

**OREX MINERALS INC.**  
**INTERIM REPORT TO SHAREHOLDERS**  
For the Three Months Ended July 31, 2023  
(Expressed in Canadian Dollars)

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**MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)  
FOR THE THREE MONTHS ENDED JULY 31, 2023**

Dated: September 28, 2023

Management’s Responsibility for Financial Reporting:

The accompanying interim financial report for the three months ended July 31, 2023 has been prepared by management using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The following discussion is management’s assessment and analysis of the results and financial condition of Orex Minerals Inc. (the Company) and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes. Other information contained in this document has also been prepared by management and is consistent with the data contained in the unaudited condensed consolidated interim financial statements.

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the condensed consolidated interim financial statements and Management Discussion and Analysis (together the “filings”) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these interim filings, and the interim financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in interim filings.

The Board of Directors approves the condensed consolidated interim financial statements together with the other financial information included in the interim filings and ensures that management has discharged its financial responsibilities. The Board’s review is accomplished principally through the Audit Committee, which meets periodically to review all corporate filings 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.

In particular, forward looking comments regarding both the Company’s plans and operations included in the “Description of Business” with respect to management’s planned exploration and other activities, and in “Liquidity”, “Commitments” and “Corporate Summary” regarding management’s estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company’s common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

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#### Description of Business:

The Company is engaged primarily in the acquisition and exploration of “exploration and evaluation assets”.

#### SANDRA PROJECT, MEXICO – (Previous name Sandra Escobar Project)

The Sandra Project is situated north of the town of Tepehuanes, Durango, in the heart of the "Mexican Silver Trend", midway between the mining districts of Tovar and Guanacevi and is 75 km west of Endeavour Silver Corp's La Pitarrilla. This prolific trend hosts some of the world's largest silver camps and deposits, including Fresnillo, Guanajuato, La Pitarrilla, La Preciosa, Real de Angeles, and Zacatecas. Excellent infrastructure exists in the Sandra area, including paved road access, electrical power, water and manpower from nearby communities.

The Sandra Project consists of 6,976 hectares of mineral concessions and covers multiple mineralized epithermal quartz veins, stockwork, disseminations and breccia structures. These veins form a high level silver-gold-base metals system, hosted in andesitic and rhyolitic rocks, centered on a large rhyolite dome complex in the north and silver systems in smaller rhyolite dome complexes to the southeast. Intense alteration zones and fluid flooding in permeable formations may also indicate the presence of bulk tonnage silver targets.

On September 15, 2015, the Company announced that it had entered into an option agreement with Canasil Resources Inc. (TSX-V: CLZ) ("Canasil"), with respect to Canasil's Sandra Project in Durango, Mexico. Pursuant to the terms of the Option Agreement, Orex had a right to earn up to a 65% ownership interest in the Project.

The Option Agreement provides that Orex may earn a 55% ownership interest (the "First Option") in the Project by making a payment of \$500,000 to Canasil upon execution of the Option Agreement and completing US\$ 2,000,000 in exploration and development expenditures (the "Expenditures") on the Project within three years of entering into the Option Agreement. In connection with the First Option, Orex must incur a minimum of US\$ 675,000 in Expenditures in the first year of the Option Agreement and US\$ 500,000 in Expenditures in the second year of the Option Agreement. Provided that Orex exercises the First Option, Orex 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 Orex shares, at the option of Orex. In connection with the Second Option, Orex must incur a minimum of US\$ 675,000 in Expenditures during the first year of the Second Option.

Upon exercise of the Options, Orex 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 Orex exercises the Second Option, Orex's interest in the joint venture would be increased to 65%.

On October 15, 2015, the Company initiated a surface exploration program on the Sandra Project the results of which were announced in a news release dated November 9, 2015.

On December 9, 2015, the Company initiated a Phase – I diamond drilling program in the southeastern region of the Sandra mineral concessions. Drilling of the first three holes was completed before the year-end work stoppage on December 21, 2015. Drilling recommenced during the second week of January 2016. By the end of February 2016, 17 drill holes totalling 2,003 metres had been completed.

Results for the first hole SA-15-001, were announced in a news release dated January 25, 2016. This hole yielded an intercept of 61 metres (true thickness 43.1 metres) grading 359 g/t silver. Within this intercept was a subinterval of 3 metres (true thickness 2.12 Metres) grading 2,271 g/t silver. Highlighted drilling intercepts also included SA-16-006 yielding 37 metres (true thickness 33.5 metres) grading 328 g/t silver (news release 23 February 2016).

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#### Description of Business (cont'd...):

SANDRA PROJECT, MEXICO – (Previous name Sandra Escobar Project) (cont'd...):

Phase-II diamond drilling commenced in March 2016 consisting of 21 drill holes totalling 2,354.6 metres. Highlights included SA-16-019 yielding 60 metres (true thickness 49.15 metres) grading 205 g/t silver and SA-16-023 yielding 46 metres (true thickness 40.5 metres) grading 218 g/t silver (news release 9 May and 24 May 2016).

Phase-III diamond drilling program commenced in July 2016, consisting of 24 drill holes totalling 4,014.65 metres. Highlights included SA-16-041 yielding 67 metres (true thickness 58 metres) grading 192 g/t silver and SA-16-048 yielding 65 metres (true thickness 56 metres) grading 114 g/t silver (news releases 29 August and 12 September 2016).

Phase-IV diamond drilling program commenced in November 2016, consisting of 3 holes totalling 1,580.35 metres. These were reconnaissance holes north of the main zone of the Bolerias Deposit area.

Total diamond drilling by the Company in the first four Phases to date on the Sandra Project equals 9,952.60 metres in 65 drill holes.

On October 31, 2016, Orex announced the results from the first resource estimate on the Bolerias Silver Deposit of the Sandra Project. This study was conducted by Mining Plus Consultants Ltd, serving as “Independent Qualified Persons” as defined in National Instrument 43-101. At a “Base Case” of 45 g/t Ag cut-off, the Inferred Resource Estimate yielded 9.8 million tonnes grading 106 g/t Ag for a total of 33.3 million ounces of silver. The “Effective Date” is October 25, 2016 and the Technical Report has been filed on [www.sedar.com](http://www.sedar.com). (News releases October 31, 2016 and December 15, 2016)

On December 15, 2016, the Company announced the preliminary metallurgical results for the Bolerias Main Zone of the Sandra Project. Early tests by hydrochloric acid, or sulphur dioxide pre-treatment before cyanidation demonstrated that a portion of the mineralization is refractory and more investigation was required. The silver recovery is grade dependent, with percentage recovery values between 6.1% and 93.0%. (News release December 15, 2016) On January 16, 2017, Orex announced the completion of the terms of the “First Option” payments and work expenditures for the Sandra Project and that it had earned a 55% ownership interest in the project. A joint-venture committee between Orex and Canasil was to be formed to manage ongoing exploration. Orex also notified Canasil that it would not be proceeding with the “Second Option”. (News release January 16, 2017)

No exploration activities were conducted on the Sandra Project from the second quarter of 2017, and throughout 2018 and 2019 due to negotiations between the respective joint-venture parties. Mineral concessions were maintained in good standing with taxes paid as well as general overhead costs.

On December 19, 2017 the Company announced the signing of a “Letter of Intent” with Pan American Silver Corp. and Canasil Resources Inc. to combine their respective mineral concessions in the Sandra 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 million. 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 Orex/Canasil expenditure of US\$ 1 million.

On October 24, 2018, Canasil announced the signing of a separate “Letter of Intent” to sell their interest in the Sandra Project to Pan American’s Mexican subsidiary Plata Panamericana S.A. de C.V.. On June 28, 2019, Canasil Resources Inc. issued a news release announcing the signing of a definitive agreement providing for Pan American Silver to acquire Canasil’s interest in the Sandra Project.

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#### Description of Business (cont'd...):

**SANDRA PROJECT, MEXICO – (Previous name Sandra Escobar Project) (cont'd...):**

On July 8, 2019, the Company announced the signing of a “Letter Agreement” with Pan American Silver Corp., through its subsidiary Plata Panamericana SA de CV, regarding a restructured Sandra project. This followed on the news that Pan American had acquired all of the interest of Canasil in the project.

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. Pan American and the Company will make their proportionate share of contributions. The Company is the operator.

On October 19, 2020, the Company initiated a field based geological mapping and geochemical sampling program on the Sandra Property to consolidate the two groups of mineral concessions. (News release October 19, 2020)

Field based geological mapping and litho-geochemical sampling programs were conducted on the Sandra Property, with the assistance of Geotech Evaluation and Support (“GES”) a Mexican consulting firm, with strict COVID-19 protocols in place. This program was completed in November, 2021.

On June 22, 2022, Orex and Pan American initiated Phase-I of a new diamond drilling program on the Sandra Project, to consist of approximately 2,500 to 3,000 metres. The drilling contract was awarded to Globexplore, an experienced diamond drilling service company, utilizing low environmental impact, man-portable drill rigs.

The 2022 Phase-I drilling program has completed eight holes totalling 2,665.30 metres. Most of the holes are reconnaissance on mineralized targets away from the defined Bolerias Silver Deposit in the Central and Eastern Corridors. The favourable host unit in the Bolerias Deposit area, a rhyolite crystal lithic-tuff, has been extended a further 1.5 kilometres to the northwest (News release on October 5, 2022).

Total diamond drilling to date on the Sandra Project by Canasil, Orex and the Orex-Pan American Joint Venture equals 14,466.65 metres in 84 holes.

Ben Whiting, P.Geo, is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Sandra property.

#### **CONETO, MEXICO:**

On July 16, 2009, the Company signed a letter of intent to purchase 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 of the Company. The definitive purchase agreement, signed on September 1, 2009, was subject to the approval of the TSX Venture Exchange. After receiving TSX Venture Exchange approval, on April 15, 2010, the Company issued 2,200,000 shares to the vendors of the Coneto concessions, valued at \$2,090,000. The Coneto Property is subject to a 2.5% NSR royalty payable to the vendors.

Located in the Mesa Central on the eastern flank of the Sierra Madre Occidental Mountains, Coneto is centrally positioned in the “Mexican Silver Trend”. This silver trend, stretching from Guanajuato in the southeast, through the states of Zacatecas and Durango, hosts some of the world’s largest silver deposits, including Real de Angeles, Zacatecas, Fresnillo, La Preciosa, and La Pitarilla mining camps.

The Coneto mining camp has a history going back over 400 years. More than 40 epithermal silver-gold quartz veins have been documented in a window of exposed Tertiary Lower Volcanic andesites. Past underground production was achieved on three of the

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#### Description of Business (cont'd...):

##### CONETO, MEXICO (cont'd...):

veins down to the water table. Prior to Orex, very little diamond drilling had been carried out within the property in spite of its long history of episodic production.

The Coneto mining camp historically consisted of approximately 3,300 hectares of claims. During 2010, the Company announced its successful applications to locate new mineral concessions called Lomas 3 and Lomas 4, which surround the historical claims. With the addition of these new mineral concessions, the total area of the Coneto Property increased to 16,346 hectares.

The initial work program on this property consisted of detailed structural geology mapping and geochemical sampling in the areas around Calaveras, Colemanito, Promontorio, Loma Verde, Durazno and Impulsora. This program was designed to guide a diamond drilling program. As of December 2009, regional geology mapping at 1:10,000 scale covered 35 sq km and detailed structural geology mapping at 1:500 scale covered 15 sq km. Forty-nine line-kilometres of geochemical sampling, both for soil and rock channel/chip/grab, total 1,794 samples. The Loma Verde, Promontorio and Impulsora sectors yielded multiple anomalous values for gold and silver.

The Phase-I drilling campaign of approximately 5,000 metres of HQ and NQ diameter core commenced in May 2010 and was performed by Major Drilling de Mexico, S.A. de C.V. utilizing a surface UDR-200 rig. A total of 21 holes were completed in the Loma Verde, Durazno, Promontorio, Impulsora, Estrella-Calaveras and Sauce-Palma areas. Over 2,000 drill core samples were submitted for analyses to SGS Mineral Services in Durango, Mexico. The assay results of the drilling campaign were announced by news releases on July 6, 2010, August 9, 2010 and November 1, 2010. Nine holes yielded high values for gold and silver, especially in the Loma Verde and Impulsora areas.

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 Association 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 must be conducted on the Company's concessions. (Note 6)
- (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.
- (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.

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#### Description of Business (cont'd...):

##### CONETO, MEXICO (cont'd...):

- (f) Fresnillo has 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.

In conjunction with entering into the Association Agreement with Fresnillo, on February 8, 2012, the Company issued 2,500,000 units to Fresnillo at \$0.80 per unit for gross proceeds of \$2,000,000 under a non-brokered private placement. Each unit consisted of one common share and one half of one transferable 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 \$1.00 per common share.

A Phase-II diamond drilling program of 31 holes, totalling 11,998 metres, commenced in late August 2012 and a second drill was added in October 2012. The contracted drilling company, Kluane Drilling Ltd., utilized modularized mobile drilling equipment that minimizes the need to construct roads on the property. The total cost for the Phase II drilling program, including pre-drilling geological and geophysical mapping, was \$3.3 million, an amount which was entirely funded by Fresnillo per the terms of the Association Agreement.

The results from the 31 diamond drill holes in the Loma Verde, Central Zone, Impulsora, Promontorio and La Bufa areas of the Phase-II program, yielded high grade intercepts of gold and silver in the Loma Verde and La Bufa areas, with results announced in news releases dated November 7, 2012, January 7, and March 25, 2013.

Also in fiscal 2013, a detailed surface trench channel sampling program was initiated on various mineralized structures at Coneto. Results for the Loma Verde, Santo Nino and Impulsora were announced in news releases dated July 10, 2013, August 20, 2013, and October 7, 2013.

On July 2, 2014, a Phase - III diamond drilling program commenced for 30 holes, totalling 11,744 metres. Kluane Drilling Ltd. was awarded the drilling contract and three drilling rigs were utilized.

The results from the Phase - III 30 diamond drill holes in the Promontorio, Impulsora, Loma Verde, La Bufa, and Central areas yielded high-grade intercepts in the Loma Verde and Promontorio areas. Results were announced in news releases dated October 7, November 18 and December 8, 2014.

In August 2014, Fresnillo confirmed that they had met the exploration expenditures of the First Investment Option Stage of \$US 4,000,000 and were proceeding directly to the Second Investment Option Stage on the Coneto Project.

In March 2015, plans for a Phase-IV diamond drilling program were prepared, totaling approximately 4,656 metres in 11 holes. This program commenced in 2<sup>nd</sup> quarter 2015 and was completed in the 3<sup>rd</sup> quarter 2015. Results were announced in a news release drafted August 10, 2015.

In a news release on September 24th, 2015, the Company announced that the Coneto project earn-in expenditures of US\$ 6 million had been reached by Fresnillo. Orex and Fresnillo would then proceed on the basis of a 45% : 55% respective ownership.

On July 1, 2016, the Company and Fresnillo, pursuant to the definitive agreement 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.

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#### Description of Business (cont'd...):

##### CONETO, MEXICO (cont'd...):

In November 2016, a Phase-V diamond drilling program commenced and was completed in February 2017. A total of 11 holes were drilled in 5 target areas for 5,215 metres. These included La Bufa-Santo Nino, Loma Verde Durazno, Promontorio and Descubridora. (News release March 24, 2017)

No exploration activities were conducted on the Coneto Project during the calendar years 2018, 2019 and 2020, due to a review of Fresnillo's exploration portfolio and strategic planning, plus the start of the COVID-19 pandemic. Mineral concessions were maintained in good standing during that period.

Exploration programs were reinitiated for 2021. These have included contracting the services of SGS de Mexico S.A. de C.V. laboratories in Durango, Mexico, for preliminary metallurgical testing, plus SRK Consulting (Canada) Inc. ("SRK") for an independent NI43-101 Resource Estimation study.

Excellent results for gold yielded recoveries exceeding 93% for five of the zones, with the seven zones tested averaging over 90% recovery. The bulk of the gold was recovered in the first 48 hours. Silver recoveries varied from 69.0% to 92.3%, with the average silver recovery of 79.6%. Silver recovery percentage was still increasing at the 96 hour mark of the leach tests (news release 4 August 2021).

On October 27, 2021, Orex announced the results from the first resource estimate on six mineralized lodes from the Coneto Gold-Silver Project. This study was conducted by SRK Consulting (Canada) Inc., serving as "Independent Qualified Persons" as defined in National Instrument 43-101.

At a base case cut-off mineral value of \$US 74.30 per tonne, the "Inferred Mineral Resource Estimate" yielded 5,325,000 tonnes, grading 1.67 g/t gold and 112 g/t silver for a gold-equivalent of 3.15 g/t. Total gold 286,000 ounces and silver 19,111,000 ounces have a gold-equivalent of 538,000 ounces. The "Effective Date" of the Mineral Resource Estimate is August 30, 2021. A Technical Report has been filed on [www.sedar.com](http://www.sedar.com) (News releases on October 27 and November 16, 2021).

A series of recommendations have been made by the consulting group SRK, totalling \$US 6.2 million, to advance exploration and delineation of deposits on the Coneto Project. The 2023 program is currently under review.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Coneto Property.

##### BARSELE, SWEDEN:

On October 27, 2010, the Company signed a letter of intent with Barsele Guld A.B. ("Barsele Guld"), a wholly-owned subsidiary of Northland Resources S.A. ("Northland") to purchase all of the issued and outstanding shares of two Swedish companies, Gunnarn Mining A.B. ("Gunnarn Mining") and its wholly-owned subsidiary, Gunnarn Exploration A.B. ("Gunnarn Exploration"). The primary assets of Gunnarn Mining are mining claims for the Barsele Central, Avan, Skiråsen and Norra resource areas located in northern Sweden, collectively known as the Barsele Property.

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#### Description of Business (cont'd...):

##### **BARSELE, SWEDEN (cont'd...):**

The Company and Barsele Guld completed the final agreement on April 29, 2011 and as the initial consideration, the Company paid \$1,958,230 (US\$2,000,000) and issued 1,153,997 common shares valued at \$1,015,517 to the vendor. The Company also issued 250,000 common shares valued at \$220,000 as a finder's fee. In addition, the Company agreed to make the following deferred consideration payments to Barsele Guld, in cash and issuances of common shares of the Company, with a total value on the acquisition date, after applying a 7.5% discount rate, of \$4,428,940 (US\$5,500,000, undiscounted):

- (a) On the first anniversary of completing the final agreement, US\$1,000,000 in cash plus the lesser of 1,000,000 common shares or the number of common shares valued at US\$500,000 (on April 29, 2012, the Company paid \$996,200 (US\$1,000,000) and issued 852,764 common shares valued at \$492,400 to Barsele Guld);
- (b) On the second anniversary of completing the final agreement, US\$2,000,000 in cash.
- (c) On the third anniversary of completing the final agreement, the lesser of 2,000,000 common shares or the number of common shares valued at US\$1,000,000. If the value of the common shares issued is less than US\$1,000,000, the balance shall be paid in cash;
- (d) On the fourth anniversary of completing the final agreement, the lesser of 2,000,000 common shares or the number of common shares valued at US\$1,000,000. If the value of the common shares issued is less than US\$1,000,000, the balance shall be paid in cash.

In addition, the Company agreed to make direct exploration expenditures as follows:

- (a) Before the first anniversary of completing the final agreement, US\$1,000,000 of exploration expenditures (the Company fulfilled this requirement during fiscal 2012).
- (b) Before the second anniversary of completing the final agreement, an additional US\$2,000,000 of exploration expenditures (the Company fulfilled this requirement during fiscal 2013).

Barsele Guld retained a 2 percent net smelter royalty on the Barsele Property, which the Company could purchase at any time for US\$2,000,000 per percentage point, or a total of US\$4,000,000. On October 15, 2014, the Company purchased the remaining 2% net smelter royalty for cash in the amount of US\$500,000 (CDN \$549,800).

The Barsele Property is located 40 km southeast of the town of Storuman in Västerbottens Län, a regional district of northern Sweden approximately 600 km due north of Stockholm. Exploration in the project area has been ongoing for more than 30 years. From 1985 to 2010, a total of 398 diamond drill holes (43,609 metres) have been drilled and in 2006, Northland completed a National Instrument 43-101 technical report which contained resource estimates of both indicated and inferred resources and was filed on SEDAR by Northland on April 13, 2006.

The Central-Avan-Skiråsen (CAS) Zone at Barsele contains most of the documented gold in the 2006 resource report with a grade similar to other gold deposits in the area. In the CAS Zone, gold mineralization is predominantly within a granodiorite that has been deformed, sheared and intruded by late stage quartz veins and ranges in width from 200 to 500 metres, with a strike-extent in excess of eight kilometres. The Central and Skiråsen Zones have a combined strike length of 1,350 metres and a width of 250 metres. The Avan Zone has a strike length of 1,400 metres and a width varying from 200 to 500 metres. Base metal content of this deposit is typically low.



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#### Description of Business (cont'd...):

##### **BARSELE, SWEDEN (cont'd...):**

The Norra Zone, a small massive sulphide deposit, contains the balance of the gold reported in the 2006 resource report although the overall grade for this deposit is higher than at the CAS Zone. In the Norra Zone, sulphide mineralization is exposed in two open trenches in the centre of the drilled zone. Based on drilling, the footprint of the main mineralized body at Norra is 300 metres in strike-length and 50 metres in width.

On February 28, 2011, the Company reported that an independently verified mineral resource estimate had been completed on the Barsele Property. A new estimate was also prepared at this time for the Norra volcanogenic massive sulphide deposit. On April 27, 2011, the Company filed a National Instrument 43-101 compliant technical report on SEDAR.

In May 2011, the Company initiated a 2,500 line-kilometre airborne geophysical survey of the Barsele Property, performed by SkyTEM Surveys ApS (“SkyTEM”) of Denmark. SkyTEM used a helicopter-borne Time-Domain Electromagnetic (TDEM) System which had a transmitter moment of 500,000 NIA to maximize the depth of penetration. The airborne survey yielded high resolution maps of the apparent resistivity/conductivity, total magnetic field, and vertical magnetic derivatives. Following interpretation of the airborne results, in July 2011, the Company reported that there were a significant number of new anomalous targets outside of the known mineralized zones.

In August 2011, the Company engaged Finland-based Suomen MalmiOy (“SMOY”) and LeBel Geophysics to conduct ground follow-up surveys. The majority of the new anomalous targets lie outside of the known mineralized zones. Initially 12 gold targets and 25 VMS targets were outlined as warranting follow-up by way of geological examination, and ground magnetic and induced polarization (IP) and electromagnetic (EM) surveying. SMOY carried out IP surveying, toward detection of the disseminated-style of mineralization associated with the Central, Avan and Skiråsen Zones at Barsele, wherein, gold mineralization is associated with non-magnetic dioritic intrusive rocks, indicated by magnetic lows. A total of 30 line kilometres was completed in four areas.

In addition, 9 VMS targets were surveyed by LeBel Geophysics, utilizing a very low frequency (VLF) EM method, which has proved efficient and successful in characterizing the airborne EM VMS targets. A total of 30 line-kilometres was completed. Preliminary analysis of the VLF-EM surveying suggests an extension of the Norra base/precious metal deposit and shows other VMS targets with favourable geophysical signatures with respect to VMS-style mineralization. Examination of government archives revealed a historic high-grade float boulder discovered within the property grading 33 g/t gold and 7% zinc, which is believed to be associated with one of the anomalies located up-ice within the claims.

After completing the initial phase of ground geophysics, in November 2011, the Company commenced diamond drilling to test both the strike extensions and depth potential of the deposits outlined to date. ProtekNorr AB of Skeleton, Sweden, was retained to conduct a 6,200 metre diamond drill program. In this first phase of drilling, 16 holes were completed; 12 in the Central Zone and 4 in the Avan Zone. The assay results from the Central Zone expanded the boundaries of the known mineralization, both laterally and vertically. (Drilling results were announced in news releases dated 14 March, 26 April, 29 May, 19 July and 10 August 2012)

On November 7, 2012, the Company reported that an independent updated resource estimate had been completed on the Barsele Property by the consulting firm, Mining Plus. The study concluded that drilling to date on the Central-Avan-Skiråsen Zones, at a 0.6g/t cut-off, outlined an Indicated Resource of 14.1 million tonnes grading 1.21 g/t gold or 547,000 contained ounces of gold. In addition, the study estimated additional Inferred Resources of 20.2 million tonnes grading 0.97 g/t gold or 627,000 contained ounces of gold. The resource estimate was performed to a depth of 300 metres, although gold mineralization is known to occur below this depth.

A new estimate was not prepared for the Norra volcanogenic massive sulphide deposit. In February 2011, a resource estimate at a 0.6g/t Au cut-off outlined an Indicated Resource of 110,000 tonnes grading 3.13 g/t gold, 30.27 g/t silver, 0.53% copper and 0.72% zinc. The study also estimated additional Inferred Resources of 310,000 tonnes grading 1.62 g/t gold, 12.69 g/t silver, 0.26% copper and 0.42% zinc.

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Description of Business (cont'd...):

**BARSELE, SWEDEN (cont'd...):**

At least three other target areas of known gold and/or base metal mineralization have been reported from the various generations of regional exploration outside the CAS Zone and Norra Zone. Further exploration is also warranted in these zones.

In fiscal 2013, the Company reached an alternative payment arrangement with Barsele Guld with regards to its outstanding deferred consideration obligations. The amended payment terms were as follows:

- (a) Upon receipt of TSX Venture Exchange approval, US\$250,000 in cash and 4,000,000 common shares.
- (b) On or before December 31, 2013, US\$1,750,000 in cash.

Finally, on October 21, 2013, the terms were altered in that the deferred consideration valued at \$3,974,406 was settled. The value of \$3,974,406 was an increase of \$150,374 from April 30, 2013 due to interest expense of \$64,833 and foreign exchange of \$85,541. The balance was settled with the issuance of 7,500,000 shares of the Company valued at \$1,912,500, and cash of \$257,615 (USD 250,000). As a result the Company recorded a gain on settlement of deferred consideration in the amount of \$1,804,291.

Closure of this amended agreement, giving the Company 100% ownership of the Barsele Project, was announced in a news release dated October 21, 2013.

Total drilling to date prior to transfer on the Barsele Project equals 49,809 metres in 414 drill holes.

As at April 30, 2015, the Company transferred acquisition costs of \$8,161,407 to Assets Held for Sale.

On June 11, 2015, the Company closed the joint venture transaction with Agnico Eagle Mines Limited ("Agnico Eagle") with respect to the development of the Company's Barsele Project located in Sweden (the "Project"). Pursuant to the Transaction, Agnico Eagle acquired a 55% interest in the corporate entity which owns the Project in consideration of an initial payment to Ores of US \$6 million, with an additional US \$2 million payable by Agnico Eagle in cash or shares at Agnico Eagle's election to Ores on each of the first and second anniversaries of the closing. As part of the Transaction, Agnico Eagle has committed to spend US \$7 million on Project expenditures over three years and will earn an additional 15% interest in the corporate entity which owns the Project if it completes a pre-feasibility study. Pursuant to the Transaction, Ores was also granted a 2% net smelter royalty on production from the Project which may be repurchased by Agnico at any time for US \$5 million. Agnico will have a majority of board seats and will be the operator of the Project for customary compensation.

On August 6, 2015, the Company announced the intention to spin-out the Barsele Project to a wholly owned subsidiary, Barsele Minerals Corp, by plan of arrangement. This spin-out was completed, with a vote in favour by 99.87% of the votes cast by ordinary shareholders and 100% of the votes cast by warrant holders, as announced on September 23, 2015.

Ores has received the first and second anniversary cash allocations from Agnico Eagle as they became due. The Company also retains the aforementioned 2% net smelter royalty on the Barsele Project.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Barsele Property.

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Description of Business (cont'd...):

**SAN LUIS DEL CORDERO, MEXICO:**

The San Luis del Cordero Silver-Copper-Zinc Project (“Cordero Project”) is located 155 kilometers north-northeast of the City of Durango and immediately north of the town of San Luis del Cordero, in the “Mexican Silver Trend”, Durango State, Mexico.

The Cordero Project is a skarn and epithermal vein hosted silver-copper-zinc district. Old mine workings and mineralized showings wrap around a quartz-feldspar-porphyry intrusive. Contact metasomatic skarn mineralization has occurred along the north, east and south sides of the intrusive, with the western boundary marked by a fault contact. Epithermal quartz-sulphide veins also emanate from the intrusive stock. The mineral concessions total 2,825 hectares and cover the full extent of the known mineralization in the district.

On December 4, 2017, Orex Minerals Inc. announced the signing of a “Letter of Intent” to acquire a 100% interest in the San Luis del Cordero Project in northern Durango State, Mexico, from Exploraciones del Altiplano SA de CV.

On January 26, 2018 the Company signed an agreement to acquire 100% of the San Luis del Cordero Project. The terms of the agreement include:

- 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\$1,500,000 (of which 30% can be issued in shares)

In order to acquire the Cordero Project, Orex is also required to satisfy work commitments for the first two years 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. There is no residual net smelter return (NSR).

However, on December 13, 2018 the Company amended the terms of the original agreement, on July 10, 2019 a second amendment was reached, and in October, 2019 a third amendment was reached. Under the terms of the amended agreement, the Company was required to make a series of annual cash and share payments to Altiplano over a five year period in addition to satisfying certain work commitments.

Altiplano has the right to cancel the option if the Company does not start a drilling program by February 26, 2020. Exploraciones del Altiplano SA de CV has been informed that as of February 26, 2020, the Company will not be continuing with the option on the San Luis del Cordero Project.

Following preliminary data evaluations, the Company commenced negotiations with Ejido councils and individual ranchers for surface access agreements. A formal environmental impact application, authorized by Ing. Ramon Hernandez, to SAMARNAT was submitted in August, 2018.

On September 10, 2018, the Company announced the commencement of surface fieldwork on the San Luis del Cordero Project. Community Relations activities were also initiated, including the construction of public access toilets for the Plaza de Armas (central square).

## **OREX MINERALS INC.**

### **INTERIM REPORT TO SHAREHOLDERS**

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#### Description of Business (cont'd...):

##### **SAN LUIS DEL CORDERO, MEXICO (cont'd...):**

On January 21, 2019, the Company announced the awarding of an airborne geophysical contract to Geotech Ltd. to be scheduled for late March, 2019.

In April, 2019, a helicopter-borne Versatile Time Domain Electromagnetic (VETEM-Plus) and Horizontal Magnetic Gradiometer and Gamma-Ray Spectrometry geophysical survey was conducted by Geotech Ltd., over the San Luis del Cordero property. The results were available in June, 2019. A total of 278 line-kilometres of geophysical data were acquired during the survey, covering an area of 24 square kilometres.

At present as there are no current or future planned exploration activities on the Cordero Project by the Company and the Company has returned the Cordero Project to Altiplano and has reduced the carrying value to \$Nil at April 30, 2020. The Company fulfilled its commitment to pay the mineral concession taxes on the Cordero Project of \$12,523 in July 2020.

Total diamond drilling to date on the San Luis del Cordero Project equals 16,400 metres in 62 holes.

Ben Whiting, P.Geo., is the Qualified Person as defined in National Instrument 43-101 and takes responsibility for the technical disclosure in this report with regards to the San Luis del Cordero property.

##### **TRANSACTION WITH ASTRAL MINING CORPORATION:**

On October 15, 2012, the Company announced that it had agreed to acquire Astral Mining Corporation (“Astral”) by way of a plan of arrangement or other business combination, in which the Company would acquire all of the issued and outstanding common shares of Astral and its wholly-owned subsidiary, Astral Mexico S.A. de C.V. The Company completed the acquisition of Astral on February 12, 2013 and its operating results were recognized in the consolidated statements of operations and comprehensive loss beginning February 12, 2013. The transaction was accounted for as an asset acquisition.

Upon closing of the transaction, the Company acquired from the shareholders of Astral, 100% of the outstanding common shares of Astral in exchange for common shares of the Company. A total of 2,083,795 common shares of the Company were issued to Astral shareholders, valued at \$1,083,573. In conjunction with the closing of the transaction, certain creditors and holders of notes of Astral converted debt owed to them into common shares of the Company in settlement of the debt. A total of 840,425 common shares of the Company were issued, valued at \$437,021.

The transaction provided the Company with a new gold-silver-copper project in Mexico named Los Crestones, as well as a new gold project in British Columbia named Jumping Josephine. Exploration on Los Crestones project proved inconclusive and the project was returned to the original vendors.

##### **JUMPING JOSEPHINE, CANADA:**

The Jumping Josephine Property is a prospective exploration property with the potential to host an economic gold deposit and warrants further advanced exploration work. It is a large contiguous claim holding which covers 11,200 ha in the West Kootenay region of Southeastern British Columbia. The property is located close to existing infrastructure and approximately 40 km north of Teck-Cominco’s smelting operation in Trail. Astral initially had a 60% joint venture interest with Kootenay Silver Inc. in the Jumping Josephine Project.

In 2011, Astral contracted the services of Apex Geoscience Ltd. to conduct a N.I. 43-101 compliant Initial Resource Estimate. The technical report was released on June 24, 2011.

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Description of Business (cont'd...):

JUMPING JOSEPHINE, CANADA (cont'd...):

The JJ-Main Zone yielded the following resource estimate at a cut-off grade of 0.5 g/t gold. Indicated resources consist of 363,000 tonnes grading 2.95 g/t gold for 34,000 ounces of gold. Inferred resources consist of 448,000 tonnes grading 2.08 g/t gold for 30,000 ounces of gold.

On February 3, 2014, Orex announced the acquisition of the remaining 40% ownership from Kootenay Silver Inc. and now controls 100% of the project with the issuance of 1,000,000 shares of Orex valued at \$230,000.

A 5,000 metres diamond drilling program commenced on July 23, 2014. Phase-I consisted of deep holes testing the down-plunge extension of the Jumping Josephine main zone, and Phase -II testing additional exploration targets on the property.

The Jumping Josephine Project drilling contract was awarded to Dorado Drilling Ltd. A total of 8,115 metres in 25 holes were drilled in the JJ-Main area and six other target areas. In addition, trenching and sampling was performed on the JJ-Main Zone, with results announced in news releases dated November 14, 2014, and December 19, 2014.

Total drilling to date on the Jumping Josephine Project equals 26,115 metres in 165 drill holes.

Assessment credits have been filed to keep the claims in good standing. The Jumping Josephine project was written down to \$1 during fiscal 2018.

Ben Whiting, P.Geo., is the Qualified Person, as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with regards to the Jumping Josephine Property.

Results of Operations for the Three Month Periods Ended July 31, 2023 and 2022:

During the first quarter of fiscal 2024, the Company incurred exploration expenses amounting to \$204,481 compared to \$182,826 incurred in the first quarter of fiscal 2023. Exploration expenses in the first quarter of fiscal 2024 consisted of geological costs of \$87,525 and other general exploration costs of \$116,956.

General operating costs totalled \$256,842 for the first quarter of fiscal 2024 and \$279,970 for the first quarter of fiscal 2023. General expenses during the three months ended July 31, 2023 consisted mainly of consulting fees of \$6,000 (2023 - \$6,000), investor relations of \$50,733 (2023 - \$61,719), management fees of \$103,200 (2023 - \$103,200), office and administrative of \$66,729 (2023 - \$82,464), professional fees of \$11,362 (2023 - \$9,744), rent of \$4,800 (2023 - \$4,800) and transfer agent and filing fees of \$13,270 (2023 - \$11,046). General expenses were comparable other than investor relations and office and administrative. Investor relations decreased from \$61,719 in the three months ended July 31, 2022 to \$50,733 in the three months ended July 31, 2023 due to Company's decreased investor relations needs. Office and administration fees decreased from \$82,464 in the three months ended July 31, 2022 to \$66,729 in the three months ended July 31, 2023 due to a decreased administrative needs.

In summary, the loss in the first quarter of fiscal 2024 amounted to \$539,818 or \$0.03 per share compared to a loss of \$663,522 or \$0.04 per share in the first quarter of fiscal 2023. The Company has an equity investment, which resulted in a foreign currency translation gain of \$82,686 in the three months ended July 31, 2023 (2023 - gain of \$2,273).

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Property Acquisition Costs:

		Jumping Josephine, Canada	Total
Balance, as at April 30, 2023 and July 31, 2023	\$	1	\$ 1

On February 12, 2013, the Company completed the acquisition of all of the issued and outstanding shares of two companies, Astral Mining Corporation and its wholly-owned subsidiary, Astral Mining S.A. de C.V. The primary assets of these two companies are mining claims, primarily the Jumping Josephine Property located in British Columbia, Canada and the Los Crestones Property, located in Sinaloa State, Mexico. Of the total purchase cost, the Company allocated \$500,000 to their 60% interest in the Jumping Josephine Property and \$1,804,228 to the Los Crestones Property. 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 of the Company valued at \$230,000. There are no current or future planned exploration activities on the Jumping Josephine Property. Accordingly, the Company reduced the value of the Property to \$1.

During the year ended April 30, 2015, the Company paid \$434,842 (US\$385,000) to the optionors of the Los Crestones Property. The Company has earned a 100% interest in the Los Crestones Property. Due to poor exploration results, the Los Crestones Property was relinquished.

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

The Option Agreement provide 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 Project 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 in Expenditures in the first year of the Option Agreement and US\$ 500,000 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 has earned a 55% ownership interest. The Company did not proceed with the Second Option.

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 agreed to negotiate a formal joint venture agreement to replace the option agreement, and to suspend the operation of the option agreement until the new agreement was entered into, or until December 31, 2019, whichever is earlier. 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 Company will have a 40% interest and Pan American will have a 60% interest in a new joint venture company that was to be formed for the Sandra Property. Pan American and the Company will make their proportionate share of contributions. The Company will be the operator.

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For the Three Months Ended July 31, 2023

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Property Acquisition Costs (cont'd...):

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 make 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 returned the Cordero Project to Altiplano and 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.

Property Exploration Expenditures for the Three Months Ended July 31, 2023 and 2022:

<b>Total expenditures for the three months ended ended July 31, 2023</b>	<b>Sandra, Mexico</b>	<b>Coneto, Mexico</b>	<b>Jumping Josephine, Canada</b>	<b>Other Properties</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Geological	68,329	17,400	-	1,796	87,525
General exploration	69,467	43,589	3,900	-	116,956
<b>Total</b>	<b>137,796</b>	<b>60,989</b>	<b>3,900</b>	<b>1,796</b>	<b>204,481</b>

<b>Total expenditures for the three months ended ended July 31, 2022</b>	<b>Sandra, Mexico</b>	<b>Coneto, Mexico</b>	<b>Jumping Josephine, Canada</b>	<b>Other Properties</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Geological	80,961	17,400	-	2,461	100,822
General exploration	77,204	-	4,800	-	82,004
<b>Total</b>	<b>158,165</b>	<b>17,400</b>	<b>4,800</b>	<b>2,461</b>	<b>182,826</b>

The current exploration program on the Sandra Project involves a geological mapping study to cover the contiguous mineral concessions of the two joint venture partners. This includes structural geological measurements, soil geochemistry, biogeochemistry as it relates to alteration zones, plus more detailed mapping in the areas of mineralized showings. As of December 2021, this study has been completed. The services of GES – (Geotech Evaluation and Support), a Mexican based consulting group, have been very useful during the COVID-19 restrictions. Following the geological mapping study, a diamond drilling program has been proposed.

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Investment in Associate:

	<b>Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V.</b>	<b>Empresa Minera Sandra-Escobar, S.A. De C.V.</b>	<b>Total</b>
Net investment, opening	\$ 2,349,290	\$ 800,200	\$ 3,149,490
Additional investment	141,311	-	141,311
Equity loss for the period	(49,802)	(61,250)	(111,052)
Other comprehensive income - currency translation	42,616	40,070	82,686
Net investment, closing	\$ 2,483,415	\$ 779,020	\$ 3,262,435

## Coneto, Mexico:

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.

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.



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Investment in Associate (cont'd...):

As at July 31, 2023 and April 30, 2023, EDMC's aggregate assets, aggregate liabilities and net losses are as follows:

	July 31, 2023		April 30, 2023	
Current assets	\$	314,278	\$	106,009
Non-current assets		2,012,955		1,927,121
Current liabilities		(6,702)		(2,674)
Net assets		2,320,531		2,030,456
The Company's ownership %		45%		45%
The Company's share of net assets	\$	1,044,239	\$	913,705
	July 31, 2023		April 30, 2023	
Loss for the period	\$	(110,671)	\$	(302,570)
Other comprehensive income – currency translation		94,703		346,330
Total comprehensive income (loss)		(15,968)		43,760
The Company's ownership %		45%		45%
The Company's share of comprehensive income (loss)	\$	(7,186)	\$	19,692
	July 31, 2023		April 30, 2023	
Net investment, opening	\$	2,349,290	\$	2,241,638
Additional investment		141,311		87,960
Equity loss for the period		(49,802)		(136,157)
Other comprehensive income – currency translation		42,616		155,849
Net investment, closing	\$	2,483,415	\$	2,349,290

## Sandra Escobar, Mexico:

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. The ownership of EMSE is 60% Plata Pan Americana, 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 EMSE, 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.

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Investment in Associate (cont'd...):

As at July 31, 2023 and April 30, 2023, EMSE's aggregate assets, aggregate liabilities and net losses are as follows:

	July 31, 2023	April 30, 2023
Current assets	\$ 233,390	\$ 361,606
Non-current assets	2,054,272	1,967,026
Current liabilities	(18,189)	(6,210)
Net assets	2,269,473	2,322,422
The Company's ownership %	40%	40%
The Company's share of net assets	\$ 907,789	\$ 928,969

	July 31, 2023	April 30, 2023
Loss for the period	\$ (153,125)	\$ (1,060,958)
Other comprehensive income – currency translation	100,176	417,385
Total comprehensive loss	(52,949)	(643,573)
The Company's ownership %	40%	40%
The Company's share of comprehensive loss	\$ (21,180)	\$ (257,429)

	July 31, 2023	April 30, 2023
Net investment, opening	\$ 800,200	\$ 726,529
Additional investment	-	331,100
Equity loss for the period	(61,250)	(424,383)
Other comprehensive income - currency translation	40,070	166,954
Net investment, closing	\$ 779,020	\$ 800,200

Selected Annual Financial Information:

	For the Year Ended April 30, 2023	For the Year Ended April 30, 2022	For the Year Ended April 30, 2021
Total revenues	Nil	Nil	Nil
Loss and comprehensive loss for the year:			
(i) total for the year	\$ (2,008,320)	\$ (2,283,833)	\$ (2,577,637)
(ii) loss per share – basic	(0.11)	(0.12)	(0.16)
(ii) loss per share – diluted	(0.11)	(0.12)	(0.16)
Net loss:			
(i) total for the year	\$ (2,331,123)	\$ (2,324,684)	\$ (2,544,120)
(ii) loss per share – basic	(0.12)	(0.12)	(0.15)
(ii) loss per share – diluted	(0.12)	(0.12)	(0.15)
Total assets	4,607,183	6,604,448	8,585,025
Total long-term financial liabilities	-	-	-
Cash dividends declared per-share	Nil	Nil	Nil

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Selected Annual Financial Information (cont'd...):

In fiscal 2023, exploration expenses of \$673,427 primarily were incurred on the Sandra Project and Cordero Projects. General operating costs were \$1,200,678.

In fiscal 2022, exploration expenses of \$539,164 primarily were incurred on the Sandra Project and Cordero Projects. General operating costs were \$1,525,379.

In fiscal 2021, exploration expenses of \$929,069 primarily were incurred on the Sandra Project and Cordero Projects. General operating costs were \$1,604,389.

Selected Quarterly Financial Information:

	<b>Revenues</b>	<b>Loss for the period</b>	<b>Loss per share</b>
1 <sup>st</sup> Quarter ended July 31, 2023	\$Nil	(\$539,818)	(\$0.03)
4 <sup>th</sup> Quarter ended April 30, 2023	\$Nil	(\$501,539)	(\$0.03)
3 <sup>rd</sup> Quarter ended January 31, 2023	\$Nil	(\$590,810)	(\$0.03)
2 <sup>nd</sup> Quarter ended October 31, 2022	\$Nil	(\$575,252)	(\$0.03)
1 <sup>st</sup> Quarter ended July 31, 2022	\$Nil	(\$663,522)	(\$0.04)
4 <sup>th</sup> Quarter ended April 30, 2022	\$Nil	(\$364,965)	(\$0.02)
3 <sup>rd</sup> Quarter ended January 31, 2022	\$Nil	(\$945,972)	(\$0.05)
2 <sup>nd</sup> Quarter ended October 31, 2021	\$Nil	(\$538,421)	(\$0.03)

During the first quarter of fiscal 2024 the Company incurred exploration expenditures of \$204,481 which was higher than in the fourth quarter of 2023 of \$152,805. General expenses in the first quarter of 2024 were lower than the fourth quarter of 2023 and were \$256,842 and \$266,471 respectively, the decrease was mainly due to decreased investor relations needs and decreased transfer agent and filing fee incurred the fourth quarter of 2023.

During the fourth quarter of fiscal 2023 the Company incurred exploration expenditures of \$152,805 which was lower than in the third quarter of 2023 of \$185,458. General expenses in the fourth quarter of 2023 were lower than the third quarter of 2023 and were \$266,471 and \$366,782 respectively, the decrease was mainly due to decreased office and administration fees and decreased management fee payment incurred in the fourth quarter of 2023.

During the third quarter of fiscal 2023 the Company incurred exploration expenditures of \$185,458 which was higher than in the second quarter of 2023 of \$152,338. General expenses in the third quarter of 2023 were higher than the second quarter of 2023 and were \$366,782 and \$287,455 respectively, the increase was mainly due to increased investor relations needs and increased management fee incurred in the third quarter of 2023.

During the second quarter of fiscal 2023 the Company incurred exploration expenditures of \$152,338 which was lower than in the first quarter of 2023 of \$182,826. General expenses in the second quarter of 2023 were higher than the first quarter of 2023 and were \$287,455 and \$279,970 respectively, the increase was mainly due to increased professional fee and transfer agent and filing fee in the second quarter of 2023.

During the first quarter of fiscal 2023 the Company incurred exploration expenditures of \$182,826 which was higher than in the fourth quarter of 2022 of \$87,549. General expenses in the first quarter of 2023 were lower than the fourth quarter of 2022 and were \$279,970 and \$293,027 respectively, the decrease was mainly due to Share-based payments of \$12,283 related to revaluing investor relations options.

## **OREX MINERALS INC.**

### **INTERIM REPORT TO SHAREHOLDERS**

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#### Selected Quarterly Financial Information (cont'd...):

During the fourth quarter of fiscal 2022 the Company incurred exploration expenditures of \$87,549 which was lower than in the third quarter of 2022 of \$221,760. General expenses in the fourth quarter of 2022 were lower than the third quarter of 2022 and were \$293,027 and \$659,555 respectively, the decrease was mainly due to share-based compensation of \$297,068 and increased management fee payment in third quarter of 2022.

During the third quarter of fiscal 2022 the Company incurred exploration expenditures of \$221,760 which was higher than in the second quarter of 2022 of \$101,693 mainly due to increased fees paid to geologists. General expenses in the third quarter of 2022 were higher than the second quarter of 2022 and were \$659,555 and \$315,992 respectively, the increase was mainly due to share-based compensation of \$297,068 in the third quarter of 2022.

During the second quarter of fiscal 2022 the Company incurred exploration expenditures of \$101,693 which was lower than in the first quarter of 2022 of \$128,162. General expenses in the second quarter of 2022 were higher than the first quarter of 2022 and were \$315,992 and \$256,805 respectively, the increase was mainly due to increases in investor relations in the second quarter of 2022.

#### Outstanding Share Data:

(a) As of September 28, 2023, the Company had 18,739,806 shares outstanding.

(b) Share capital and reserves

As at July 31, 2023, there were 18,739,806 common shares issued and outstanding. On September 27, 2023, the Company consolidated its outstanding share capital on the basis of ten (10) pre-consolidated shares for one (1) post-consolidation share.

(b) Share capital and reserves

There were no shares issued during the three months ended July 31, 2023 and 2022.

(c) 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.

There were no warrants issued during the three months ended July 31, 2023 and 2022.

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Outstanding Share Data (cont'd...):

(c) Stock options and warrants (cont'd...)

The following stock options and warrants to acquire common shares of the Company were outstanding at September 28, 2023:

	Warrants		Stock Options	
	Number of Warrants	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, April 30, 2022	3,255,833	\$ 2.00	1,240,000	\$ 1.30
Expired	(1,312,500)	2.00	(195,000)	1.70
Forfeited	-	-	(47,500)	1.29
Outstanding, July 31, 2022	1,943,333	2.00	997,500	1.23
Expired	(1,943,333)	2.00	-	-
Forfeited	-	-	(85,000)	1.25
Outstanding, April 30, 2023	-	-	912,500	1.23
Expired	-	-	(25,000)	1.00
Outstanding, July 31, 2023	-	-	887,500	1.23
Expired	-	-	(40,000)	1.00
Outstanding, September 28, 2023	-	\$ -	847,500	\$ 1.24
Exercisable, September 28, 2023	-	\$ -	847,500	\$ 1.24

Liquidity:

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

The operating loss for the period of \$539,818, after adjustments for non-cash items and changes in other working capital balances, reflected net cash used in operating activities amounting to \$400,110.

The Company spent \$141,311 on its equity investments during the three months ended July 31, 2023.

As a consequence, the Company's cash position decreased from the opening level of \$1,126,141 at the beginning of the year to \$584,720.

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Liquidity (cont'd...):

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

Corporate Summary:

While there has been great volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain or expand its operations, as mentioned above, the Company succeeded in raising in excess of \$8 million during fiscal 2014 and \$2 million during fiscal 2015 based on the strength of its mineral property holdings, and in 2015, the successful sale of the 55% Barsele JV interest and initial receipt of US\$7 million and subsequent receipt of US\$4,000,000 in 2016 and in June 2017. More recently the Company has raised gross proceeds of \$7,600,000. However, there is no certainty that the Company will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending a return to better market conditions when a financing could be completed.

Capital Resources:

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings to meet its capital requirements.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

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:

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<u>Name of Subsidiary</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership Interest</u>	<u>Principal Activity</u>
OVI Exploration de Mexico S.A. de C.V.	Mexico	100%	Mineral exploration
Servicios Mineros Ores 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

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During the three months ended July 31, 2023, 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.

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Related Party Transactions (cont'd...):

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

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
Management fees Bernard Whiting – Whiting Geological Consulting Inc: Ross Wilmot – Cedarwoods Group)	\$ 103,200	\$ 103,200
Geological consulting fees (Arthur Freeze – Stillwater Enterprises Ltd.;	34,800	34,800
<b>Total</b>	<b>\$ 138,000</b>	<b>\$ 138,000</b>

Included in accounts payable and accrued liabilities as at July 31, 2023 is \$Nil (April 30, 2023 - \$1,709) due to directors or officers or companies controlled by directors.

During the three months ended July 31, 2023, the Company received consulting fees from a related party company controlled by common directors for \$35,059 (2022 - \$28,093)

Off Balance Sheet Arrangements:

The Company has no material off balance sheet arrangements in place.

Proposed Transactions:

The Company has no proposed transactions as of September 28, 2023, the date of this MD&A.

Changes in Accounting Policies Including Initial Adoption:

There were no changes in accounting policies, including initial adoption, during the period.

**Accounting standards adopted by the Company**

The following amendments have been effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the condensed consolidated interim financial statements.

## **OREX MINERALS INC.**

### **INTERIM REPORT TO SHAREHOLDERS**

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#### 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 arises from 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. The Company is subject to liquidity risk.

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

#### **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, 2023, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have an effect of \$400 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.



Financial and Capital Risk Management (cont'd...):

**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 have fluctuated 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.

**Title to Assets**

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.

**Exploration and Development of Mineral Resource Properties**

The mineral exploration business is inherently risky, and most exploration projects will not become mines. Commercial development of any of the Company's properties will occur only if sufficient quantities of minerals at sufficient average grades are discovered and can be economically produced. If a mineral discovery is made, substantial financial resources will be required to establish ore reserves, develop processes to extract metal from the ore and develop mining and processing facilities at a given site.

Subsequent Event:

On September 27, 2023, the Company consolidated its outstanding share capital on the basis of ten (10) pre-consolidated shares for one (1) post-consolidation share. Following the consolidation, the Company has 18,739,806 common shares issued and outstanding. All share amounts have been adjusted to reflect the consolidation. The exercise price and number of common shares issuable upon the exercise of the Company's outstanding options are proportionally adjusted also.

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](http://www.sedar.com).