana SA de CV ("Pan American"). Pan American previously acquired all of the interests of Canasil in the Sandra Property, including the rights and obligations of Canasil under the option agreement. Pursuant to the Letter Agreement, Pan American and the Company have agreed to negotiate a formal joint venture agreement to replace the option agreement, and will suspend the operation of the option agreement until the new agreement is entered into. During the suspension period, the parties will contribute pro-rata towards the cost of maintaining the Sandra Property in good standing.

On March 9, 2020 the Company entered into a Joint Venture Letter Agreement to form a joint venture with Pan American to further explore the Sandra Property. The joint venture was formed on March 1, 2021. The Company has a 40% interest and Pan American has a 60% interest in a new joint venture company, Empresa Minera Sandra-Escobar, S.A. De C.V ("EMSE"). Pan American and the Company will make their proportionate share of contributions. The Company is the operator.

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 agreed with Fresnillo PLC ("Fresnillo") to jointly explore the contiguous mineral concessions held by the Company and Fresnillo in the Coneto mining district.

a) In fiscal 2017 Fresnillo after spending an aggregate of US$6,000,000 on exploration activities and the Company contributed their respective Coneto mining concessions to a new company Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V. ("EDMC") owned 55% by Fresnillo and 45% by the Company (Note 6).

b) Fresnillo will have the right to increase its ownership of EDMC 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 EDMC to 70%, the costs incurred to complete a prefeasibility study will be shared by Fresnillo and the Company in proportion to their ownership of EDMC; 55% by Fresnillo and 45% by the Company.

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

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

(Expressed in Canadian Dollars)

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

Coneto, Mexico (cont'd...)

e) 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.

Jumping Josephine, Canada

The Company owns a 100% interest of a property in the West Kootenay Mining District of British Columbia, Canada.

There were no current or future planned exploration activities on the Jumping Josephine Property. Accordingly, the Company reduced the carrying value of the Property to $1 in a prior fiscal year.

6. INVESTMENT IN ASSOCIATES

		Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V.		Empresa Minera Sandra-Escobar, S.A. De C.V.		Total
Net investment, opening	$	2,161,344	$	495,658	$	2,657,002
Additional investment		62,073		158,375		220,448
Equity loss for the period		(18,900)		(93,299)		(112,199)
Other comprehensive income (loss) - currency translation		(23,971)		(17,152)		(41,123)
Net investment, closing	$	2,180,546	$	543,582	$	2,724,128

Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V

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.

(Expressed in Canadian Dollars)

6. INVESTMENT IN ASSOCIATES (cont'd…)

Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V (cont'd…)

As at July 31, 2021, EDMC's aggregate assets, aggregate liabilities and net losses are as follows:

		July 31, 2021		April 30, 2021
Current assets	$	224,893	$	223,158
Non-current assets		1,624,217		1,556,151
Current liabilities		(2,976)		(79,470)
Net assets		1,846,134		1,699,839
The Company's ownership %		45%		45%
The Company's share of net assets	$	830,760	$	764,928

		July 31, 2021		April 30, 2021
Loss for the period	$	(42,000)	$	(90,652)
Other comprehensive income (loss)– currency translation		(53,268)		(74,356)
Total comprehensive income/loss		(95,268)		(165,008)
The Company's ownership %		45%		45%
The Company's share of comprehensive income/loss	$	(42,871)	$	(74,254)

		July 31, 2021		April 30, 2021
Net investment, opening	$	2,161,344	$	2,160,177
Additional investment		62,073		75,421
Equity loss for the period		(18,900)		(40,794)
Other comprehensive income (loss) - currency translation		(23,971)		(33,460)
Net investment, closing	$	2,180,546	$	2,161,344

Empresa Minera Sandra-Escobar, S.A. De C.V

On March 1, 2021, the Company and Pan American, pursuant to a definitive agreement contributed their respective Sandra Property mining concessions to a new company, Empresa Minera Sandra – Escobar, S.A. De C.V. (" ESME") by way of merger. The ownership of ESME is 60% Plata Pan Americana S.A. De C.V., a wholly owned subsidiary of Pan American, 40% by the Company. Pan American and the Company will make their proportionate share of contributions. The Company is the operator.

The Company has a minority position on the technical committee and board of directors of ESME, 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.

(Expressed in Canadian Dollars)

6. INVESTMENTS IN ASSOCIATES (cont'd…)

Empresa Minera Sandra-Escobar, S.A. De C.V (cont'd…)

As at July 31, 2021, EMSE's aggregate assets, aggregate liabilities and net losses are as follows:

		July 31, 2021		April 30, 2021
Current assets	$	34,471	$	10,836
Non-current assets		1,626,027		1,577,813
Current liabilities		(26,050)		(12,270)
Net assets		1,634,448		1,576,379
The Company's ownership %		40%		40%
The Company's share of net assets	$	653,779	$	630,552

		July 31, 2021		April 30, 2021
Loss for the period	$	(233,248)	$	(10,713)
Other comprehensive income (loss)– currency translation		(42,879)		(142)
Total comprehensive income/loss		(276,127)		(10,855)
The Company's ownership %		40%		40%
The Company's share of comprehensive income/loss	$	(110,451)	$	(4,342)

		July 31, 2021		April 30, 2021
Net investment, opening	$	495,658	$	-
Additional investment		158,375		500,000
Equity loss for the period		(93,299)		(4,285)
Other comprehensive income (loss) - currency translation		(17,152)		(57)
Net investment, closing	$	543,582	$	495,658

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Share issuances

On January 26, 2020, the Company issued 300,000 shares for the Cordero Project valued at $25,500.
The Company completed the first tranche of its non-brokered private placement on June 23, 2020 and raised gross proceeds of $989,000 through the sale of 12,362,500 units at a price of $0.08 per unit. Each unit consisted of one common share of the Company and one half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $0.20 per share for a period of two years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES

Share issuances (cont'd…)

The Company completed the final tranche of its non-brokered private placement on July 17, 2020 and raised gross proceeds of $1,111,000 through the sale of 13,887,500 units at a price of $0.08 per unit. Each unit consisted of one common share of the Company and one half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $0.20 per share for a period of two years.

The Company completed a non-brokered private placement on August 19, 2020 and raised gross proceeds of $5,500,000 through the sale of 36,666,666 units at a price of $0.15 per unit. Each unit consisted of one common share of the Company and one half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $0.20 per share for a period of two years. In connection with the private placement the Company paid a finders' fee to Mackie Research Capital Corporation by issuing 2,199,999 units with the same price and terms as the private placement. The shares attached to the finder's units are valued at $330,000 and the warrants attached to the finder's units are valued at $185,820 using the Black Scholes model.

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 three months ended July 31, 2021, the Company granted nil (2020 – 250,000) stock options to directors, employees, investor relations consultants and consultants. The weighted average fair value of each option granted was $Nil (2020 - $0.11). During the three months ended July 31, 2021, the Company recognized a total of $(12,283) (2020 - $9,143) in share-based compensation for the options vested during the period.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted

	For the three months ended July 31, 201	For the three months ended July 31, 2020
Expected option lives	1.8 years	3 years
Risk-free interest rate	2.46%	2.46%
Expected dividend yield	0%	0%
Expected stock price volatility	128.41%	135.85%

(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, 2019	-	$	-	8,675,000	$	0.24
Granted	4,000,000		0.15	3,425,000		0.10
Expired	-		-	(150,000)		0.15
Forfeited	-		-	(900,000)		0.19
Outstanding, April 30, 2020	4,000,000		0.15	11,050,000		0.20
Granted	32,558,332		0.20	3,800,000		0.17
Expired	-		-	(4,825,000)		0.27
Exercised	-		-	(250,000)		0.10
Forfeited	-		-	(450,000)		0.17
Outstanding, April 30, 2021	36,558,332		0.19	9,325,000		0.15
Expired	-		-	(150,000)		0.55
Forfeited	-		-	(275,000)		0.14
Outstanding, July 31, 2021	36,558,332	$	0.19	8,900,000	$	0.14
Exercisable at July 31, 2021	36,558,332	$	0.19	8,900,000	$	0.14

The following stock options to acquire common shares of the Company were outstanding at July 31, 2021:

	Number of Shares	Exercise Price	Expiry Date
Options			
	2,000,000	0.17	May 3, 2022
	400,000	0.10	September 10, 2023
	2,775,000	0.10	December 19, 2024
	250,000	0.10	May 26, 2023
	3,475,000	0.17	January 28, 2026
	8,900,000		

(Expressed in Canadian Dollars)

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

Stock options and warrants (cont'd…)

The following warrants to acquire common shares of the Company were outstanding at July 31, 2021:

Number of Warrants	Exercise Price	Expiry Date
4,000,000	$0.15	November 19, 2021
6,181,250	0.20	June 23, 2022
6,943,750	0.20	July 17, 2022
19,433,332	0.20	August 19, 2022
36,558,332		

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 period.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the three months ended July 31, 2021

a) Other comprehensive loss – currency translation of $41,123.

Significant non-cash transactions during the three months ended July 31, 2020:

a) Other comprehensive loss – currency translation $27,202

b) Share issuance costs in accounts payable and accrued liabilities of $17,947

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

The condensed consolidated interim 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 three months ended July 31, 2021, 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.

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

		Three Months Ended July 31, 2021		Three Months Ended July 31, 2020
Management fees	$	100,581	$	60,720
Geological consulting fees		32,920		40,049
Total	$	133,501	$	100,769

		Three Months Ended July 31, 2021		Three Months Ended July 31, 2020
Investor relations*	$	-	$	3,048
Office and administrative*		-		44,480
Rent*		-		19,250
Total	$	-	$	66,778

*Fees paid to a management service company controlled by the former 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. The management company ceased to be a related party on November 30, 2020.

Included in accounts payable and accrued liabilities as at July 31, 2021 is $Nil (April 30, 2021 - $668) paid to directors or officers or companies controlled by directors.

During the three months ended July 31, 2021, the Company received consulting fees from a related party company controlled by common directors and management for $20,029 (2020 - $49,052).

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 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 these 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. The Company is exposed to liquidity risk.

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 July 31, 2021, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have an effect of $700 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 $20,000 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:

		July 31, 2021		April 30, 2021
Equipment				
Mexico	$	19,938	$	21,267
Exploration and evaluation assets				
Canada	$	1	$	1