SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEARS ENDED APRIL 30, 2007 AND 2006

Dated: August 28, 2007

Management's Responsibility for Financial Reporting

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

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

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

Description of Business

The Company is engaged primarily in the acquisition and exploration of mineral properties. In 2004, the Company undertook a number of reviews of potential business opportunities, and ultimately secured working interests in two properties, El Tigre and Las Sorpresas, both located in Peru.

On March 8, 2004, the Company announced that it had acquired an option to earn a 51% interest in the El Tigre property and one other gold property from Candente Resource Corp. through its subsidiary, Cia Minera Oro Candente S.A. in Peru. Orex has the right to earn the 51% interest by incurring exploration expenditures of US$2.5 million over a period of 3.5 years on each property. The Company paid a total of US$30,000 in cash and issued 100,000 shares pursuant to the terms of the option agreements. The Company acquired the options through an assignment from 674075 B.C. Ltd., and also issued 200,000 common shares for each property to the assignor, with a further commitment to issue 800,000 common shares for each property in stages linked to the annual work programs on each property.

Previous work on the El Tigre property included over a thousand surface soil and rock samples showing anomalous gold occurring over a two-kilometre length and one kilometre width. Rock chip samples analysed by Candente showed gold values of 0.3 – 0.9 grams per ton in quartz veins, with visible gold also identified. A Phase 1 program was planned for the property to delineate drill targets through additional geophysical surveys, geological mapping, and rock chip sampling with a budget of US$250,000. The work was conducted by Candente's Peruvian staff.

Description of Business (continued)

On May 26, 2004, the Company announced its participation in the second property, Las Sorpresas, also in Peru. The Company has the right to earn a 51% interest in this property under similar terms to those for the El Tigre property. Las Sorpresas covers 2,827 hectares and borders on the southern edge of the Yanacocha gold mine in which Newmont has a controlling interest. Gold targets on the Las Sorpresas property include both the oxide form of mineralization prevalent at the Yanacocha mine and higher-grade sulphide mineralization recently discovered at depths at Yanacocha.

Similar to El Tigre, exploration on Las Sorpresas is being conducted by Candente's staff. Initially, the work has involved a ground magnetics survey as well as additional geophysical survey work, geological mapping and rock chip sampling. The ground magnetics has now been completed. The Company has also completed a satellite imagery analysis showing similar dome-shaped features to those at Yanacocha. These dome-shaped features seem to correspond directly to the large oxide deposits.

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

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

Geochemical and geophysical work started in December 2005 on this property and was completed in July 2006. The results of these tests identified a large anomaly. Based on these results, the Company planned a drilling program to commence as soon as permits were granted. These were received in September and drilling commenced in October. A total of 10 drill targets were identified to be drilled initially for a minimum of 1500 metres, extendible to 3000 metres based on results.

A total of eleven holes, each of approximately 100 to 300 metres depth, have been completed for a total of 2,586 metres. The Company has received the results of the assays for all eleven holes and management was disappointed with the results overall. Consequently, a decision was made to not do further work on the Pamel property and to terminate the Pamel joint venture with Candente.

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

Results for the three months ended April 30, 2007 and 2006:

During the fourth quarter, the Company incurred exploration expenses amounting to $205,877, which were significantly higher than the $38,463 incurred in fiscal 2006. The increase was due to the higher level of exploration activities undertaken in the current year. The current year costs were incurred primarily on the Pamel property.

General operating costs totalled $340,853 for the current quarter, which were 115 per cent higher than those incurred in the fourth quarter of the prior year of $158,290. The increase was almost entirely due to a $237,889 charge the Company recorded to reflect the imputed non-cash cost of stock options granted to directors, officers, staff and consultants. In the comparable quarter of 2006, the cost was only $49,040. All other administrative costs were in line with those of the prior year.

Overall, the loss in the fourth quarter of fiscal 2007 amounted to $559,374 or $0.02 per share, which is significantly higher than the loss for the fourth quarter of 2006 of $286,124 or $0.02 per share.

Results for the years ended April 30, 2007 and 2006:

During fiscal 2007, the Company incurred exploration expenses amounting to $1,332,792, which were significantly higher than the $336,895 incurred in fiscal 2006. These expenses include drilling costs of $436,948, geophysical costs of $129,097, geochemical costs of $83,461, geological costs of $241,935 and other general exploration costs of $441,351. Of these costs, $1,166,970 were incurred on the Pamel property, $87,636 were incurred on El Tigre, with the remaining $78,186 spent on Las Sorpresas. The amounts incurred on the Pamel and El Tigre properties were incurred before the decision to abondon further work was made.

Late in the first quarter, the Company decided to discontinue funding exploration on the El Tigre property. The Company's April 30, 2006 audited financial statements recorded $87,633 as a loss on disposal of mineral property to remove previously capitalized acquisition costs related to the El Tigre property.

Subsequent to year-end, the Company decided to also discontinue funding exploration on the Pamel property. The Company recorded $32,300 as a loss on disposal of mineral property to remove previously capitalized acquisition costs related to the Pamel property.

General operating costs totalled $984,708 for the year, which was 72 per cent higher than those incurred in the prior year of $571,658. For the year, administrative costs were up significantly due to increased efforts to support the field work and to raise additional cash to fund work on the Pamel property. Management fees of $143,900 were 20 per cent higher than those incurred in the prior year of $120,400, due primarily to the addition of one staff member. Office costs rose to $47,740 from $35,023, and rent to $44,000 from $24,000 incurred in the prior year, the latter increase due to the renewal of office space lease terms. In Addition, the financing activity this year led to higher transfer agent and filing fees of $22,834, increasing 87 per cent from $12,241, and higher travel expenses of $71,035 increasing significantly from $29,903 incurred in the prior year. Also for the year, the Company recorded a $430,214 charge to reflect the imputed non-cash cost of stock options granted to directors, officers, staff and consultants in the year, up $311,454 or 262 per cent from the 2006 cost of only $118,760.

The loss in the current year amounted to $2,311,292 or $0.09 per share, which is significantly higher than the loss for 2006 of $997,037 or $0.08 per share. The increase can be attributed essentially to the higher exploration costs and the higher stock-based compensation charge this year.

Statement of Mining and Exploration Expenditures as of April 30, 2007:

PROPERTY ACQUISITION COSTS	**EL TIGRE**	**LAS SORPRESAS**	**PAMEL**	**TOTAL**
	$	$	$	$
Balance, April 30, 2006	-	87,633	16,800	104,433
Additions in the year	-	-	15,500	15,500
Disposals in the year	-	-	(32,300)	(32,300)
Balance, April 30, 2007	-	87,633	-	87,633

EXPLORATION EXPENDITURES	**EL TIGRE**	**LAS SORPRESAS**	**PAMEL**	**TOTAL**
2007	$	$	$	$
Drilling	-	-	436,948	436,948
Geophysical	61,010	-	68,087	129,097
Geochemical	13,403	4,146	65,912	83,461
Geological	13,223	70,711	158,001	241,935
General exploration	-	3,329	438,022	441,351
Total Expenditures for the period	87,636	78,186	1,166,970	1,332,792

EXPLORATION EXPENDITURES	**EL TIGRE**	**LAS SORPRESAS**	**PAMEL**	**TOTAL**
TOTAL TO DATE	$	$	$	$
Drilling	-	-	436,948	436,948
Geophysical	131,703	114,977	104,226	350,906
Geochemical	69,303	57,807	175,202	302,312
Geological	95,054	181,533	185,230	461,817
General exploration	33,448	48,620	464,023	546,091
Total Expenditures to Date	329,508	402,937	1,365,629	2,098,074

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

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

Selected annual financial information:

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

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

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

Selected quarterly financial information:

		4th Quarter Ended April 30, 2007	3rd Quarter Ended January 31, 2007	2nd Quarter Ended October 31, 2006	1st Quarter Ended July 31, 2006
(a)	Revenue	Nil	Nil	Nil	Nil
(b)	Loss for period	559,374	898,618	452,997	400,303
(c)	Loss per share	0.02	0.03	0.02	0.02
		4th Quarter Ended April 30, 2006	**3rd Quarter Ended January 31, 2006**	**2nd Quarter Ended October 31, 2005**	**1st Quarter Ended July 31, 2005**
(a)	Revenue	Nil	Nil	Nil	Nil
(b)	Loss for period	286,124	360,066	154,353	196,494
(c)	Loss per share	0.02	0.03	0.01	0.02
		4th Quarter Ended April 30, 2005	**3rd Quarter Ended January 31, 2005**	**2nd Quarter Ended October 31, 2004**	**1st Quarter Ended July 31, 2004**
(a)	Revenue	Nil	Nil	Nil	Nil
(b)	Loss for period	239,127	211,723	361,712	175,474
(c)	Loss per share	0.02	0.02	0.04	0.02

The losses in fiscal 2007 were primarily due to the Company's exploration efforts on its three Peruvian properties, the Pamel property in particular.

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

In 2005, the quarterly losses reflect the costs for the geological work performed in the year on both the El Tigre and Las Sorpresas properties by Candente, before the social unrest arose and work had to be suspended.

Capital Stock:

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and Outstanding

	Number of Shares	Amount $
Balance, April 30, 2005	12,870,000	3,128,235
Issued during the year		
For property:		
Issued for Pamel property	60,000	16,800
Balance at April 30, 2006	12,930,000	3,145,035
Issued during the year		
For cash:		
Private placements, net of share issuance costs	17,400,000	2,475,910
Exercise of options	200,000	40,000
Exercise of warrants	435,000	153,000
For services:		
Finders' fees for private placements	1,158,420	389,067
Transferred from contributed surplus:		
Exercise of options	–	12,000
Exercise of warrants	–	8,991
Balance at April 30, 2007	32,123,420	6,224,003
Issued during the period		
For cash:		
Private placement, net of share issuance costs	8,000,000	740,700
Exercise of warrants	8,000	1,600
For services:		
Finders' fees for private placements	397,500	125,200
For Property:		
Issued for Pamel property	50,000	15,500
Transferred from contributed surplus:		
Exercise of warrants	–	533
Balance at August 28, 2007	40,578,920	7,107,536

(c) Stock Options

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

Stock option activity since April 30, 2005 is presented below:

	Number of Shares	Weighted Average Exercise Price $
Outstanding, April 30, 2005	1,195,000	0.34
Granted	267,000	0.23
Cancelled	(175,000)	0.32
Outstanding, April 30, 2006	1,287,000	0.32
Granted	1,430,000	0.43
Exercised	(200,000)	0.20
Expired	(25,000)	0.40
Outstanding, April 30, 2007	2,492,000	0.39
Granted	25,000	0.35
Outstanding, August 28, 2007	2,517,000	0.39

During the year ended April 30, 2007, the board of directors approved the extension of the expiry dates of 303,000 stock options as follows:

Number of options	Original Expiry Date	New Expiry Date
100,000	November 2, 2006	November 2, 2009
111,000	March 23, 2007	March 23, 2010
92,000	May 6, 2007	May 6, 2010
303,000		

For these extensions, the Company recorded an incremental value of $40,900 in stock-based compensation expense (See Note 8).

The following table summarizes the stock options outstanding at April 30, 2007 and August 28, 2007:

Number of Common Shares Issuable			
At April 30, 2007	At August 28, 2007	Exercise Price	Expiry Date
25,000	25,000	$0.23	April 19, 2008
150,000	150,000	$0.21	March 27, 2008
584,000	584,000	$0.40	June 7, 2009
100,000	100,000	$0.33	November 2, 2009
111,000	111,000	$0.30	March 23, 2010
92,000	92,000	$0.25	May 6, 2010
1,205,000	1,205,000	$0.43	September 11, 2011
25,000	25,000	$0.44	November 1, 2011
200,000	200,000	$0.43	November 6, 2011
-	25,000	$0.35	May 9, 2012
2,492,000	2,517,000		

(d) Warrants

Warrant activity since April 30, 2005 is presented below:

	Number of Shares	Weighted Average Exercise Price $
Outstanding, April 30, 2005	7,655,000	0.42
Issued	–	–
Expired	(4,375,000)	0.42
Outstanding, April 30, 2006	3,280,000	0.42
Issued	9,279,210	0.30
Exercised	(435,000)	0.35
Expired	(2,980,000)	0.42
Outstanding, April 30, 2007	9,144,210	0.30
Issued	4,198,750	0.20
Exercised	(8,000)	0.20
Outstanding, August 28, 2007	13,334,960	0.27

The following table summarizes the warrants outstanding at April 30, 2007 and August 28, 2007:

Number of Common Shares Issuable			
At April 30, 2007	At August 28, 2007	Exercise Price	Expiry Date
4,670,550	4,663,550	$0.20	June 6, 2008
2,130,060	2,130,060	$0.30	March 25, 2008
2,343,600	2,343,600	$0.50	May 3, 2008
-	4,198,750	$0.20	June 4, 2009
9,144,210	13,334,960		

Financial Position:

The Company's financial position strengthened significantly from the opening level of $157,385 at the beginning of the year to the period end level of $1,967,092 comprised of cash on hand of $167,092 and $1,800,000 in short-term investments. The increase primarily reflects the completion of three private placements during the year, undertaken to support the continuing drilling program and other exploration work on the Company's properties as well as to sustain the Company's general operations. The operating loss for the year of $2,311,292, after adjustments for non-cash items and changes in other working capital balances, required total cash funding of $1,567,485.

On June 6, 2006, the Company issued 9,000,000 units at $0.15 per unit for gross proceeds of $1,350,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.20 per common share. Values of $1,050,300 and $299,700 were assigned to the common shares and warrants, respectively, based on their relative fair values at the closing date of the private placements. In connection with the private placement, the Company issued 611,100 units as a commission with terms similar to those issued under the private placement. Values of $128,331 and $36,666 were assigned to the common shares and warrants, respectively, based on their fair values at the closing date of the private placements. The Company incurred other cash share issuance costs of $13,684. The fair values of the warrants issued in connection with this private placement were computed using the Black-Scholes option-pricing model.

Then, on September 25, 2006, the Company closed a second private placement, and issued 4,000,000 units at $0.25 per unit for gross proceeds of $1,000,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 18 months from the date of closing at a price of $0.30 per common share. Values of $762,000 and $238,000 were assigned to the common shares and warrants, respectively, based on their relative fair values at the closing date of the private placements. In connection with the private placement, the Company issued 260,120 units as a commission with terms similar to those issued under the private placement. Values of $130,060 and $40,579 were assigned to the common shares and warrants, respectively, based on their fair values at the closing date of the private placements. The Company incurred other cash share issuance costs of $12,240. The fair values of the warrants issued in connection with this private placement were computed using the Black-Scholes option-pricing model.

On November 3, 2006, the Company closed a third private placement, and issued 4,400,000 units at $0.35 per unit for gross proceeds of $1,540,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 18 months from the date of closing at a price of $0.50 per common share. Values of $1,246,960 and $293,040 were assigned to the common shares and warrants, respectively, based on their relative fair values at the closing date of the private placements. In connection with the private placement, the Company issued 287,200 units as a commission with terms similar to those issued under the private placement. Values of $130,676 and $30,730 were assigned to the common shares and warrants, respectively, based on their fair values at the closing date of the private placements. The Company paid cash commissions of $7,280 and incurred other cash share issuance costs of $53,104. The fair values of the warrants issued in connection with this private placement were computed using the Black-Scholes option-pricing model.

Additional funding was received during fiscal 2007 from the exercise of options and warrants. The Company issued 200,000 shares on the exercise of options receiving proceeds of $40,000 and issued 435,000 shares from the exercise of warrants for proceeds of $153,000.

As a consequence, at the end of the year, the funds on hand at the beginning of the year of $157,385, supplemented by the net proceeds of share and warrant issuances aggregating $3,377,192 were more than adequate to fund the cash loss from operations of $1,567,485 such that at April 30, 2007, the Company held $1,967,092 in its accounts.

Commitments:

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

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

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

While conditions improved and work resumed on El Tigre in the second half of 2006, the results did not warrant further exploration of this property and in the first quarter of 2007, the Company decided to terminate work on El Tigre and focus its efforts on the Pamel property.

Under the terms of the option agreement with Candente for the Pamel property, the original phasing of exploration expenditures was as follows:

		Pamel (US$)
May 31, 2006	$	250,000
May 31, 2007		500,000
May 31, 2008		750,000
May 31, 2009		1,000,000
	$	2,500,000

In late 2007, results to date did not warrant further exploration of this property and the Company decided to terminate work on the Pamel property. Accordingly, the Company recorded an impairment charge of $32,300 for the value of 60,000 shares issued in 2006 and 50,000 shares issuable to Candente as at April 30, 2007, pursuant to the terms of the option agreement. The 50,000 shares were issued on June 1, 2007 and were valued at $15,500 based on the fair value on the date of issuance.

Subsequent to April 30, 2007, the Company issued 8,000,000 units at $0.15 per unit for gross proceeds of $1,200,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.20 per common share. In connection with the private placement, the Company issued 397,500 units as a commission with terms similar to those issued under the private placement. The proceeds of this financing will be used to fund exploration expenditures on the Santa Cruz property.

Presently, management believes it has adequate working capital to meet its short-term obligations but anticipates that additional working capital will be required and will be met by additional placements of its common shares with investors.

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Related Party Transactions:

(a) Due to Related Parties

As at April 30, 2006, due to related parties consists of $2,889 payable to a company controlled by an officer of the Company for management fees. This amount is non-interest bearing, unsecured and has no fixed terms of repayment. There were no amounts due to related parties at April 30, 2007.

(b) Related Party Transactions

During the year ended April 30, 2007, the Company incurred management fees of $143,900 (2006 – $120,400) to an officer and companies controlled by officers of the Company. These transactions have been in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties.

Changes in Accounting Policies (Including Initial Adoption):

On January 27, 2005, the CICA issued Section 3855 of the Handbook entitled Financial Instruments – Recognition and Measurement. It expands Handbook Section 3860, Financial Instruments – Disclosure and Presentation by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. All financial instruments will be required to be classified into various categories. Held to maturity investments and loans and receivables are measured at amortized cost with amortization of premium or discounts and losses and impairment included in current period interest income or expense. Held for trading financial assets and liabilities are measured at fair market value with all gains and losses included in net income in the period in which they arise. All available for sale financial assets are measured at fair market value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet and losses due to impairment included in net income. All other financial liabilities are to be carried at amortized cost. This new Handbook Section will bring Canadian GAAP more in line with US GAAP. The mandatory effective date is for fiscal years beginning on or after October 1, 2006. The Company adopted Section 3855 of the Handbook on May 1, 2007. At present, the Company's most significant financial instruments are cash, short-term investments, receivables and accounts payable. The adoption of this section is not expected to have a material effect on the Company's future reported financial position or results of operations.

New Handbook Section 3865, Hedges, provides alternative treatments to Handbook Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. The effective date for this section is for fiscal years beginning on or after October 1, 2006. The Company adopted Section 3855 of the Handbook on May 1, 2007. The Company does not currently have any hedging relationships. The adoption of this section is not expected to have a material effect on the Company's future reported financial position or results of operations.

New Handbook Section 1530, Comprehensive Income, introduces a requirement to temporarily present certain gains and losses outside of income. Section 1530 defines comprehensive income as a change in value of net assets that is not due to owner activities. Assets that are classified as available for sale will have revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. In 2006, the Company had investments in shares of arm's-length corporations that may be classified as available for sale investments. The Company would be required to recognize unrealized gains and losses on these securities and include these amounts in comprehensive income. The effective date for this section is for fiscal years beginning on or after October 1, 2006. The Company adopted Section 3855 of the Handbook on May 1, 2007. The adoption of this section is not expected to have a material effect on the Company's future reported financial position or results of operations.

Subsequent Events:

(a) On May 9, 2007, the Company granted 25,000 stock options to a consultant with an exercise price of $0.35 per share expiring May 9, 2012.

(b) On May 29, 2007, the Company gave written notice to Candente Resource Inc. of its decision to terminate the options on the El Tigre and Pamel properties effective June 30, 2007.

(c) On June 1, 2007, the Company issued 50,000 common shares to Candente Resource Inc. pursuant to the terms of the Pamel property agreement.

(d) On June 4, 2007, the Company issued 8,000,000 units at $0.15 per unit for gross proceeds of $1,200,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share for 24 months from the date of closing at a price of $0.20 per common share. In connection with the private placement, the Company issued 397,500 units as a commission with terms similar to those issued under the private placement.

(e) On June 21, 2007, the Company announced that it had entered into an option agreement with Silverex S.A. de C.V. to acquire up to 75% interest in the Santa Cruz property in Durango, Mexico.

Initially, to earn an undivided 50% interest, Orex must issue 500,000 common shares and pay $800,000 to Silverex upon the TSX Venture Exchange (the “Exchange”) acceptance of the agreement. After one year from the date of acceptance, based on the success of the exploration, the Company may issue an additional 500,000 common shares and pay an additional $800,000. After the second anniversary, the Company may make an additional cash payment to bring the total value of cash payments and share issuances to $4,000,000. In addition, the Company is required to incur a minimum of $500,000 of expenditures on the property in each year from the acceptance date for a total period of four years.

At any time during this initial four-year program period, the Company has the option to earn an additional undivided 25% interest, having met the above share issue and cash payment requirements, by issuing additional common shares having a deemed value of $1,000,000 and pay an additional $3,000,000.

Upon earning an undivided 75% interest, Orex and Silverex will participate on a joint venture basis in further exploration and development of the Santa Cruz Property.

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