SUMMARY REPORT

OF THE

PHASE-I DIAMOND DRILLING PROGRAM ON THE

CONETO GOLD-SILVER PROJECT

DURANGO, MEXICO

for:

OREX MINERALS INC.

by:

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Executive Summary

In the summer of 2010, Orex Minerals Inc. (TSX: OK-V) contracted Major Drilling International of Hermosillo, Sonora, for a diamond drilling program on to the Coneto Gold-Silver Project, located in the municipality of Coneto de Comonfort, Durango, Mexico. This reconnaissance Phase-I diamond drilling program was to test a series of epithermal vein targets within the central part of the Coneto mining camp.

A total of 5,000 metres in 21 holes on 6 targets was drilled in June to August, 2010. Seven holes were drilled in the area of Loma Verde, four holes in Impulsora, four holes in Durazno, three holes in Promontorio, two holes in Calaveras and one hole in Sauce-Palma.

The best results were obtained from the Loma Verde and Impulsora areas. Using a combined thickness and grade cut-off, where a hole had to exceed both a minimum true thickness of 1.5 metres and a minimum cut-off of 100 g/t silver-equivalent, the following results were obtained.

For Loma Verde, 6 of the 7 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 4.22 metres grading gold 0.797 g/t and silver 142.4 g/t for a silver-equivalent of 190.2 g/t (gold-equivalent of 3.170 g/t).

Of particular note was hole CC-10-20, which yielded a true thickness of 3.12 metres grading gold 0.982 g/t and silver 291.6 g/t for a silver-equivalent of 350.5 g/t (gold-equivalent of 5.842 g/t).

Summary of Loma Verde Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-01	184.10	192.90	8.80	7.21	0.471	**165.2**	**193.4**	**3.224**
CC-10-02	299.20	302.50	3.30	1.89	0.184	**117.8**	**128.8**	**2.147**
CC-10-03	259.30	263.00	3.70	3.03	0.583	**125.1**	**160.1**	**2.668**
CC-10-18	136.40	141.20	4.80	4.16	**1.577**	48.8	**143.4**	**2.390**
CC-10-20	144.50	148.10	3.60	3.12	0.982	**291.6**	**350.5**	**5.842**
CC-10-21	121.90	128.70	6.80	5.89	0.853	**118.3**	**169.5**	**2.824**
Wtd Average			5.17	4.22	0.797	**142.4**	**190.2**	**3.170**

For Impulsora, 3 of the 4 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 2.70 metres grading gold 1.348 g/t and silver 104.0 g/t for a silver-equivalent of 184.9 g/t (gold-equivalent of 3.082 g/t).

Of particular note in the Impulsora area is the farthest south hole CC-10-12, which yielded 4.60 metres grading gold 1.596 g/t and silver 114.7 g/t for a silver-equivalent of 210.5 g/t (gold-equivalent 3.508 g/t).

Summary of Impulsora Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-11	93.00	94.70	1.70	1.54	0.658	74.0	**113.5**	**1.892**
CC-10-12	116.00	120.90	4.90	4.60	**1.596**	**114.7**	**210.5**	**3.508**
CC-10-13	78.80	80.80	2.00	1.97	**1.308**	**102.6**	**181.1**	**3.018**
Wtd Average			2.87	2.70	**1.348**	**104.0**	**184.9**	**3.082**

Drilling in the Durazno area produced the widest vein intercepts, however the grades were quite low. Textural and mineralogical evidence indicates that Durazno is high in the epithermal system and that the stream valley between Durazno and Impulsora may represent a post-mineralization north side down dropped fault. Thus, Durazno will require deeper drilling to hit the precious metals level.

The minor amount of drilling in the Calaveras and Sauce-Palma did not yield any significant intercepts.

Drilling in the Promontorio area is a different style of mineralization. Promontorio produced wide intercepts of anomalously high gold values within quartz stockwork in altered andesite. The weighted average was a true thickness of 21.46 metres grading gold 0.222 g/t and silver 6.8 g/t for a silver-equivalent of 20.1 g/t (gold-equivalent of 0.335 g/t).

In addition, deeper in hole CC-10-09 was an unnamed high-grade vein yielding a true thickness of 0.52 metres grading gold 0.757 g/t and silver 554.0 g/t for a silver-equivalent of 599.4 g/t (gold-equivalent of 9.990 g/t).

Summary of Promontorio Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-07	145.40	183.10	37.70	28.88	0.234	9.1	23.1	0.386
CC-10-08	141.50	156.00	14.50	12.56	0.103	9.3	15.5	0.256
CC-10-09	30.30	56.80	26.50	22.95	0.271	2.5	18.8	0.314
Wtd Average			26.23	21.46	0.222	6.8	20.1	0.335
CC-10-09	167.80	168.40	0.60	0.52	0.757	**554.0**	**599.4**	**9.990**

A Phase-II diamond drilling program of 25,000 metres has been recommended. The second phase will be split between resource estimation drilling on Loma Verde and Impulsora, plus reconnaissance drilling on the plethora of exploration targets for Coneto.

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1. INTRODUCTION

The Coneto Gold-Silver Project is located in Durango state, northern Mexico. It has a long history of exploration and small scale production dating from the 16^{th} century. In 2009, Orex Minerals Inc. purchased the mineral concessions of several vendors in order to consolidate the majority of the mining camp (Whiting and Gunning, 2009). Ninety percent of the known epithermal mineralized structures in the camp are on Orex's ground.

Following detailed geological mapping and geochemical sampling programs, a 2010 reconnaissance Phase-I diamond drilling program was conducted. A total of 5,000 metres in 21 holes on 6 targets was drilled in June to August, 2010. Seven holes were drilled in the area of Loma Verde, four holes in Impulsora, four holes in Durazno, three holes in Promontorio, two holes in Calaveras and one hole in Sauce-Palma.

Two areas, Loma Verde and Impulsora, yielded successful gold-silver intercepts. The results of the Phase-I diamond drilling program are presented herein.

2. PROPERTY DESCRIPTION AND LOCATION

2.1 Location

Coneto de Comonfort is located in Durango State approximately 110 km north of the city of Durango, in north-central Mexico.

State/Country:	Durango, Mexico
District:	Coneto de Comonfort
Latitude:	24^{o} 58' 30" North
Longitude:	104^{o} 46' 00" West
Quadrangle:	G13D51 (Guatimape)

2.2 Property Description

Orex Minerals Inc., through its subsidiary OVI Exploration de Mexico S.A. de C.V., holds a clear 100% interest in the mineral concessions and has all rights necessary to allow for exploration programs to be conducted on the property.

In Mexico, the location of a concession is determined by the location of a single claim monument (mojonera), with all corners being located based on surveyed distances and bearings from that monument. These distances and bearings must be determined by a licensed surveyor. The monument may be placed outside of the surveyed claim boundaries. Although the perimeter lines may not have been partially or entirely surveyed, the method of locating the claim corners constitutes a legal survey.

The initial purchase agreements in 2009 were for seven existing mineral concessions, totalling approximately 3,300 hectares, centred on the town of Coneto de Comonfort. Since then, the mineral concessions have been expanded by the addition of the "Lomas 3" (see: News Release 11 January 2010) and "Lomas 4" (see: News Release 09 August 2010) mineral concessions.

The expansion of Orex's mineral holdings brings the total to approximately 16,300 hectares in the Coneto mining district.

Table 2.1 – Mineral Concessions owned by Orex Minerals Inc. in the Coneto Project

Concession Title Name	Title Number	File	Area (Hectares)	Reg. Date	Expiry Date
AMPL. LA BUFA	**T-215734**	**E-2/2.4/02205**	**44.0000**	**12/03/2002**	**04/12/2040**
EL ROSARIO	**T-216062**	**E-2/2.4/02208**	**6.0000**	**09/04/2002**	**28/10/2049**
EL REY	**T-216118**	**E-2/2.4/02206**	**21.0000**	**09/04/2002**	**30/03/2050**
LA BUFA	**T-216119**	**E-2/2.4/02207**	**12.0000**	**09/04/2002**	**02/08/2049**
FRACCION LOMAS	**T-231637**	**E-025/32812**	**0.2031**	**28/03/2008**	**27/03/2058**
LOMAS 2	**T-234056**	**E-2/2/00072**	**2,836.2634**	**26/05/2009**	**27/03/2058**
UNIF. LA PALMA	**T-231900**	**E-2/3/00049**	**376.9587**	**14/05/2008**	**17/05/2017**
		Sub-Total	**3,296.4250**		
Lomas 3	**T-235902**	**(TBA)**	**12,610.0000**	**07/12/2010**	**06/12/2059**
Lomas 4	**T-236918**	**(TBA)**	**440.000**	**05/10/2010**	**04/10/2060**
		Total hectares:	**16,346.4250**		

Fees for mineral concessions are due to the government and are paid twice per year, in January and July. The annual fee amount is based on the number of hectares comprising the concession and the date of issue of the concession title and are accrued in Mexican Pesos. The approximate annual payment for 2010 is $M 260,000. At an exchange rate of 13 pesos per US dollar this sum is $US 20,000.

Surface rights in the Coneto property are held by various “Ejido” Councils (collectives), the principal one being for the Municipality of Coneto de Comonfort, which is further subdivided into several “Bienes Comunales” (community goods). Orex has agreement for exploration surface access with the Municipio de Coneto de Comonfort, Ejido de Nogales, Ejido de San Francisco Javier de Lajas, Bienes Comunales Coneto de Comonfort, Bienes Comunales El Castillo, Bienes Comunales El Tigre, Bienes Comunales Los Alamos and Bienes Comunales Rincon de Llamas. Approximately 12 locals are currently working with the exploration crews of Orex and this number will be expanded once the recommended drilling program gets underway. Future “social benefits” agreements are being contemplated for this project area. Some physical construction supplies have already been provided to the local elementary school.

To date, there are no known environmental liabilities assigned to the Coneto property. As a proactive step in their exploration program, it is Orex’s intention to contract the services of pH Ambiental (an environmental consulting firm) to conduct a review of the project.

There is in existence a royalty of 1.0% (one percent) due to Minera Cima S.A. de C.V. and 1.5% (one point five percent) due to Minera San Miguel de Coneto, S.A. de C.V., on all lands within the above mentioned mineral concessions, excluding mineral concessions held by other companies (e.g. those lands held by Exploraciones Mineras Parreña, S.A. de C.V.).

The above royalty is considered under the definition of NSR (Net Smelter Return) as royalty payments made by a producer of metals based on gross metal production from the property, less deduction of limited costs including smelting, refining, transportation and insurance.

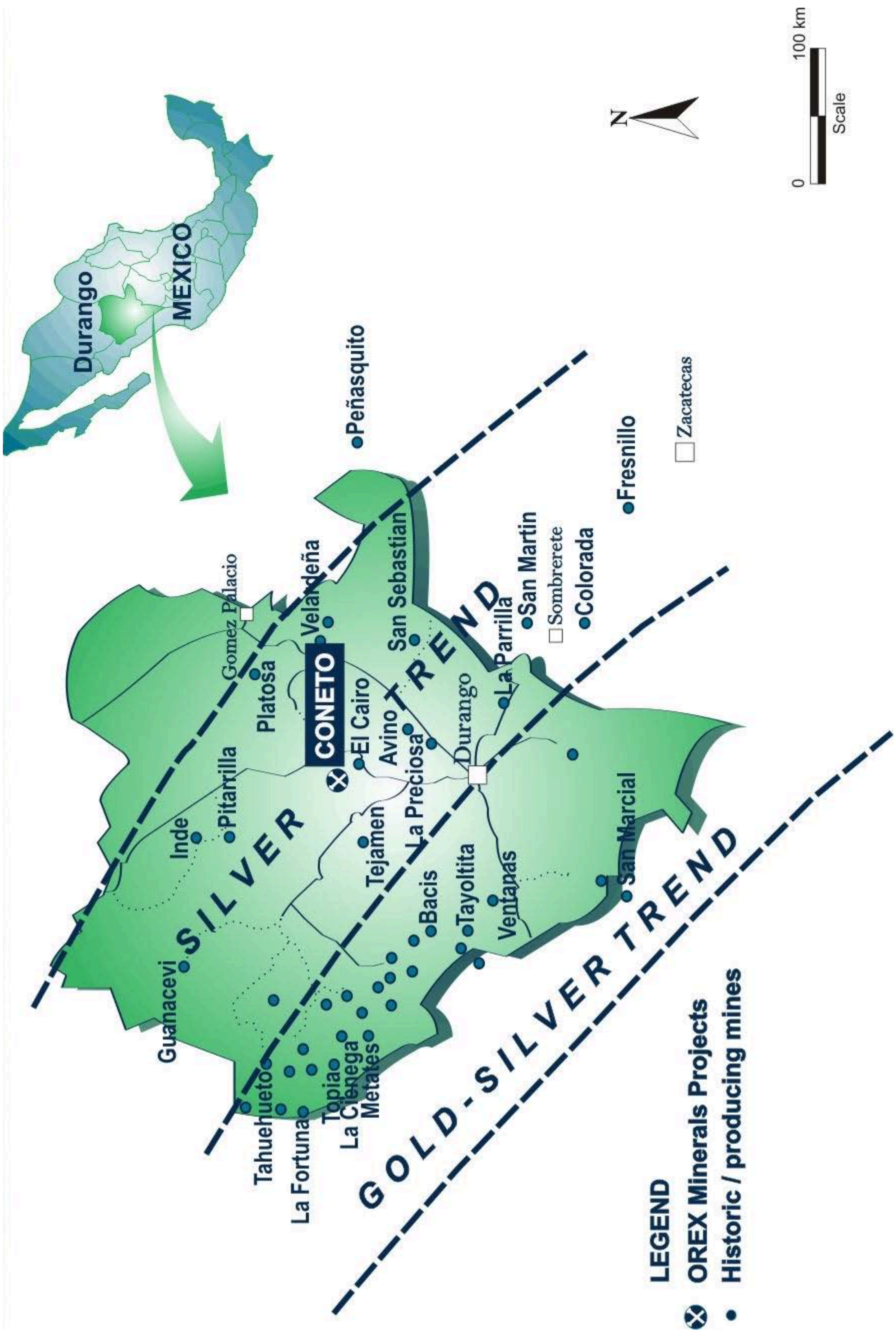


Figure 2.1 – Location Map

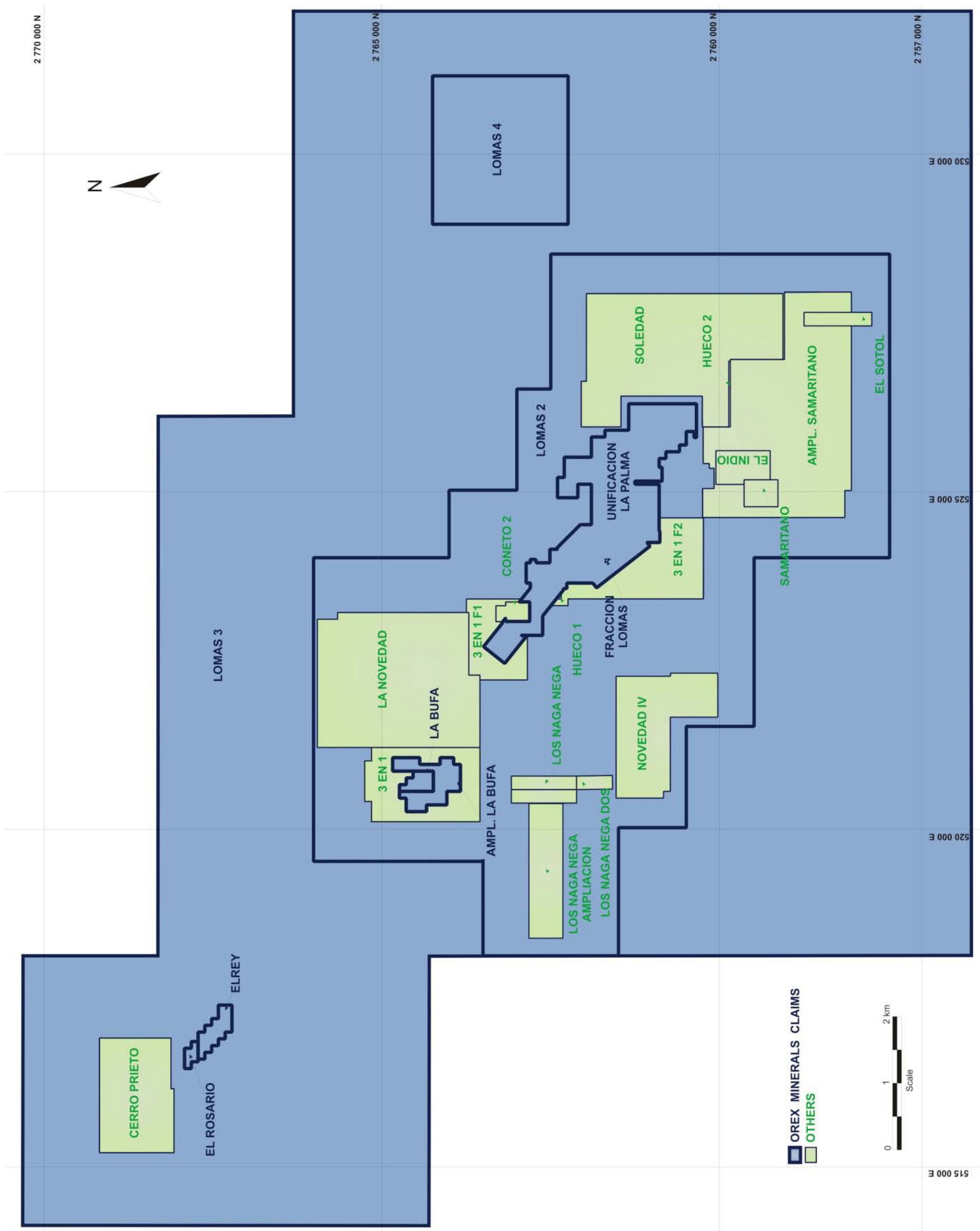


Figure 2.2 – Mineral Concession Map

3. REGIONAL GEOLOGY

The Coneto property is located in a geological subprovince known as the "Mesa Central", "Altas Llanuras", or "High Plains," on the eastern flank of the Sierra Madre Occidental (Figure 3.1). The Mesa Central subprovince is a volcanic-sedimentary highland composed of mainly Tertiary (Paleocene) to Quaternary (Pleistocene) sequences of andesite, dacite-rhyolite and basalt, which in turn rest on a basement of Cretaceous and earlier calcareous and metasedimentary rocks. The present "basin and range" topography reflects a series of north- to northwest-trending linear grabens along the range fronts.

In the region extending north of the city of Durango, metasedimentary rocks of Cretaceous age are exposed in small windows through the Tertiary volcanic rock cover. These consist of mudstone, shale, limestone, and polylithic conglomerate with volcanic, sedimentary and limestone clasts. While conglomerates are not widely exposed, they have been shown to be an important unit below such mining camps as La Preciosa (Whiting, 2008; Whiting and Gunning, 2007, 2009; Ristorcelli et al., 2009) and La Pitarrilla (McCrea, 2007; McAra, 2009).

The Cretaceous rocks are covered by a sequence of andesite tuff, flows and agglomerate of the Paleocene-Eocene age Lower Volcanic Group. This corresponds to the rocks exposed in the majority of the central part of Coneto and in the underground workings. In the major hills to the west, known as Sierra de Coneto, the Lower Volcanic Group is overlain by thick sequences of rhyolite and dacite ignimbrite, tuff, felsic intrusives and volcanic breccia of the Oligocene-age Upper Volcanic Group (Cardenas-Vargas, 1993). A good regional overview has been published in a Geological Society of America fieldtrip guidebook (Aranda-Gomez *et al.*, 2003).

Some basins and parts of the lower hills are covered with varying thicknesses of Pliocene to Pleistocene basalt that erupted from numerous vents now marked by small volcanic cones and domes that dot the plains, and by Quaternary unconsolidated graben gravels.

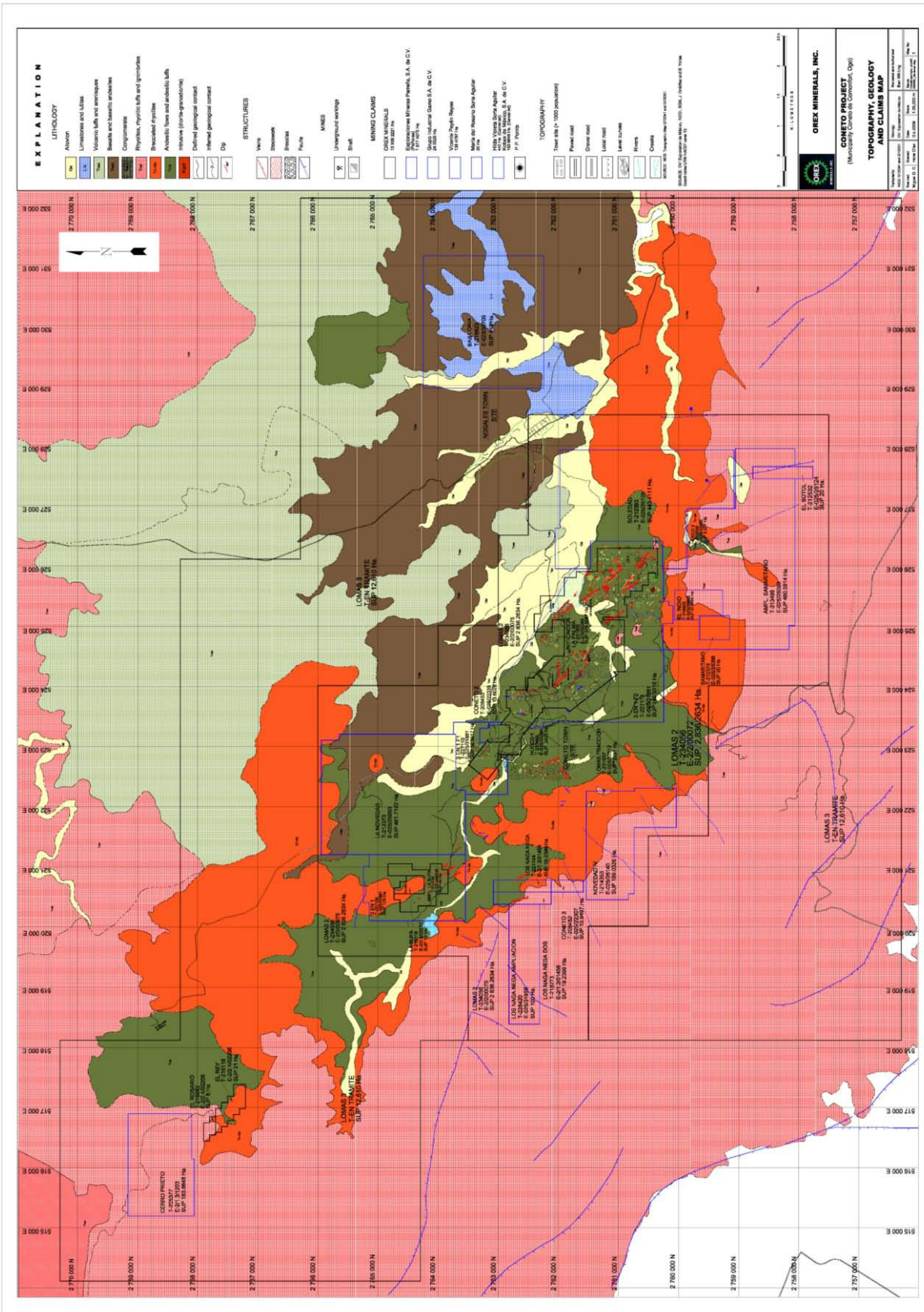


Figure 3.1. – Regional Geology Map

4. LOCAL GEOLOGY AND MINERALOGY

Lowest in the sequence and not exposed directly in the Coneto mining camp is the Cretaceous sedimentary units as described by Reyes-Cortes (1985). During his wider area mapping, he recorded a basement unit of sandstones, tuffaceous sandstones and mudstones, with some folding, followed by increasingly tuffaceous sandstone and conglomeratic units, with minor lenses of limestone.

Above these sedimentary rock dominated units is the Tertiary aged Lower Volcanic Group of andesite lava flows and dykes, andesite agglomerate and andesite breccias. Near the top of the Lower Volcanic Group, the rocks become progressively more felsic. The Lower Volcanic Group may be in the order of 300 metres thick in Coneto, based on comparisons to other similar camps (Whiting and Gunning, 2009).

Sitting unconformably above is the Tertiary aged Upper Volcanic Group, dominated by rhyolites, ignimbrites and felsic intrusive, the contact with which can clearly be seen along the access road south of Coneto. Most of the Sierra de Coneto to the west is composed of Upper Volcanic Group.

A Pleistocene, post-mineralization conglomerate is exposed mainly along the northeastern margin of the Coneto mining camp, along with younger basalt and basaltic andesite units (Davila and Betancourt, 2009). Veins project below these younger units and may constitute blind targets.

Associated with the mineralization structures are variable degrees of hydrothermal alteration, including kaolinitization, silicification, and pyritization, with later meteoric waters oxidizing the upper levels of the vein systems.

The host rock to these veins is mainly the Lower Volcanic Group andesite and andesitic agglomerates exposed in an erosionary window.

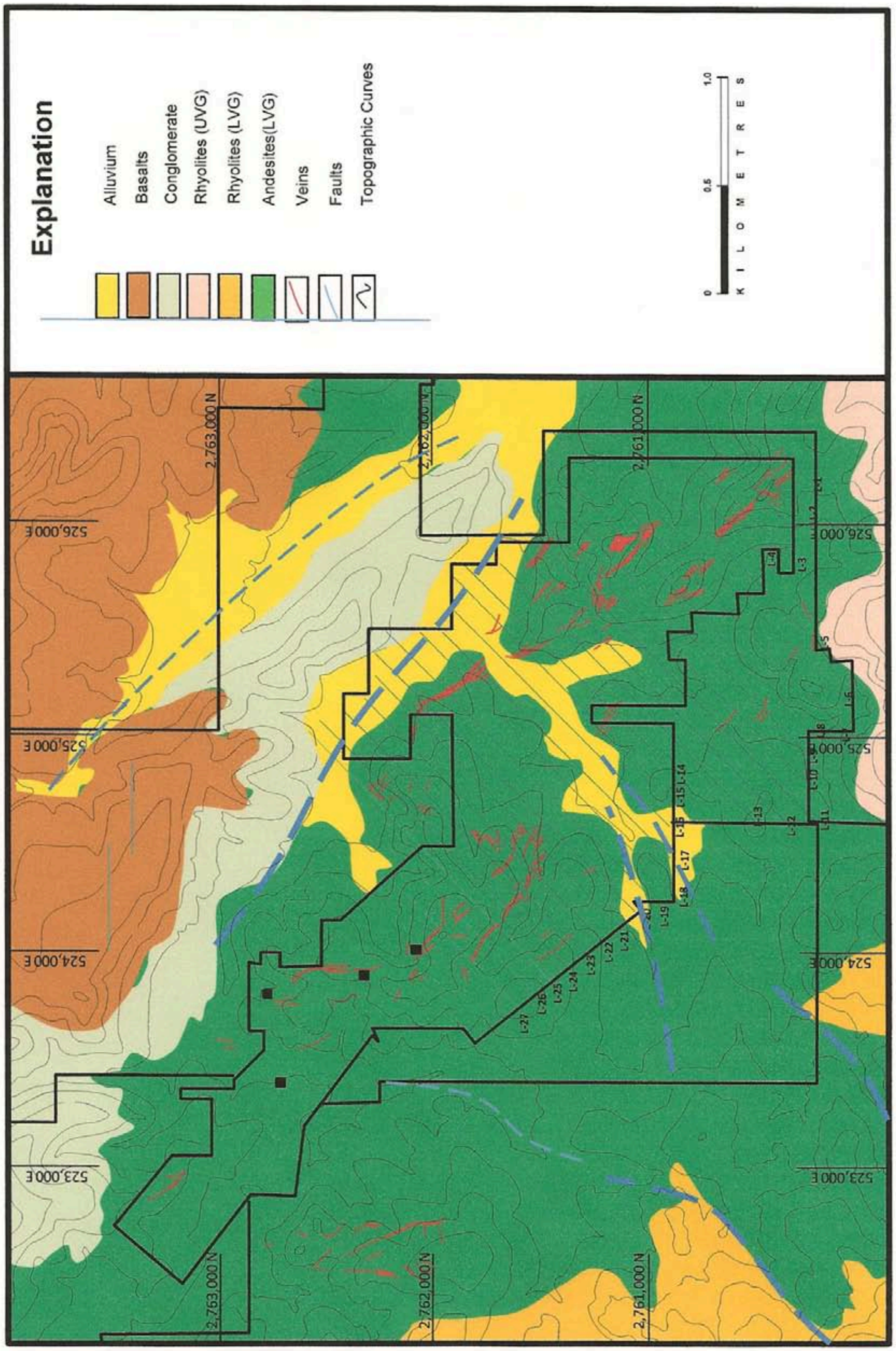


Figure 4.1. – Geological Map – Central Area Veining

Mineralization in the Coneto mining camp is of the intermediate sulphidation style of epithermal vein emplacement (Buchanan, 1981; Corbett, 2002). The corridor of veining and associated hydrothermal alteration extends approximately 16 km in a NW-SE direction, the dominant strike direction of the veins, and 4 km in a SW-NE direction, across multiple veins.

Four main stages of vein emplacement have been identified in many of the veins (Anon, 1996), with variations in this pattern. A fifth calcite veining episode may be present in the north.

Stage 1: - White recrystallized quartz, often with a saccroidal texture and pseudomorph blades after calcite. This early stage is not mineralized. It is part of a process whereby bladed calcite was precipitated then dissolved and replaced by quartz.

Stage 2: - Smoky, fine grained quartz, with pyrite and argentite. This represents the main ore-stage emplacement and typically contains higher silver and gold values. It is in places in the form of a cementing matrix within breccias of Stage 1 quartz, which indicates a reactivation of the system.

Stage 3: - Coarse, white to clear, coxcomb quartz veins, without appreciable sulphides.

Stage 4: - Quartz-fluorite veins, or infilling of druzy cavities within pre-existing veins.

Stage 5: - Late stage calcite veining.

There are over 40 veins documented in the Coneto mining camp. Some individual veins have been mapped for over 2 km along strike and vary from 1 to 20 metres thick. Testing on most veins has not gone below 100 metres down-dip. In addition, there are both quartz stockwork and breccias in both hanging and footwall zones of major veins.

The quartz veins are more resistant to weathering than the host rocks and are therefore easily seen in outcrop. Where alteration is more intense, the veins are less well exposed. It is possible that some of the veins are faulted offsets of other veins, as the faults would be less obvious on surface than the veins and thus not as well documented.

The following is a brief description of some of the major veins, grouped by mine access and/or area on the property.

Note: As with other sections of this report, where silver-equivalent values appear in this section, they are determined by the silver value plus 60 times the gold value. The 10-year running average (2000-2010) of gold to silver prices is 60 to 1 for the London Metal Exchange. For the purposes of silver-equivalent, precious metal recovery is assumed to be 100%. Base metals and fluorite values are not included.

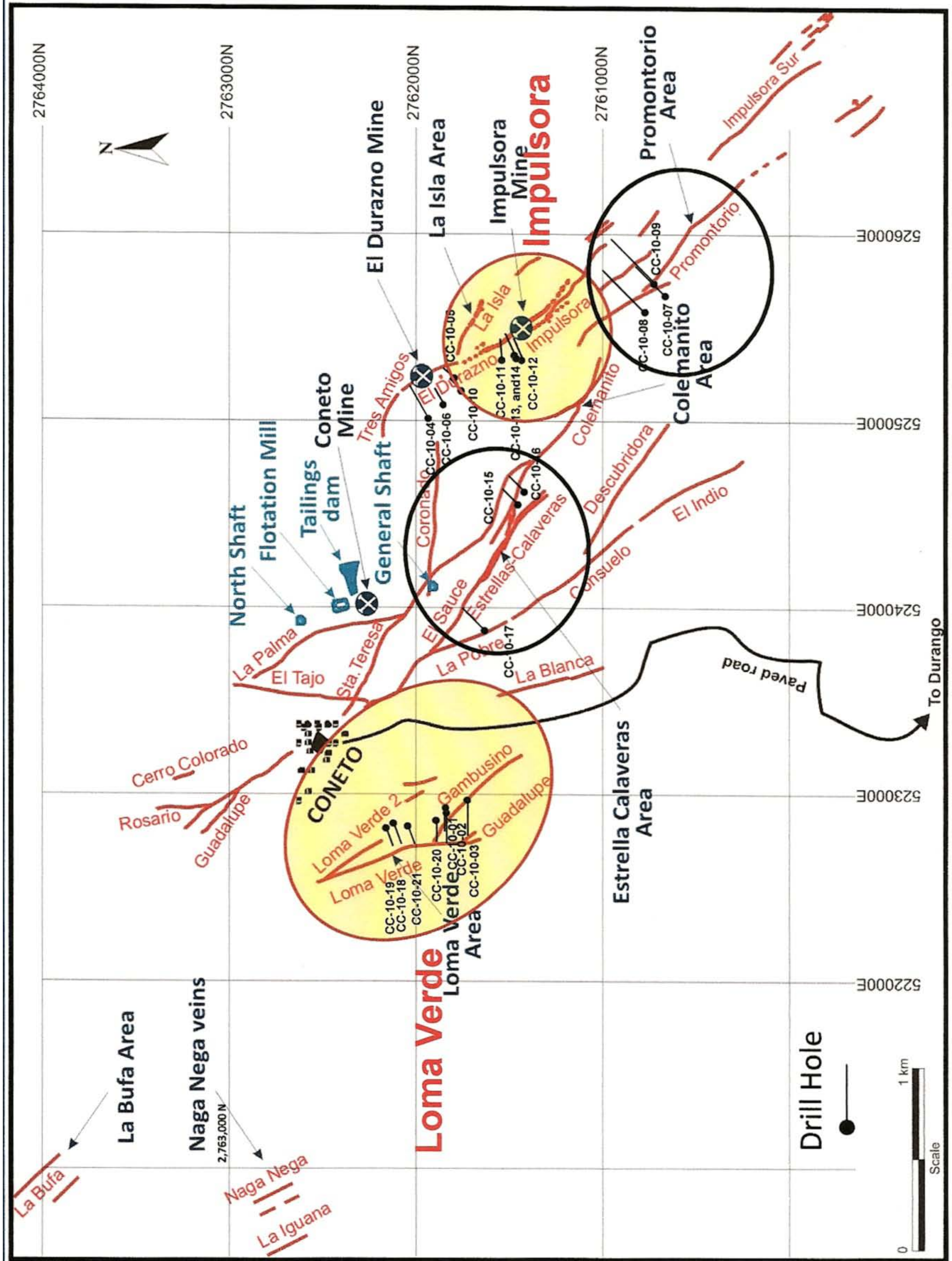


Figure 4.2. – Main Veins in the Coneto Mining Camp.

4.1. – Coneto Mine

The Coneto Mine is located to the east of the village of Coneto de Comonfort and was the starting point for historic production in this camp. Four shafts (General, Fortuna, Norte and a minor El Tajo) and a ramp near the Fortuna shaft were driven on the historic mine workings (Ponce-Sibaje, 1978). This is on Orex's Unificacion La Palma mineral concession.

The Sauce Vein has development on several levels and, according to longitudinal sections, shows stope development on two clavos (ore-shoots), one of which daylights in a glory hole northwest of the General shaft at the intersection of Sauce and Pobre Veins. Personal communication with several locals and with past mine operators have stated that their highest grades came from this structure. The Sauce Vein is oriented 130^o – 65^o SW. Stages 1, 2 and 4 have been documented in this vein. Down dip projection on these clavos, below the water table, is a favourable exploration target.

The Pobre Vein is a splay off of the Sauce Vein to the south and is poorly exposed. It has a general orientation of 170^o -80^o. Mineralogically, it may have lacked the more resistant Stage 1 quartz, but contained more of the economically important Stage 2 quartz-sulphide veining and stringers. Several of the shallow levels on the Sauce Vein workings were extended along the Pobre Vein. The down-dip projection of the clavo and the southern projection of Pobre Vein are exploration targets.

The Palma Vein is the second most important vein in the Coneto Mine and is oriented between 140^o and 165^o -65^o SW. The Palma workings stretch from the Norte shaft, past the Fortuna shaft and the General shaft in the south, until they merge with the Sauce Vein workings. Stoping may be preferentially located on inflections in the strike of the Palma Vein. Stage 1 and 2 veining are present, as well as a zone of footwall brecciation and stockwork. The Palma Vein is well exposed in the mine compound.

Speculation as to what happens to the Palma Vein as it trends northward include possible blind targets beneath a post-mineralization conglomeratic unit, and offsets to sub-parallel veins to the east.

The Tajo Vein is a north-south trending vein, averaging 175^o -80^o W, which was historically accessed via the early, small Tajo shaft. As one of the first veins to be mined in the district, surface pits are overgrown and obscured. There is also indication from the underground plans that a crosscut from the CRM ramp may have been designed to intersect the Tajo shaft, but was only partly completed for 125 metres. Little information is available about this vein, as well as the 125^o striking Santa Teresa Vein in the Coneto Mine area.

Only one new hole has been drilled in this area – CC-10-17.

4.2. – Durazno Mine

In the Durazno Mine area, there is a small open cut and a ramp leading to four mining levels. These were developed to explore and produce from the main Durazno Vein for high-grade fluorite. This is on Orex's Unificacion La Palma mineral concession.

Access to the first level is partially open, but the lower levels are currently flooded. This vein is oriented 150^o - 65^o SW, has been traced for over 1500 m and is up to 20 m thick. Fluorite grade drops off with depth, but silver and gold grades increase with depth. Several historic drill holes reported silver and gold values (Veytia-Barba, 1974), including a 10.97 metre intercept grading 20.53 % CaF_2, 2.29 g/t Au and 71.7 g/t Ag for a silver-equivalent of 209.2 g/t.

North of the Durazno Vein is a more east-west trending vein called Tres Amigos. There is a small underground working on Tres Amigos. It is possible that one of the widenings of the Durazno Vein may be related to the intersection with the Tres Amigos Vein.

South of the Durazno Mine workings, the vein splits into two splays, the western splay projecting toward the Impulsora Mine (see below), and the eastern splay projecting toward La Isla, a rock knoll within the catchment basin of a reservoir. On this knoll is Isla Vein, oriented about 130^o -80^o SW, with breccias and silicification of the host rock. Further south still, west of the reservoir dam, Isla Vein can be picked up again as Isla Sur Vein. Surface rock channel samples yielded gold and silver values in this area (Whiting and Gunning, 2009).

Four holes were drilled in the Durazno Area in 2010 – CC-10-04, -05, -06 and -10.

4.3. – Impulsora Mine

The Impulsora veins are considered to be the main southern extension of the Durazno Vein. This is on Orex's Unificacion La Palma mineral concession.

There are two closely spaced veins, Impulsora 1 and 2, oriented about 140^o -75^o SW, up to 4 m wide, with some flexures and splays between the veins. A portal is located on the west side, entering the ridge, with drifts on both veins and a stope on the north end of the easternmost Impulsora 2 Vein. This stope daylights on the ridge crest. The mine was in production for fluorite, but grades were low and concentrate was considered to be relatively dirty due to the iron oxides present in the quartz-fluorite vein. This is considered a good target area and the old mine workings have been re-sampled for gold and silver.

Further south, the Impulsora Vein tends to pinch out and horsetail. Across a covered area occasional quartz float can be found, then the vein re-appears and is named Impulsora Sur. In this southern area the vein has been traced for another 500 metres to the southeast and is gold and silver bearing on surface.

A projection of Impulsora Sur extends onto Fresnillo's Soledad mineral concession.

Four holes were drilled in the Impulsora Area in 2010 – CC-10-11, -12, -13 and -14.

4.4. – Promontorio Ridge

Promontorio Ridge is located to the west of the Impulsora Mine and is in-line with the Colemanito, Calaveras, and Coneto Mine structural trend. This is on Orex's Unificacion La Palma and Lomas 2 mineral concessions.

Strong quartz veining, with associated stockwork, silicification and kaolinitization can be followed for approximately 2 km oriented 130^o -80^o SW. There is one old mine access crosscut and drift called Nogales adit on Promontorio, near the northwest end, but it is inaccessible.

Much of the early results from Orex's exploration and sampling (interim report in a news release dated 17 November 2009) came from the Promontorio Ridge. This area also has potential for an at surface bulk tonnage target.

The next hill to the southeast is a continuation of the Promontorio stockworks onto Promontorio Sur. A projection of Promontorio Sur also extends onto Fresnillo's Soledad and Ampl. Samaritano mineral concessions.

Three holes were drilled in the Promontorio Area in 2010 – CC-10-07, -08, and -09.

4.5. – Colemanito Hill

Colemanito is a veined and silicified hill midway between the northwest end of Promontorio Ridge and Calaveras. This is on Orex's Unificacion La Palma and Lomas 2 mineral concessions.

It exposes veining for about 300 metres oriented 120^o and is mostly Stage 1 quartz veining. Stage 2 veining, the precious metals stage, only appears in pockets at surface along a broad zone of stockwork, thus Colemanito is a secondary target. However, if it connects with Promontorio, the mineralizing event stage may pick up with depth. No historic mine workings are known on this target.

No holes were drilled in the Colemanito Area in 2010.

4.6. – Calaveras Area

The Calaveras area is between the Colemanito hill to the southeast and veins of the Coneto Mine to the northwest. This is on Orex's Unificacion La Palma mineral concession.

There is a very distinctive surface slot-cut on the margins of the Calaveras vein, which appears to be mining of silicified hanging wall breccias adjacent to the hard quartz vein. This is believed to be the location where the metallurgical sample was taken by Pan American Silver Corp (Anon., 2007; Whiting and Gunning, 2009). Close to the west is a sub-parallel Estrellas Vein, also with smoky quartz-matrix filled breccias of Stage 2.

Northeast of this area is an east-west trending alteration zone and quartz veining area called Coronado. More study is required to identify the relationship between the Calaveras and Coronado structures.

Two holes were drilled in the Calaveras Area in 2010 – CC-10-15 and -16.

4.7. – Loma Verde Area

Parallel to and west of the Central mineralized trend is the Loma Verde trend, 1 km west of the village of Coneto de Comonfort. This is on Orex's Lomas 2 mineral concession.

Loma Verde 1 and 2 Veins have been documented in this area, as well as possible splays to the south called Gambusino and Guadalupe. All four vein stages are present in the Loma Verde area. There is also extensive limonite and kaolinite alteration to the south of Loma Verde.

Loma Verde 1 trends 170^{o} -80^{o} E, then splits in two, with the eastern branch trending 145^{o}. There are trenches on the higher outcrops of Loma Verde and there was one short shaft (Tiro Orcadeña) sunk on Loma Verde 1 to the south, which is currently inaccessible.

The Guzman and Alba (1981) reference describes a drill hole into Loma Verde 1 which yielded 3.15 metres grading gold 2.35 g/t and silver 224 g/t for a silver-equivalent of 365 g/t.

Seven holes were drilled in the Loma Verde Area in 2010 – CC-10-01, -02, -03, -18, -19, -20 and -21.

4.8. – Consuelo Area

Projecting southeastward from the Pobre Vein are exposures of the Consuelo, Indio, and branching eastward the Descubridora Veins. Very little documentation is available for these veins, but they have been added to the Orex mapping program. A portion of these veins are on Orex's Unificacion La Palma and Lomas 2 mineral concessions and project onto mineral concessions 3-EN-1-F2 and Ampl. Samaitano of Fresnillo.

No holes were drilled in the Consuelo Area in 2010.

4.9. – Coneto Norte Area

North of the village of Coneto de Comonfort are located the Rosario, Cerro Colorado and Guadalupe (or Guadalupana) Veins. This Guadalupe Vein is the second vein of the name Guadalupe in the Coneto mining camp, illustrating the history of the camp having been separate operations. These veins are mainly on Orex's Unificacion La Palma mineral concession, with a northward projection toward the 3-EN-1-F2 mineral concession of Fresnillo.

The Guadalupe Vein, oriented 135^{o} -75^{o} NE, is generally quite thin, but can be traced for a kilometre, with some wider portions, particularly where the Rosario splay occurs. At this intersection is a large terrero rock pile, suggesting that there was a significant shaft dug at this location. Copper bearing minerals, chalcopyrite and malachite, were documented at the northern part of Rosario Vein, marking a difference in mineralogy from other areas of the camp. Cerro Colorado Vein is parallel to and east of Rosario Vein. Further to the north the veins project under post-mineralization conglomerate units.

No holes were drilled in the Coneto Norte Area in 2010.

4.10. – La Bufa Mine

The distinctive steep-sided hill and the adjacent hill to its west, 3 km northeast of the village of Coneto de Comonfort, is the area known as La Bufa. This is covered by Orex's La Bufa and Ampl. La Bufa mineral concessions.

Several veins have small mine workings in the La Bufa area. The Santo Niño Vein has some inflections, which may be important controls, but the vein generally trends about 150^{o} -80^{o}. Mining here was primarily for gold, as the Stage 2 veining seems to be quartz, with pyrite/limonite. Stage 1 quartz veining is present and there may be an earlier stage of reddish chert and chalcedonic quartz (Stage 1a).

The San Miguel Vein is oblique to the Santo Nino Vein and intersection is near the exploration adit. It trends 130^o -80^o NE and is associated with stockwork and zones of intense silicification.

On the eastern side of La Bufa is the East Bufa Vein. It trends about 150^o and dips steeply eastward at the south end and steeply westward at the north end. Stages 1, 2, 3 and 4 have been described along its length, as well as a possible late stage 5 calcite veining. The intensity of veining, alteration and shear/gouge zone contacts may be a reflection in changes in host rock lithology, from andesitic at the base to more rhyolitic near the top.

No holes were drilled in the La Bufa Area in 2010.

4.11. – Naga Nega Mine

Three km west of the village of Coneto de Comonfort, 1.5 km west of the Loma Verde area, is the Naga Nega Mine. It is located on mineral concessions Los Naga Nega and Los Naga Nega Dos (privately held concessions) and projects onto Orex's Lomas 2 mineral concession.

This is a small historic operation on the Naga Nega 1 and 2 and Iguana Veins, a system running parallel to the Loma Verde system. It trends 170^o and dips -60^o to -75^o west. Emplacement is high in the system, near the contact between the Upper Volcanic Group and the Lower Volcanic Group (Davila, 2009). Strong argillic alteration and iron oxides are present. Historic mining has not likely gone below 30 metres on these structures.

No holes were drilled in the Naga Nega Area in 2010.

4.12. – Cerro Prieto Area

At the northern end of the trend lies Cerro Prieto, 10 km northwest of the village of Coneto de Comonfort. There are limonitic alteration zones and calcitic veins on Orex's El Rey, El Rosario and Lomas 3 mineral concession and the privately held Cerro Prieto mineral concession. This is an additional region which will require further study.

No holes were drilled in the Cerro Prieto Area in 2010.

5. DESCRIPTION OF THE DRILLING PROGRAM

Phase-I drilling program at Coneto consisted of 21 holes drilled in 6 areas of the property for a total of 5,000 metres. Drilling was conducted by Major Drilling de Mexico S.A. de C.V. from Hermosillo, a subsidiary of Major Drilling Group International Inc.. The drill was a skid-mounted UDR-200 MX #24 rig. Drill core was HQ diameter resulting in large sample size.

Downhole survey readings of azimuth and dip were taken every 50 metres, the individual results of which are in the drill hole database.

Table 5.1 – List of Drill Holes

Drill Hole	*East*	*North*	*Elev.*	*Azimuth*	*Dip*	*Length*
CC-10-01	522,910	2,761,830	2,014	260	-50	252.98
CC-10-02	522,910	2,761,831	2,014	260	-70	365.76
CC-10-03	522,985	2,761,715	1,995	260	-45	295.35
CC-10-04	525,008	2,761,919	1,946	60	-50	306.63
CC-10-05	525,225	2,761,796	1,941	40	-55	143.26
CC-10-06	525,086	2,761,850	1,935	60	-60	198.12
CC-10-07	525,684	2,760,685	1,965	45	-45	320.04
CC-10-08	525,592	2,760,789	1,960	40	-45	454.15
CC-10-09	525,743	2,760,730	1,985	45	-45	484.63
CC-10-10	525,167	2,761,754	1,940	45	-65	222.50
CC-10-11	525,323	2,761,536	1,930	85	-45	161.54
CC-10-12	525,331	2,761,423	1,940	65	-45	179.83
CC-10-13	525,354	2,761,475	1,936	65	-45	173.74
CC-10-14	525,354	2,761,475	1,936	65	-70	149.35
CC-10-15	524,564	2,761,465	1,960	45	-45	164.59
CC-10-16	524,626	2,761,432	1,956	45	-45	171.64
CC-10-17	523,898	2,761,640	2,010	45	-60	340.30
CC-10-18	522,854	2,762,112	2,002	250	-45	164.59
CC-10-19	522,825	2,762,161	2,007	250	-45	149.35
CC-10-20	522,871	2,761,888	2,016	270	-45	161.54
CC-10-21	522,845	2,762,048	2,000	250	-45	140.11
					Total:	5,000.00

5.1. Loma Verde

The best results during the 2010 Phase-I drilling program were obtained from the Loma Verde and Impulsora areas. Using a combined thickness and grade cut-off, where a hole had to exceed both a minimum true thickness of 1.5 metres and a minimum cut-off of 100 g/t silver-equivalent, the following results were obtained.

For Loma Verde, 6 of the 7 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 4.22 metres grading gold 0.797 g/t and silver 142.4 g/t for a silver-equivalent of 190.2 g/t (gold-equivalent of 3.170 g/t).

Of particular note was hole CC-10-20, which yielded a true thickness of 3.12 metres grading gold 0.982 g/t and silver 291.6 g/t for a silver-equivalent of 350.5 g/t (gold-equivalent of 5.842 g/t).

Table 5.1.1. Summary Table – Loma Verde Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-01	184.10	192.90	8.80	7.21	0.471	**165.2**	**193.4**	**3.224**
CC-10-02	299.20	302.50	3.30	1.89	0.184	**117.8**	**128.8**	**2.147**
CC-10-03	259.30	263.00	3.70	3.03	0.583	**125.1**	**160.1**	**2.668**
CC-10-18	136.40	141.20	4.80	4.16	**1.577**	48.8	**143.4**	**2.390**
CC-10-20	144.50	148.10	3.60	3.12	0.982	**291.6**	**350.5**	**5.842**
CC-10-21	121.90	128.70	6.80	5.89	0.853	**118.3**	**169.5**	**2.824**
Wtd Average			5.17	4.22	0.797	**142.4**	**190.2**	**3.170**

The following tables and cross-sections are from the Loma Verde Area drilling:

Table 5.1.2. CC-10-01

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	176.30	177.80	1.50	1.23	0.764	97.0	**142.8**	**2.381**
Loma Verde	184.10	192.90	8.80	7.21	0.471	**165.2**	**193.4**	**3.224**
Includes	188.70	192.40	3.70	3.03	0.447	**265.0**	**291.8**	**4.864**
Includes	192.00	192.40	0.40	0.33	0.903	**772.0**	**826.2**	**13.770**

CC-10-01 was drilled in the Loma Verde area. It is oriented 260^o, dip -50^o, to a depth of 252.98 metres.

Table 5.1.3. CC-10-02

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Loma Verde	299.20	302.50	3.30	1.89	0.184	**117.8**	**128.8**	**2.147**
Includes	299.20	301.00	1.80	1.03	0.185	**173.4**	**184.6**	**3.075**
Includes	299.70	301.00	1.30	0.75	0.237	**219.0**	**233.2**	**4.124**

CC-10-02 was drilled in the Loma Verde area. It is oriented 260^o, dip -70^o, to a depth of 365.76 metres.

Table 5.1.4. CC-10-03

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Loma Verde	259.30	263.00	3.70	3.03	0.583	**125.1**	**160.1**	**2.668**
Includes	259.30	260.30	1.00	0.82	0.513	**345.0**	**375.8**	**6.263**

CC-10-03 was drilled in the Loma Verde area. It is oriented 260^o, dip -45^o, to a depth of 295.35 metres.

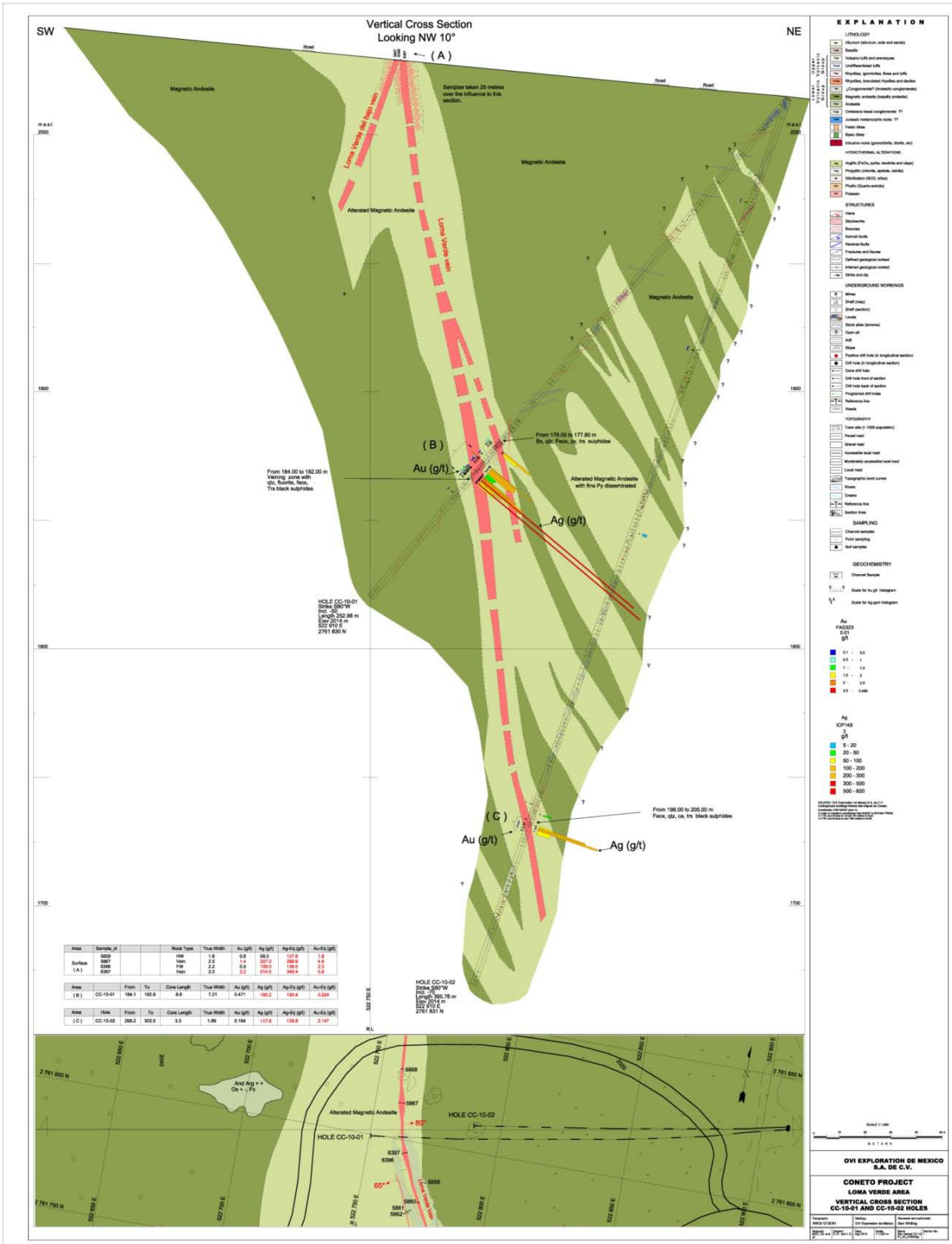
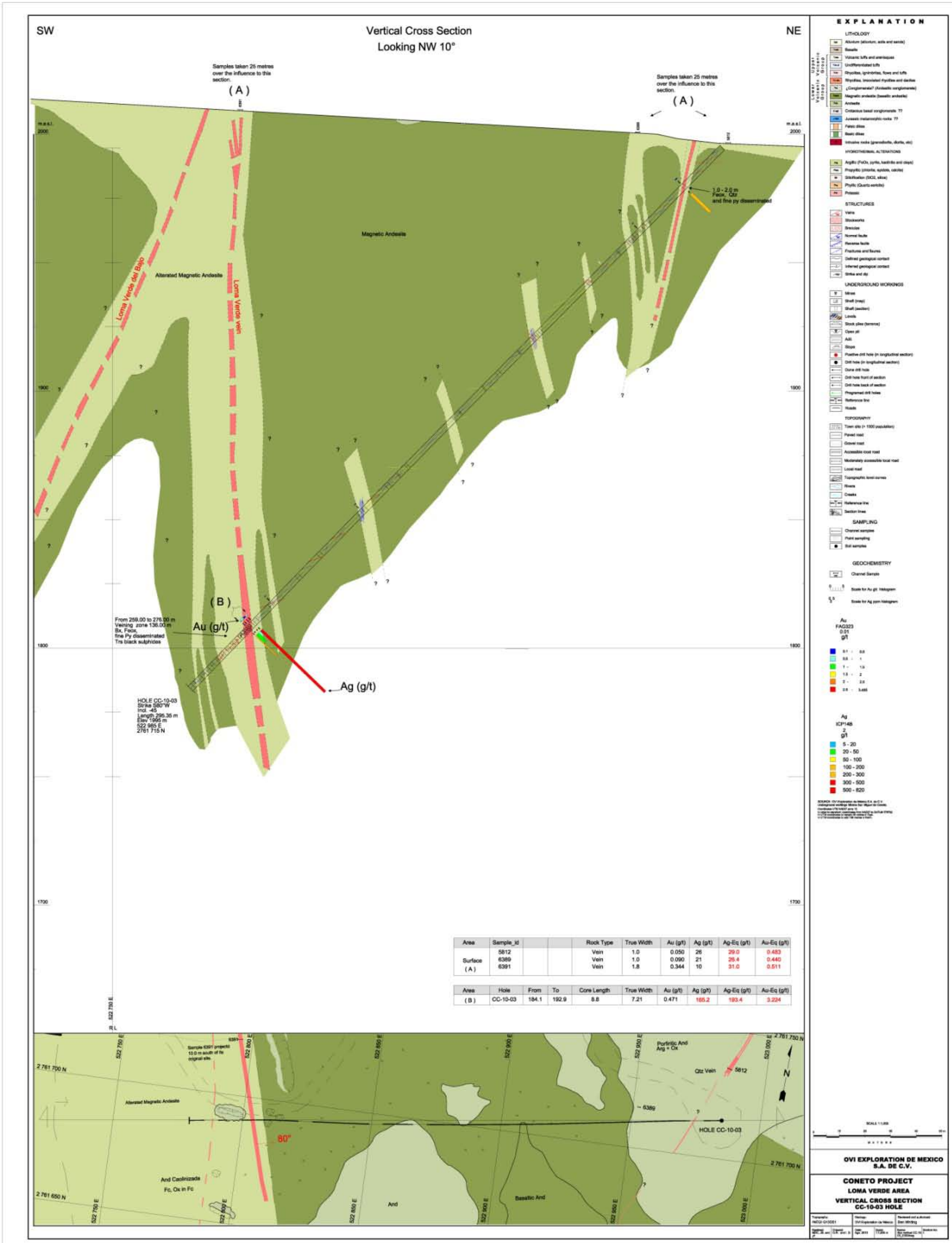


Figure 5.1.1. Cross Section CC-10-01 and CC-10-02.



Area	Sample_id			Rock Type	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Surface (A)	5812			Vein	1.0	0.050	26	29.0	0.483
	6389			Vein	1.0	0.090	21	26.4	0.440
	6391			Vein	1.8	0.344	10	31.0	0.511

Area	Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(B)	CC-10-03	184.1	192.9	8.8	7.21	0.471	185.2	193.4	3.224

Figure 5.1.2. Cross Section CC-10-03.

Table 5.1.5. CC-10-18

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	28.70	30.00	1.30	1.13	**1.894**	1.0	**114.6**	**1.911**
Loma Verde	136.40	141.20	4.80	4.16	**1.577**	48.8	**143.4**	**2.390**
Includes	136.40	140.30	3.90	3.38	**1.836**	55.0	**165.2**	**2.753**
Includes	138.50	140.30	1.80	1.56	**3.440**	49.0	**255.4**	**4.256**

CC-10-18 was drilled in the Loma Verde area. It is oriented 245^o, dip -45^o, to a depth of 164.59 metres.

Table 5.1.6. CC-10-19

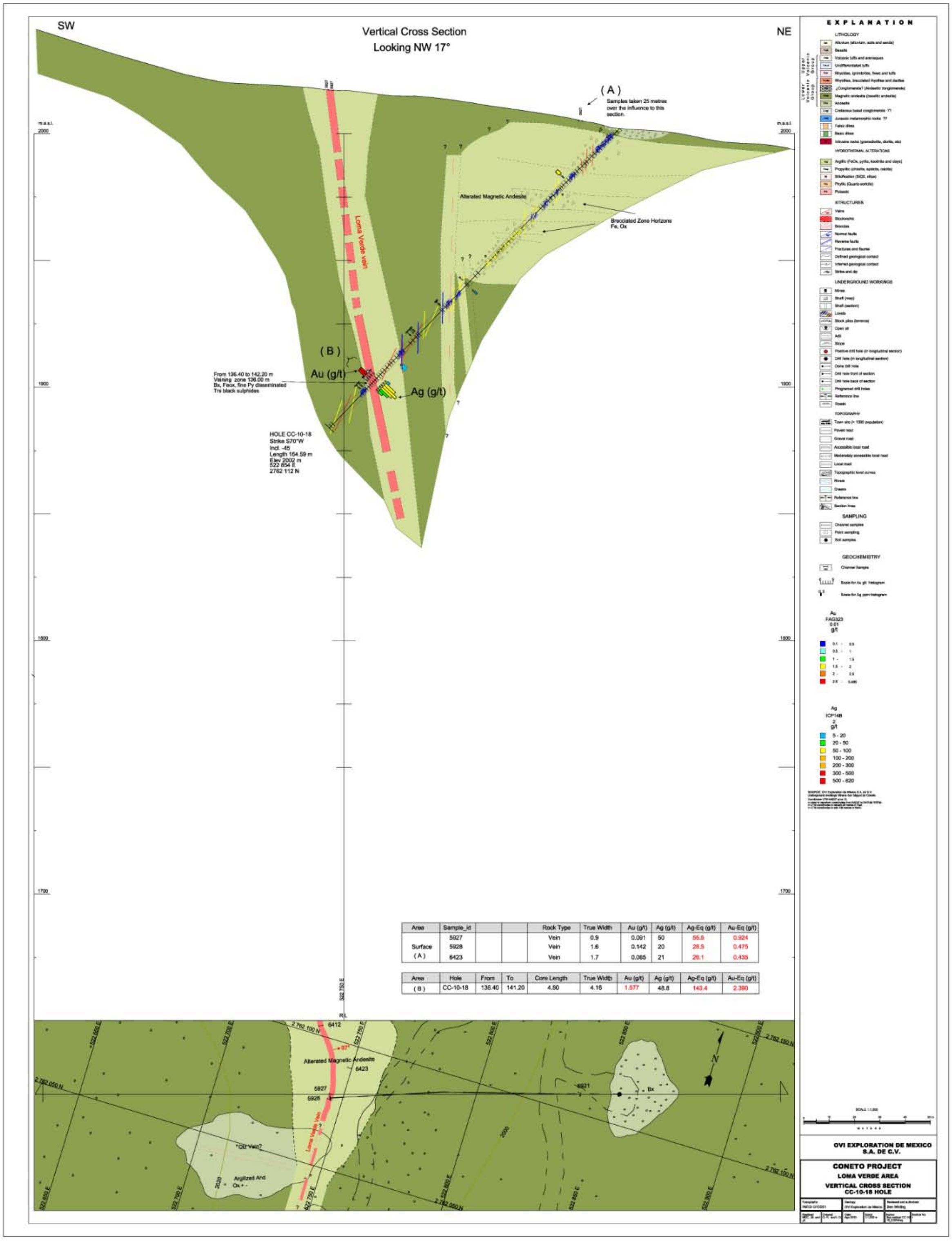
Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Loma Verde	104.90	107.10	2.20	1.91	0.318	21.0	40.0	0.667
Includes	104.90	106.00	1.10	0.95	0.558	28.9	64.2	**1.070**
Includes	105.30	106.00	0.70	0.60	0.759	42.0	87.5	**1.459**

CC-10-19 was drilled in the Loma Verde area. It is oriented 245^o, dip -45^o, to a depth of 149.35 metres.

Table 5.1.7. CC-10-20

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Loma Verde	144.50	148.10	3.60	3.12	0.982	**291.6**	**350.5**	**5.842**
Includes	145.00	147.60	2.60	2.25	**1.140**	**368.8**	**437.2**	**7.286**
Includes	146.00	147.00	1.00	0.87	0.968	**584.0**	**642.1**	**10.701**

CC-10-20 was drilled in the Loma Verde area. It is oriented 260^o, dip -45^o, to a depth of 161.54 metres.



Area	Sample_id			Rock Type	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Surface (A)	5927			Vein	0.9	0.091	50	55.5	0.924
	5928			Vein	1.6	0.142	20	28.5	0.475
	6423			Vein	1.7	0.085	21	26.1	0.435

Area	Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(B)	CC-10-18	136.40	141.20	4.80	4.16	1.577	48.8	143.4	2.390

Figure 5.1.3. Cross Section CC-10-18.

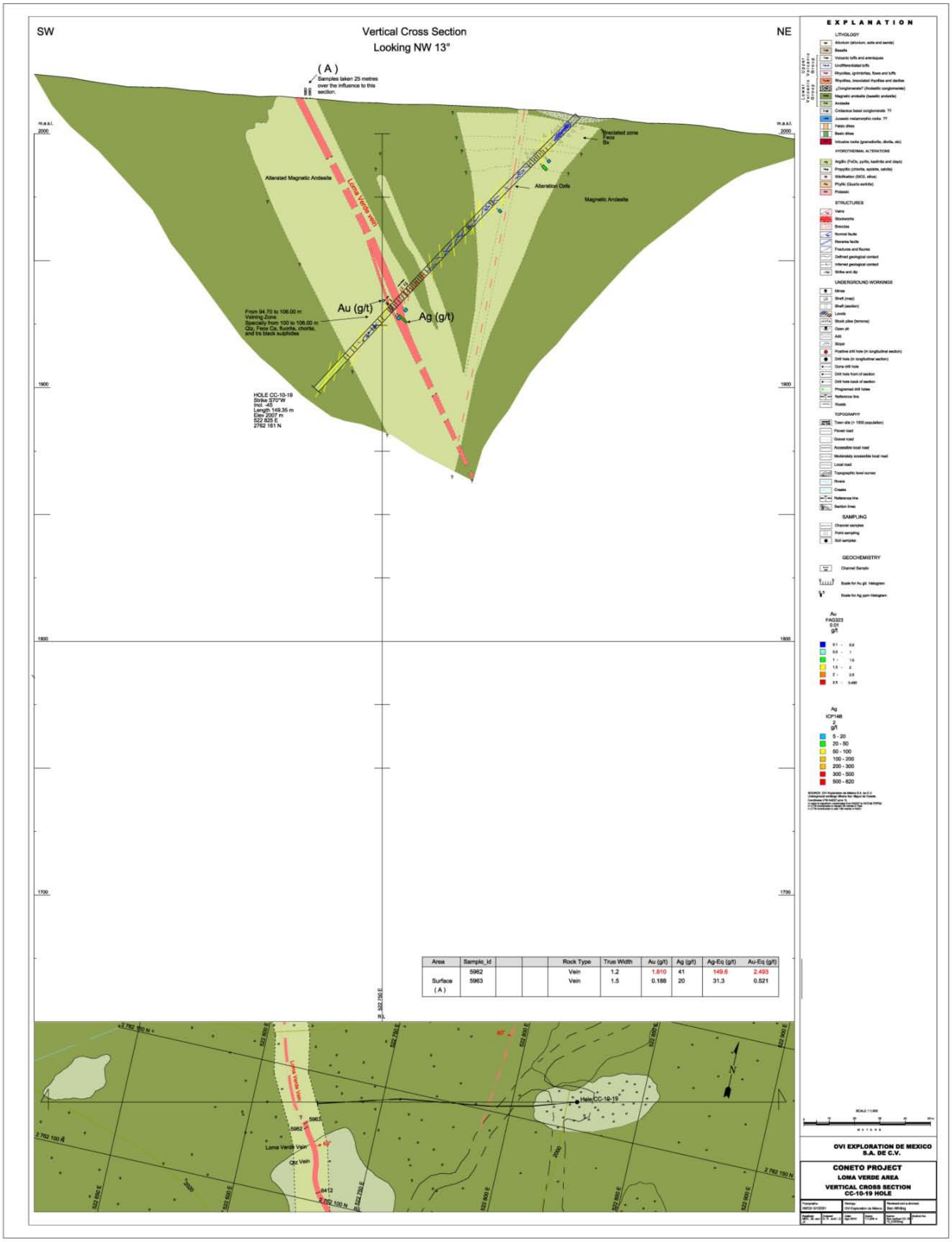


Figure 5.1.4. Cross Section CC-10-19.

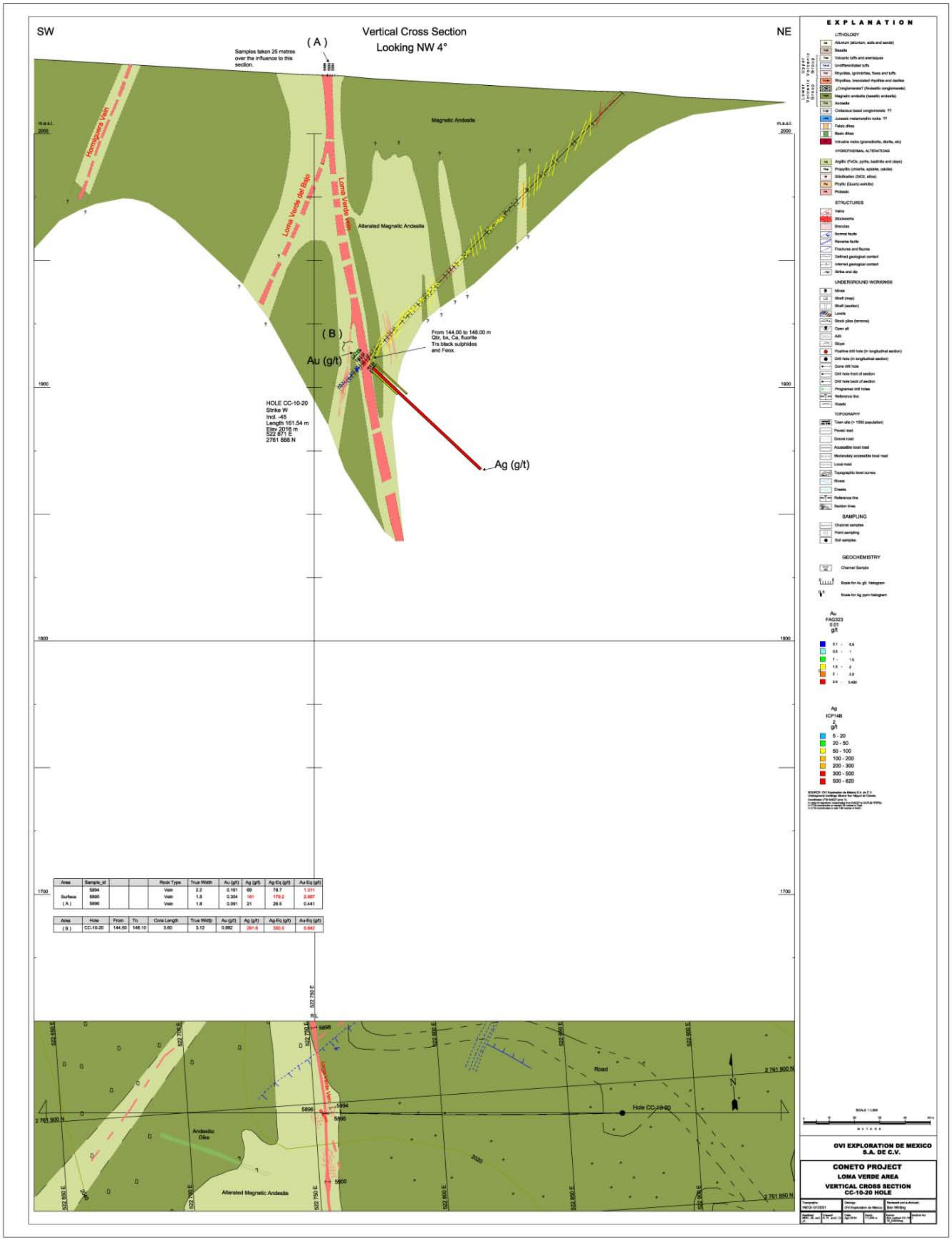


Figure 5.1.5. Cross Section CC-10-20.

Table 5.1.8. CC-10-21

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	105.50	106.20	0.70	0.61	0.047	48.0	50.8	0.847
Loma Verde	121.90	128.70	6.80	5.89	0.853	**118.3**	**169.5**	**2.824**
Includes	124.40	128.70	4.30	3.72	0.885	**167.8**	**220.9**	**3.862**
Includes	125.70	126.60	0.90	0.78	**1.994**	**243.0**	**362.6**	**6.044**

CC-10-21 was drilled in the Loma Verde area. It is oriented 250^{o}, dip -45^{o}, to a depth of 140.11 metres.

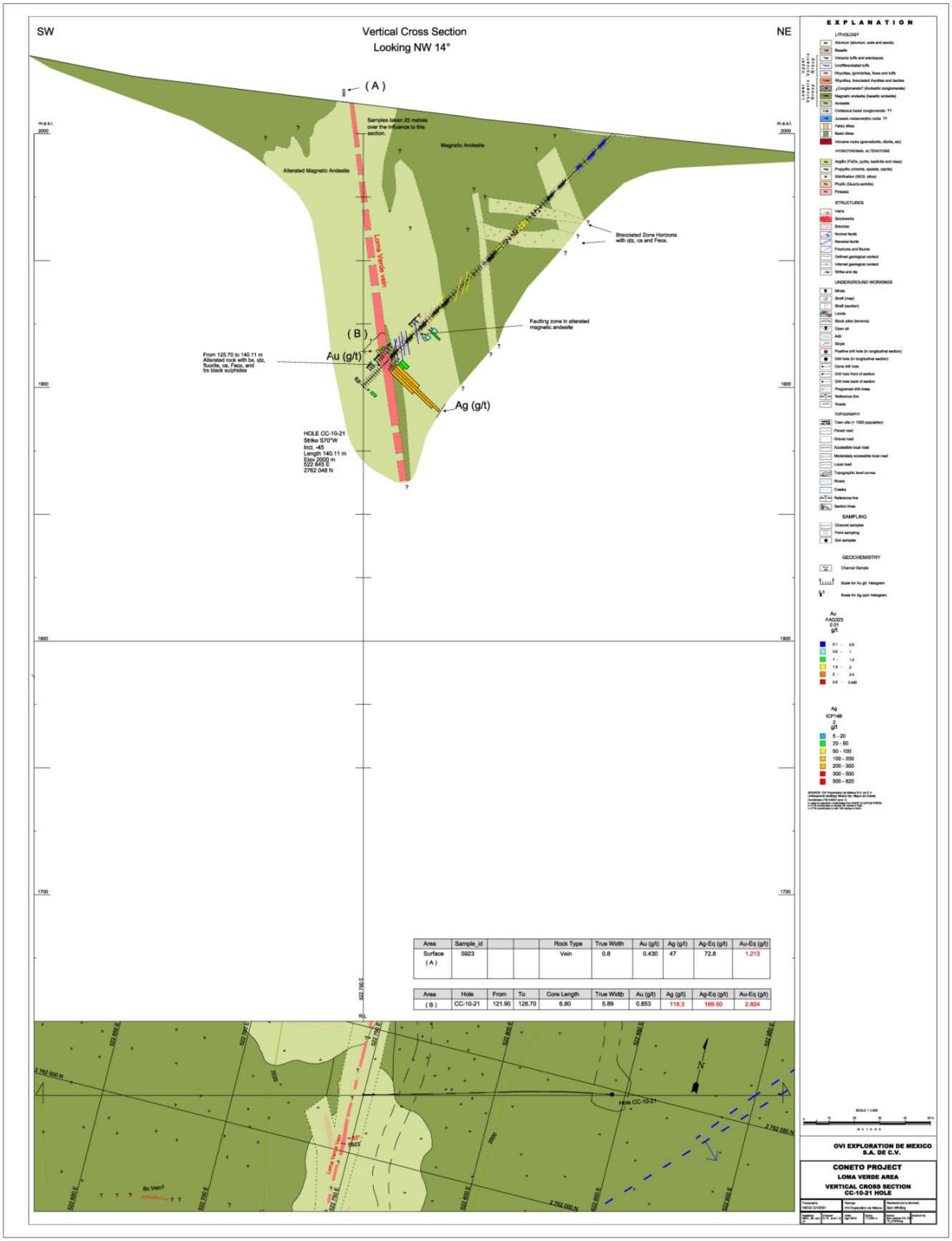


Figure 5.1.6. Cross Section CC-10-21.

5.2. Impulsora

For Impulsora, 3 of the 4 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 2.70 metres grading gold 1.348 g/t and silver 104.0 g/t for a silver-equivalent of 184.9 g/t (gold-equivalent of 3.082 g/t).

Of particular note in the Impulsora area is the farthest south hole CC-10-12, which yielded 4.60 metres grading gold 1.596 g/t and silver 114.7 g/t for a silver-equivalent of 210.5 g/t (gold-equivalent 3.508 g/t).

Table 5.2.1. Summary Table – Impulsora Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-11	93.00	94.70	1.70	1.54	0.658	74.0	**113.5**	**1.892**
CC-10-12	116.00	120.90	4.90	4.60	**1.596**	**114.7**	**210.5**	**3.508**
CC-10-13	78.80	80.80	2.00	1.97	**1.308**	**102.6**	**181.1**	**3.018**
Wtd Average			2.87	2.70	**1.348**	**104.0**	**184.9**	**3.082**

The following tables and cross-sections are from the Impulsora Area drilling:

Table 5.2.2. CC-10-11

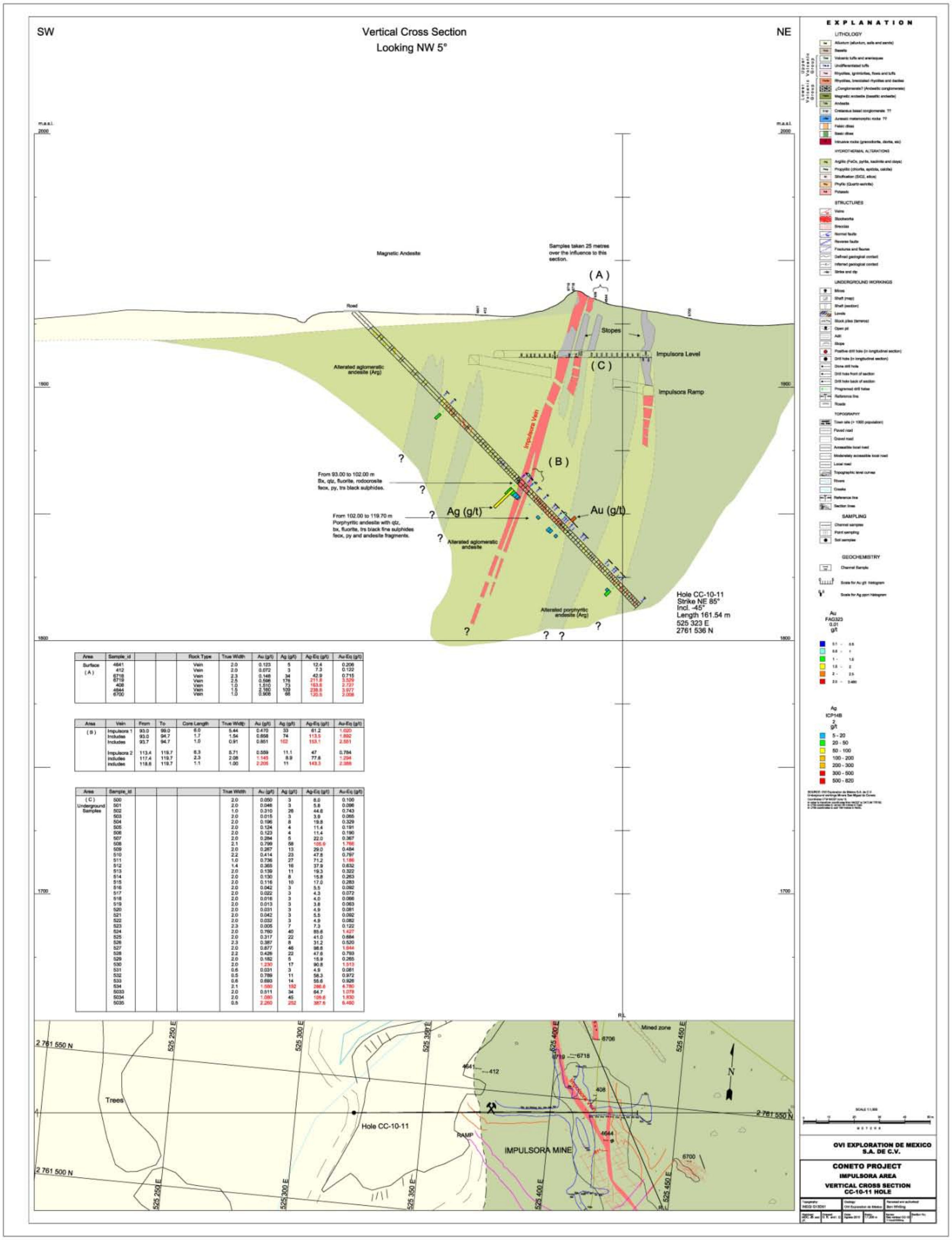
Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Impulsora 1	93.00	99.00	6.00	5.44	0.470	33.0	61.2	**1.020**
Includes	93.00	94.70	1.70	1.54	0.658	74.0	**113.5**	**1.892**
Includes	93.70	94.70	1.00	0.91	0.851	**102.0**	**153.1**	**2.551**
Impulsora 2	113.40	119.70	6.30	5.71	0.559	11.1	47.0	0.784
Includes	117.40	119.70	2.30	2.08	**1.145**	8.9	77.6	**1.294**
Includes	118.60	119.70	1.10	1.00	**2.205**	11.0	**143.3**	**2.388**

CC-10-11 was drilled in the Impulsora area. It is oriented 085°, dip -45°, to a depth of 161.54 metres.

Table 5.2.3. CC-10-12

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Impulsora 1	101.10	105.00	3.90	3.66	0.635	17.4	55.5	0.925
Includes	102.60	104.10	1.50	1.41	**1.111**	19.0	85.7	**1.428**
Impulsora 2	109.40	123.90	14.50	13.63	0.941	48.1	**104.5**	**1.742**
Includes	116.00	120.90	4.90	4.60	**1.596**	**114.7**	**210.5**	**3.508**
Includes	120.00	120.90	0.90	0.85	0.514	**509.0**	**539.8**	**8.997**

CC-10-12 was drilled in the Impulsora area. It is oriented 067°, dip -45°, to a depth of 179.83 metres.

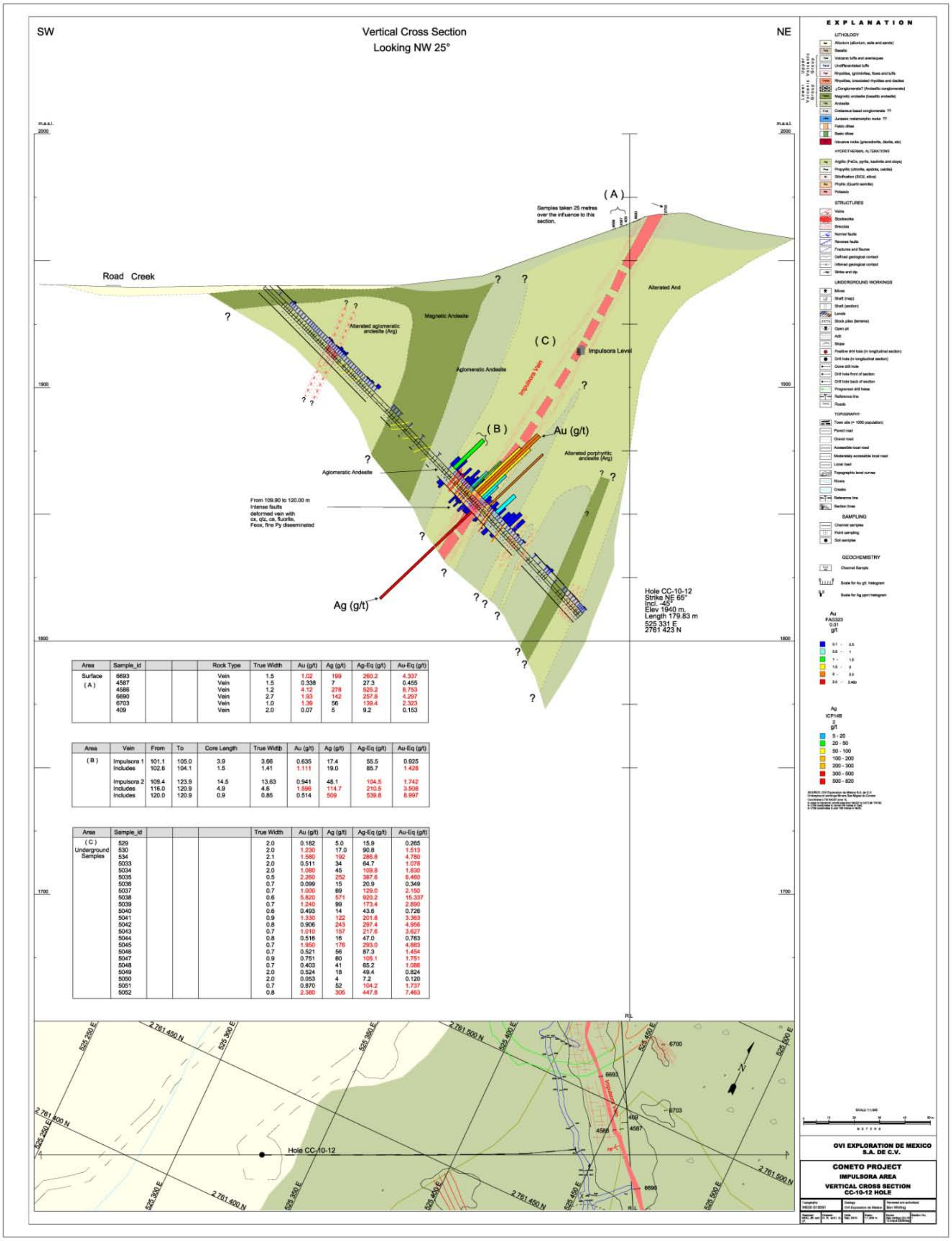


Area	Sample_id			Rock Type	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Surface (A)	4641			Vein	2.0	0.123	5	12.4	0.206
	412			Vein	2.0	0.072	3	7.3	0.122
	6718			Vein	2.3	0.148	34	42.9	0.715
	6719			Vein	2.5	0.596	176	211.8	3.529
	408			Vein	1.0	1.510	73	163.8	2.727
	4644			Vein	1.5	2.160	109	238.8	3.977
	6700			Vein	1.0	0.908	66	120.5	2.008

Area	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(B)	Impulsora 1	93.0	99.0	6.0	5.44	0.470	33	61.2	1.020
	Includes	93.0	94.7	1.7	1.54	0.658	74	113.5	1.892
	Includes	93.7	94.7	1.0	0.91	0.851	102	153.1	2.551
	Impulsora 2	113.4	119.7	6.3	5.71	0.559	11.1	47	0.784
	includes	117.4	119.7	2.3	2.08	1.145	8.9	77.6	1.294
	includes	118.6	119.7	1.1	1.00	2.205	11	143.3	2.388

Area	Sample_id				True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(C) Underground Samples	500				2.0	0.050	3	6.0	0.100
	501				2.0	0.046	3	5.8	0.096
	502				1.0	0.310	26	44.6	0.743
	503				2.0	0.015	3	3.9	0.065
	504				2.0	0.196	8	19.8	0.329
	505				2.0	0.124	4	11.4	0.191
	506				2.0	0.123	4	11.4	0.190
	507				2.0	0.284	5	22.0	0.367
	508				2.1	0.799	58	105.9	1.766
	509				2.0	0.267	13	29.0	0.484
	510				2.2	0.414	23	47.8	0.797
	511				1.0	0.736	27	71.2	1.186
	512				1.4	0.365	16	37.9	0.632
	513				2.0	0.139	11	19.3	0.322
	514				2.0	0.130	8	15.8	0.263
	515				2.0	0.116	10	17.0	0.283
	516				2.0	0.042	3	5.5	0.092
	517				2.0	0.022	3	4.3	0.072
	518				2.0	0.016	3	4.0	0.066
	519				2.0	0.013	3	3.8	0.063
	520				2.0	0.031	3	4.9	0.081
	521				2.0	0.042	3	5.5	0.092
	522				2.0	0.032	3	4.9	0.082
	523				2.3	0.005	7	7.3	0.122
	524				2.0	0.760	40	85.6	1.427
	525				2.0	0.317	22	41.0	0.684
	526				2.3	0.387	8	31.2	0.520
	527				2.0	0.877	46	98.6	1.644
	528				2.2	0.426	22	47.6	0.793
	529				2.0	0.182	5	15.9	0.265
	530				2.0	1.230	17	90.8	1.513
	531				0.6	0.031	3	4.9	0.081
	532				0.5	0.789	11	58.3	0.972
	533				0.6	0.693	14	55.6	0.926
	534				2.1	1.580	192	286.6	4.780
	5033				2.0	0.811	34	64.7	1.079
	5034				2.0	1.080	45	109.8	1.830
	5035				0.5	2.260	252	387.6	6.460

Figure 5.2.1. Cross Section CC-10-11.



Area	Sample_id			Rock Type	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Surface (A)	6693			Vein	1.5	1.02	199	260.2	4.337
	4587			Vein	1.5	0.338	7	27.3	0.455
	4586			Vein	1.2	4.12	278	525.2	8.753
	6690			Vein	2.7	1.93	142	257.8	4.297
	6703			Vein	1.0	1.39	56	139.4	2.323
	409			Vein	2.0	0.07	5	9.2	0.153

Area	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(B)	Impulsora 1	101.1	105.0	3.9	3.66	0.635	17.4	55.5	0.925
	Includes	102.6	104.1	1.5	1.41	1.111	19.0	85.7	1.428
	Impulsora 2	109.4	123.9	14.5	13.63	0.941	48.1	104.5	1.742
	Includes	116.0	120.9	4.9	4.6	1.596	114.7	210.5	3.508
	Includes	120.0	120.9	0.9	0.85	0.514	509	539.8	8.997

Area	Sample_id				True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
(C) Underground Samples	529				2.0	0.182	5.0	15.9	0.265
	530				2.0	1.230	17.0	90.8	1.513
	534				2.1	1.580	192	286.8	4.780
	5033				2.0	0.511	34	64.7	1.078
	5034				2.0	1.080	45	109.8	1.830
	5035				0.5	2.260	252	387.6	6.460
	5036				0.7	0.099	15	20.9	0.349
	5037				0.7	1.000	69	129.0	2.150
	5038				0.6	5.820	571	920.2	15.337
	5039				0.7	1.240	99	173.4	2.890
	5040				0.6	0.493	14	43.6	0.726
	5041				0.9	1.330	122	201.8	3.363
	5042				0.8	0.906	243	297.4	4.956
	5043				0.7	1.010	157	217.6	3.627
	5044				0.8	0.516	16	47.0	0.783
	5045				0.7	1.950	176	293.0	4.883
	5046				0.7	0.521	56	87.3	1.454
	5047				0.9	0.751	60	105.1	1.751
	5048				0.7	0.403	41	65.2	1.086
	5049				2.0	0.524	18	49.4	0.824
	5050				2.0	0.053	4	7.2	0.120
	5051				0.7	0.870	52	104.2	1.737
	5052				0.8	2.380	305	447.8	7.463

Figure 5.2.2. Cross Section CC-10-12.

Table 5.2.4. CC-10-13

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Impulsora 1	64.20	70.20	6.00	5.64	0.208	13.9	26.4	0.441
Includes	66.00	66.80	0.80	0.75	0.147	30.0	38.8	0.641
Impulsora 2	76.00	81.70	5.70	5.61	0.589	40.4	76.2	**1.271**
Includes	78.80	80.80	2.00	1.97	**1.308**	**102.6**	**181.1**	**3.018**
Includes	78.80	79.60	0.80	0.79	**2.542**	**213.0**	**365.5**	**6.092**
Unnamed	94.80	95.20	0.40	0.40	0.635	60.0	98.1	**1.635**

CC-10-13 was drilled in the Impulsora area. It is oriented 065°, dip -45°, to a depth of 173.74 metres.

Table 5.2.5. CC-10-14

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Impulsora 1	96.20	98.00	1.80	1.38	0.458	53.0	80.5	**1.341**
Impulsora 2	116.10	128.00	11.90	9.12	0.371	11.8	34.1	0.568
Includes	119.10	126.50	7.40	5.67	0.456	15.2	42.5	0.708
Includes	125.40	126.50	1.10	0.84	**1.191**	15.0	86.5	**1.441**
Unnamed	143.20	144.70	1.50	1.15	0.931	55.0	**110.9**	**1.848**

CC-10-14 was drilled in the Impulsora area. It is oriented 065°, dip -70°, to a depth of 149.35 metres.

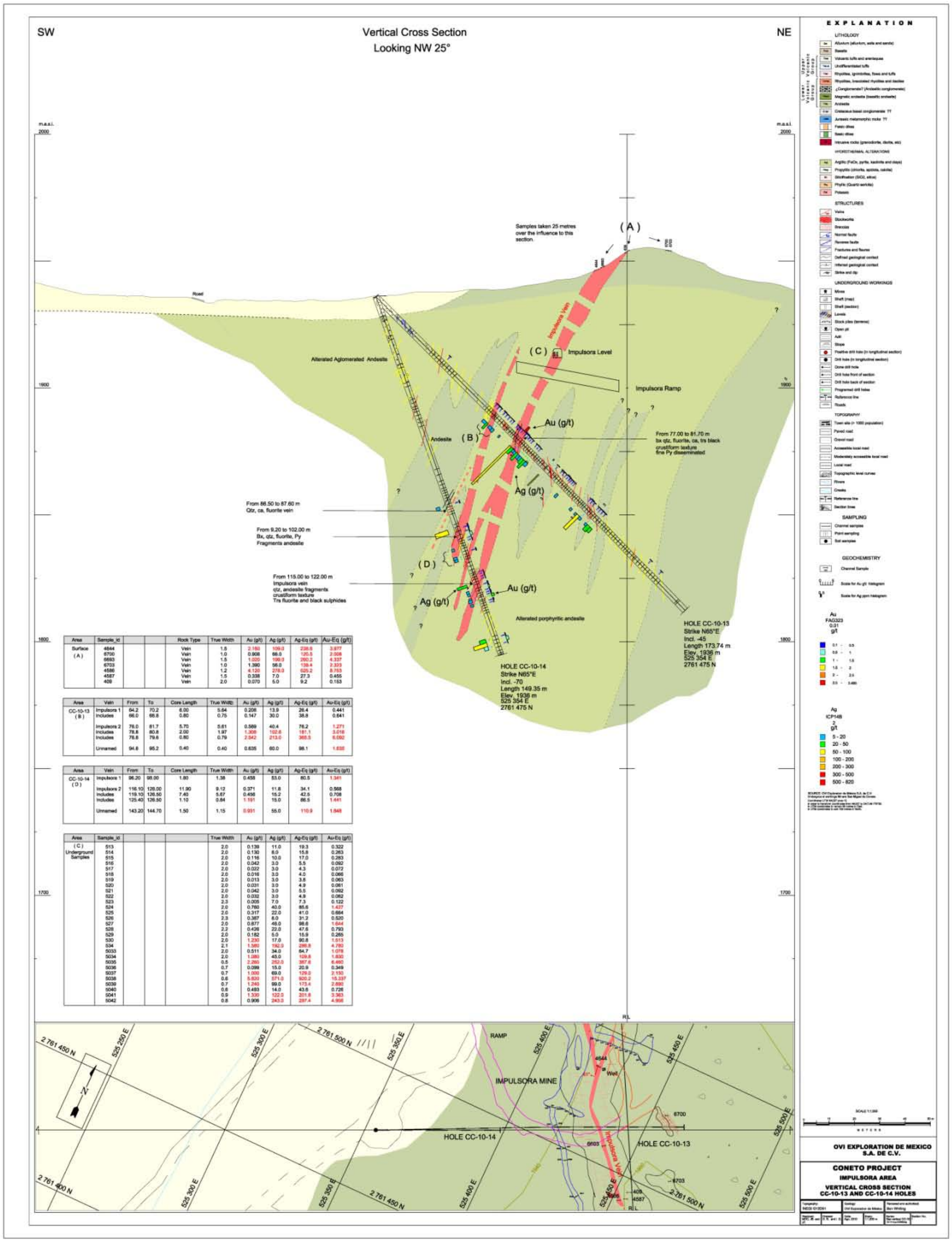


Figure 5.2.3. Cross Section CC-10-13 and CC-10-14.

5.3. Durazno

Drilling in the Durazno area produced the widest vein intercepts (average 7 metres), however the grades were quite low. Textural and mineralogical evidence indicates that Durazno is high in the epithermal system and that the stream valley between Durazno and Impulsora may represent a post-mineralization north side down dropped fault. Thus, Durazno will require deeper drilling to hit the precious metals level.

Table 5.3.1. Summary Table – Durazno Intercepts.

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-04	206.00	211.20	5.20	4.89	0.558	18.1	51.6	0.860
CC-10-05	80.70	88.60	7.90	6.84	0.546	16.3	49.0	0.818
CC-10-06	159.00	171.70	12.70	11.00	0.289	7.0	24.3	0.406
CC-10-10	188.50	194.70	6.20	5.08	0.305	10.8	29.1	0.484
Wtd Average			8.00	6.95	0.402	11.9	36.1	0.601

The following tables and cross-sections are from the Durazno Area drilling:

Table 5.3.2. CC-10-04

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Durazno	206.00	211.20	5.20	4.89	0.558	18.1	51.6	0.860
Includes	206.50	208.90	2.40	2.26	0.864	29.8	81.6	**1.361**
Includes	207.40	208.10	0.70	0.66	**1.000**	28.0	88.0	**1.467**
Unnamed	214.00	214.80	0.80	0.75	0.282	**126.0**	**142.9**	**2.382**

CC-10-04 was drilled in the Durazno area. It is oriented 060^{o}, dip -50^{o}, to a depth of 303.63 metres.

Table 5.3.3. CC-10-05

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	35.10	36.50	1.40	1.21	0.225	**120.0**	**133.5**	**2.225**
Durazno	80.70	88.60	7.90	6.84	0.546	16.3	49.0	0.818
Includes	80.70	84.20	3.50	3.03	0.788	23.5	70.7	**1.180**
Includes	81.30	82.30	1.00	0.87	**1.511**	22.0	**112.7**	**1.878**

CC-10-05 was drilled in the Durazno area. It is oriented 040^{o}, dip -55^{o}, to a depth of 143.26 metres.

Table 5.3.4. CC-10-06

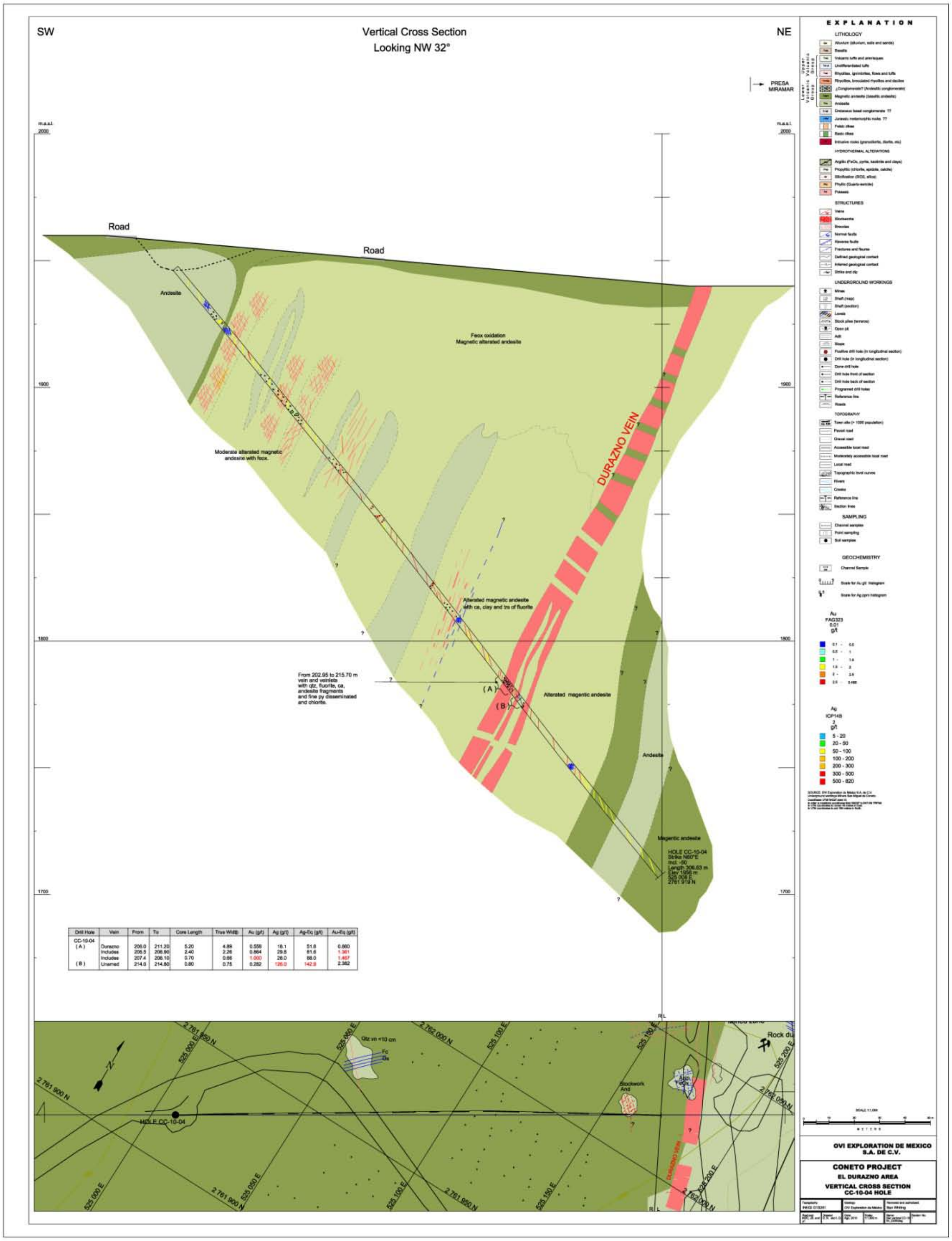
Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	14.30	17.10	2.80	2.42	0.598	76.2	**112.1**	**1.868**
Includes	15.30	16.30	1.00	0.87	0.283	**158.0**	**175.0**	**2.916**
Unnamed	105.00	105.60	0.60	0.52	0.519	41.0	72.1	**1.202**
Durazno	159.00	171.70	12.70	11.00	0.289	7.0	24.3	0.406
Includes	164.00	167.00	3.00	2.60	0.705	11.0	53.3	**0.888**
Includes	166.00	167.00	1.00	0.87	**1.274**	13.0	89.4	**1.491**

CC-10-06 was drilled in the Durazno area. It is oriented 060^{o}, dip -60^{o}, to a depth of 198.12 metres.

Table 5.3.5. CC-10-10

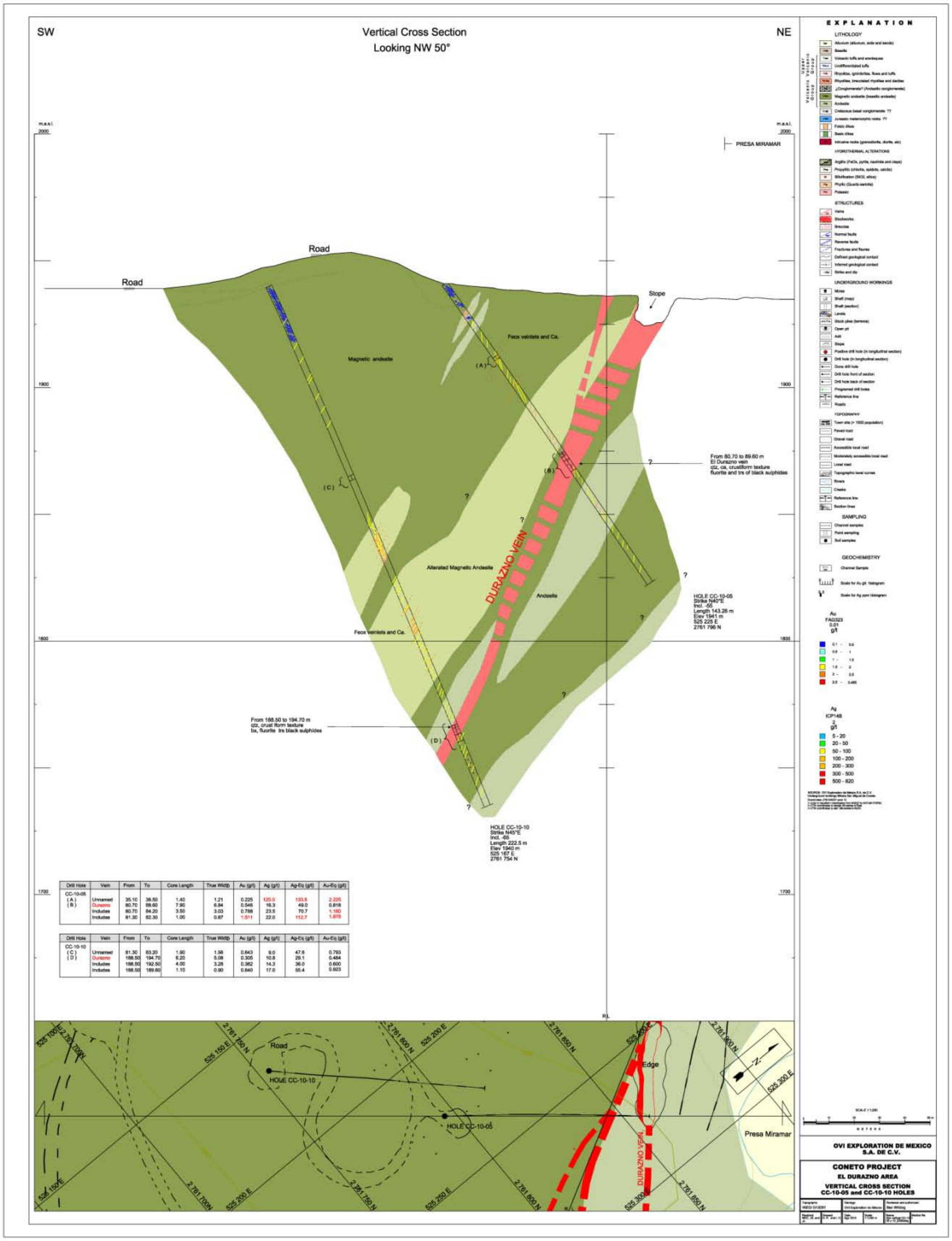
Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Unnamed	81.30	83.20	1.90	1.56	0.643	9.0	47.6	0.793
Durazno	188.50	194.70	6.20	5.08	0.305	10.8	29.1	0.484
Includes	188.50	192.50	4.00	3.28	0.362	14.3	36.0	0.600
Includes	188.50	189.60	1.10	0.90	0.640	17.0	55.4	0.923

CC-10-10 was drilled in the Durazno area. It is oriented 045^{o}, dip -65^{o}, to a depth of 222.50 metres.



Drill Hole	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-04 (A)	Durazno	206.0	211.20	5.20	4.89	0.558	18.1	51.6	0.860
	Includes	206.5	208.90	2.40	2.26	0.864	29.8	81.6	1.381
	Includes	207.4	208.10	0.70	0.66	1.000	28.0	88.0	1.467
(B)	Unamed	214.0	214.80	0.80	0.75	0.282	126.0	142.8	2.382

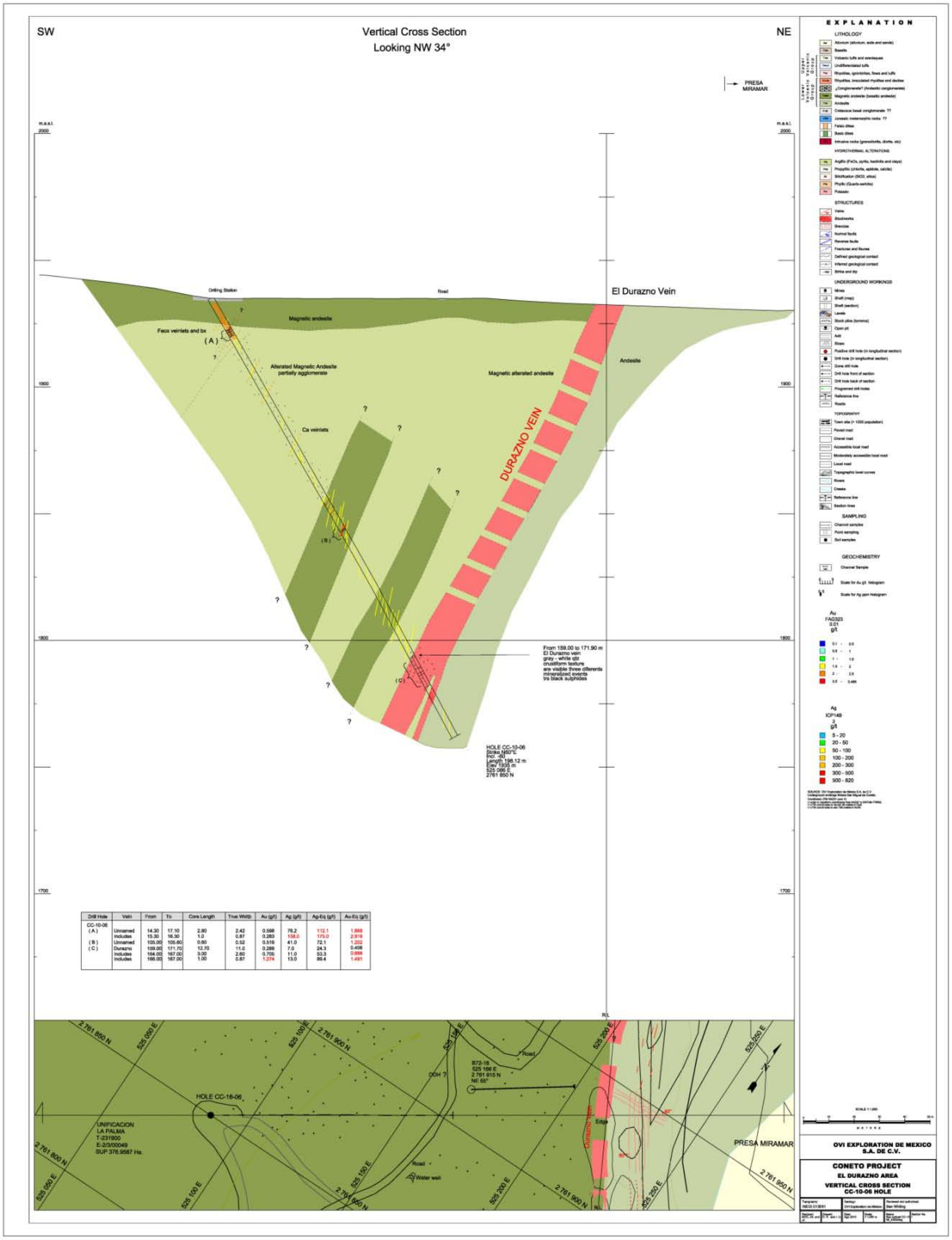
Figure 5.3.1. Cross Section CC-10-04.



Drill Hole	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-05									
(A)	Unnamed	35.10	36.50	1.40	1.21	0.225	120.0	133.5	2.225
(B)	Durazno	80.70	88.60	7.90	6.84	0.546	16.3	49.0	0.818
	Includes	80.70	84.20	3.50	3.03	0.788	23.5	70.7	1.180
	Includes	81.30	82.30	1.00	0.87	1.511	22.0	112.7	1.878

Drill Hole	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-10									
(C)	Unnamed	81.30	83.20	1.90	1.56	0.643	9.0	47.6	0.793
(D)	Durazno	188.50	194.70	6.20	5.08	0.305	10.8	29.1	0.484
	Includes	188.50	192.50	4.00	3.28	0.362	14.3	36.0	0.600
	Includes	188.50	189.60	1.10	0.90	0.640	17.0	55.4	0.923

Figure 5.3.2. Cross Section CC-10-05 and CC-10-10.



Drill Hole	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-06									
(A)	Unnamed	14.30	17.10	2.80	2.42	0.598	76.2	112.1	1.868
	Includes	15.30	16.30	1.0	0.87	0.283	158.0	175.0	2.916
(B)	Unnamed	105.00	105.80	0.80	0.52	0.519	41.0	72.1	1.202
(C)	Durazno	159.00	171.70	12.70	11.0	0.289	7.0	24.3	0.406
	Includes	164.00	167.00	3.00	2.60	0.705	11.0	53.3	0.888
	Includes	166.00	167.00	1.00	0.87	1.274	13.0	89.4	1.491

Figure 5.3.3. Cross Section CC-10-06.

5.4. Promontorio

Three holes were drilled from the west side of Cerro Promontorio to test the stockwork and silicified andesite. On surface, there are hematized quartz stockwork outcrops, which yielded channel rock samples strongly anomalous in gold, with minor silver values (Whiting and Gunning, 2009). The drill holes intercepted strongly altered andesite, with low-grade gold values. The weighted average was a true thickness of 21.46 metres grading gold 0.222 g/t and silver 6.8 g/t for a silver-equivalent of 20.1 g/t (gold-equivalent of 0.335 g/t).

Sub-parallel, but deeper in the drilling is the identification of an intermediate Impulsora style structure. In hole CC-10-09 was an unnamed high-grade vein yielding a true thickness of 0.52 metres grading gold 0.757 g/t and silver 554.0 g/t for a silver-equivalent of 599.4 g/t (gold-equivalent of 9.990 g/t).

Table 5.4.1. Summary Table – Promontorio Intercepts.

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-07	145.40	183.10	37.70	28.88	0.234	9.1	23.1	0.386
CC-10-08	141.50	156.00	14.50	12.56	0.103	9.3	15.5	0.256
CC-10-09	30.30	56.80	26.50	22.95	0.271	2.5	18.8	0.314
Wtd Average			26.23	21.46	0.222	6.8	20.1	0.335
CC-10-09	167.80	168.40	0.60	0.52	0.757	**554.0**	**599.4**	**9.990**

The following tables and cross-sections are from the Promontorio Area drilling:

Table 5.4.2. CC-10-07

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Promontorio	145.40	183.10	37.70	28.88	0.234	9.1	23.1	0.386
Includes	147.20	155.60	8.40	6.43	0.412	13.2	37.9	0.632
Includes	154.60	155.60	1.00	0.77	0.461	46.0	73.7	**1.228**
Unnamed	222.00	227.60	5.60	4.85	0.317	7.0	26.0	0.434
Includes	224.60	225.00	0.40	0.35	0.970	11.0	69.2	**1.153**

CC-10-07 was drilled in the Promontorio area. It is oriented 045^o, dip -45^o, to a depth of 320.04 metres.

Table 5.4.3. CC-10-08

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Promontorio	141.50	156.00	14.50	12.56	0.103	9.3	15.5	0.256
Includes	142.40	149.90	7.50	6.50	0.119	10.5	17.6	0.294
Includes	143.40	144.20	0.80	0.69	0.139	30.0	38.3	0.639
Unnamed	192.50	195.10	2.60	2.25	0.999	35.6	95.5	**1.592**
Includes	194.00	195.10	1.10	0.95	1.903	69.1	**183.3**	**3.055**
Includes	194.60	195.10	0.50	0.43	**3.485**	**122.0**	**331.1**	**5.518**
Unnamed	425.00	429.00	4.00	3.46	0.628	37.8	75.4	**1.258**
Includes	428.00	429.00	1.00	0.87	1.018	33.0	94.1	**1.658**

CC-10-08 was drilled in the Promontorio area. It is oriented 045^o, dip -45^o, to a depth of 454.15 metres.

Table 5.4.4. CC-10-09

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Promon. 1	30.30	56.80	26.50	22.95	0.271	2.5	18.8	0.314
Includes	33.30	48.80	15.50	13.42	0.411	1.1	25.8	0.430
Includes	42.30	43.80	1.50	1.30	**2.747**	1.0	**165.8**	**2.764**
Promon. 2	68.70	85.80	17.10	14.81	0.146	7.9	16.7	0.278
Includes	82.30	84.40	2.10	1.82	0.182	22.0	32.9	0.549
Includes	83.50	84.40	0.90	0.78	0.271	42.0	58.3	0.971
Unnamed	167.80	168.40	0.60	0.52	0.757	**554.0**	**599.4**	**9.990**
Unnamed	261.50	261.90	0.40	0.35	**1.328**	28.0	**108.7**	**1.811**
Unnamed	342.80	345.60	2.80	2.42	0.738	14.2	58.5	0.975
Includes	342.80	344.10	1.30	1.13	0.911	26.0	80.7	**1.344**

CC-10-09 was drilled in the Promontorio area. It is oriented 045^{o}, dip -45^{o}, to a depth of 484.83 metres.

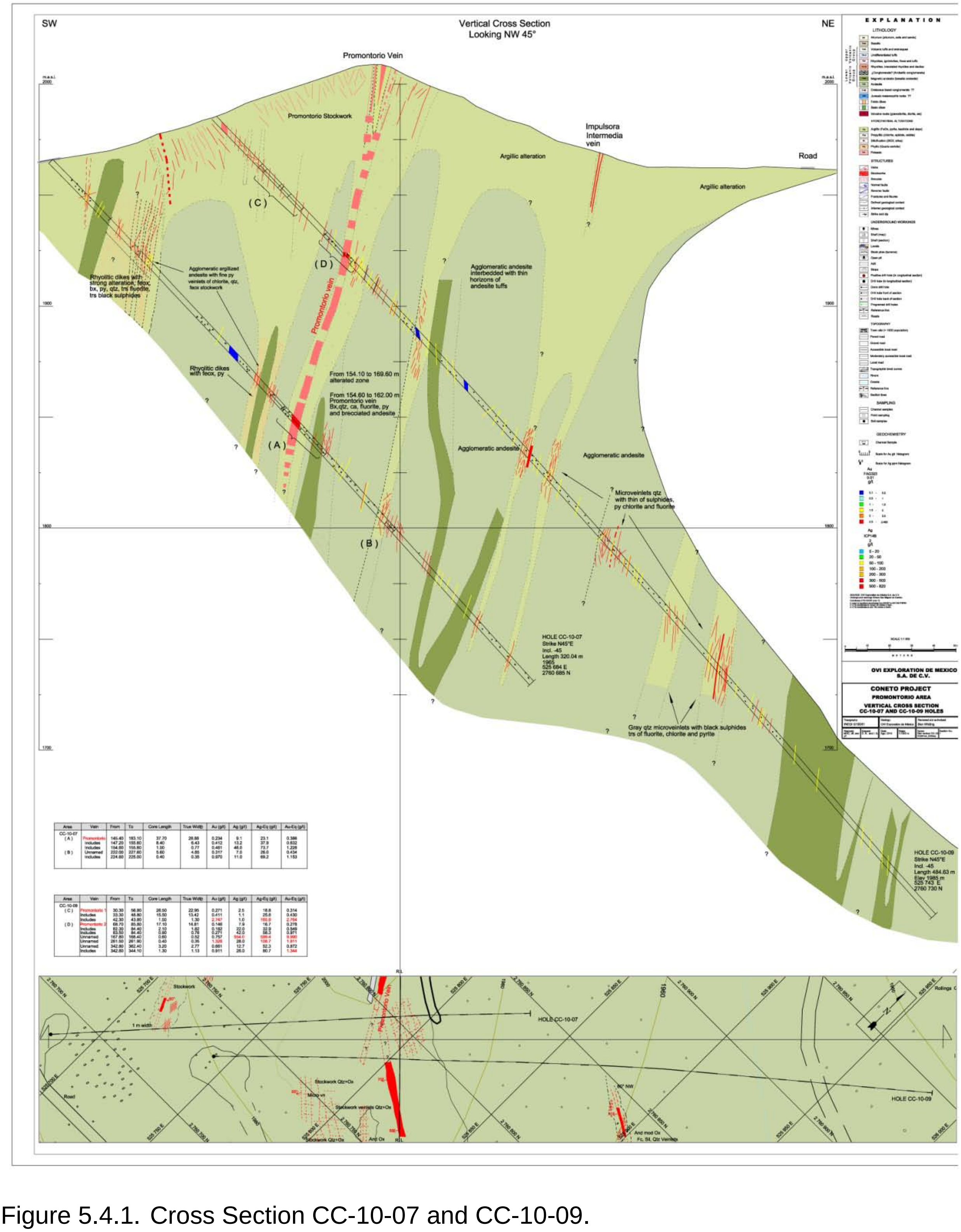
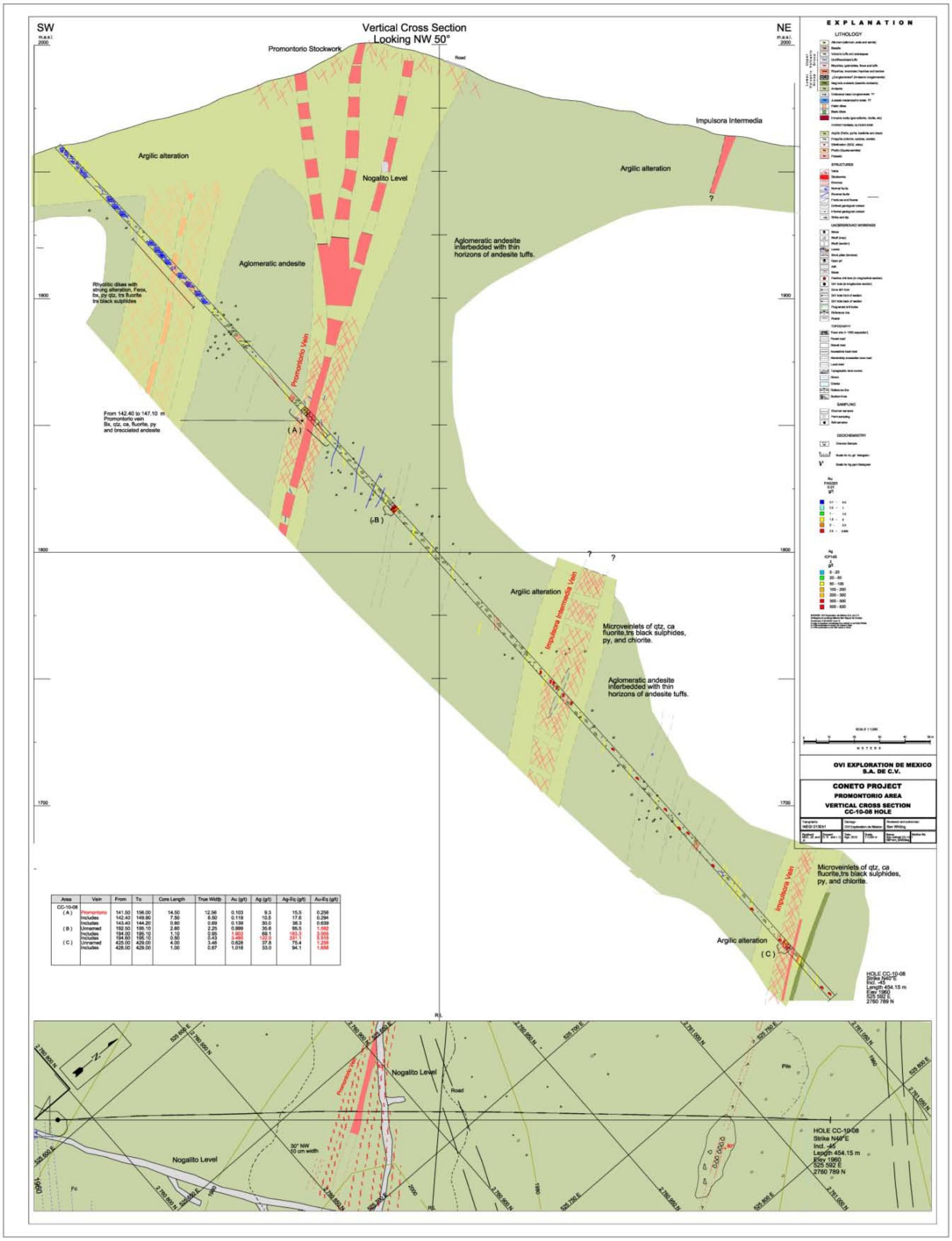


Figure 5.4.1. Cross Section CC-10-07 and CC-10-09.



Area	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-08 (A)	Promontorio	141.50	156.00	14.50	12.56	0.103	9.3	15.5	0.256
	Includes	142.40	149.90	7.50	6.50	0.119	10.5	17.6	0.294
	Includes	143.40	144.20	0.80	0.69	0.139	30.0	38.3	0.639
(B)	Unnamed	192.50	195.10	2.60	2.25	0.999	35.6	95.5	1.592
	Includes	194.00	195.10	1.10	0.95	1.903	69.1	183.3	3.056
	Includes	194.60	195.10	0.50	0.43	3.485	122.0	331.1	5.515
(C)	Unnamed	425.00	429.00	4.00	3.46	0.628	37.8	75.4	1.259
	Includes	428.00	429.00	1.00	0.87	1.018	33.0	94.1	1.658

Figure 5.4.2. Cross Section CC-10-08.

5.5. Calaveras

Two holes were drilled from the southwest side of the Calaveras area in order to drill beneath the prominent Calaveras outcrops. The Estrella and Calaveras structures were intercepted in holes CC-10-15 and CC-10-16, but the grades were relatively low in silver and gold.

The following tables and cross-sections are from the Calaveras Area drilling:

Table 5.5.1. CC-10-15

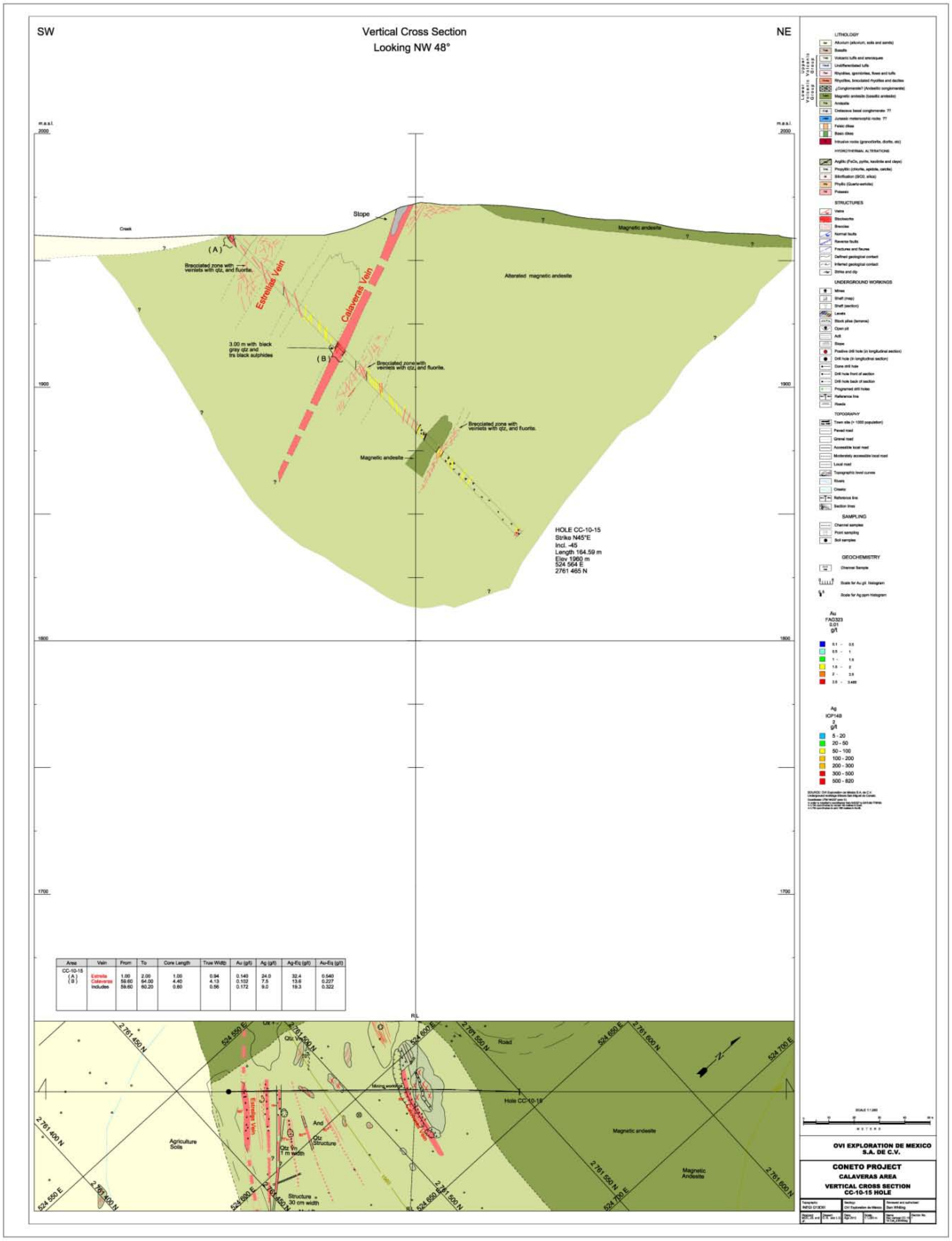
Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Estrella	1.00	2.00	1.00	0.94	0.140	24.0	32.4	0.540
Calaveras	59.60	64.00	4.40	4.13	0.102	7.5	13.6	0.227
Includes	59.60	60.20	0.60	0.56	0.172	9.0	19.3	0.322

CC-10-15 was drilled in the Calaveras area. It is oriented 045^{o}, dip -45^{o}, to a depth of 164.59 metres.

Table 5.5.2. CC-10-16

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Calaveras	55.80	57.70	1.90	1.79	0.337	15.7	35.9	0.598

CC-10-16 was drilled in the Calaveras area. It is oriented 045^{o}, dip -45^{o}, to a depth of 171.64 metres.



Area	Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-15									
(A)	Estrella	1.00	2.00	1.00	0.94	0.140	24.0	32.4	0.540
(B)	Calaveras	59.60	64.00	4.40	4.13	0.102	7.5	13.6	0.227
	Includes	59.60	60.20	0.60	0.56	0.172	9.0	19.3	0.322

Figure 5.5.1 Cross Section CC-10-15.

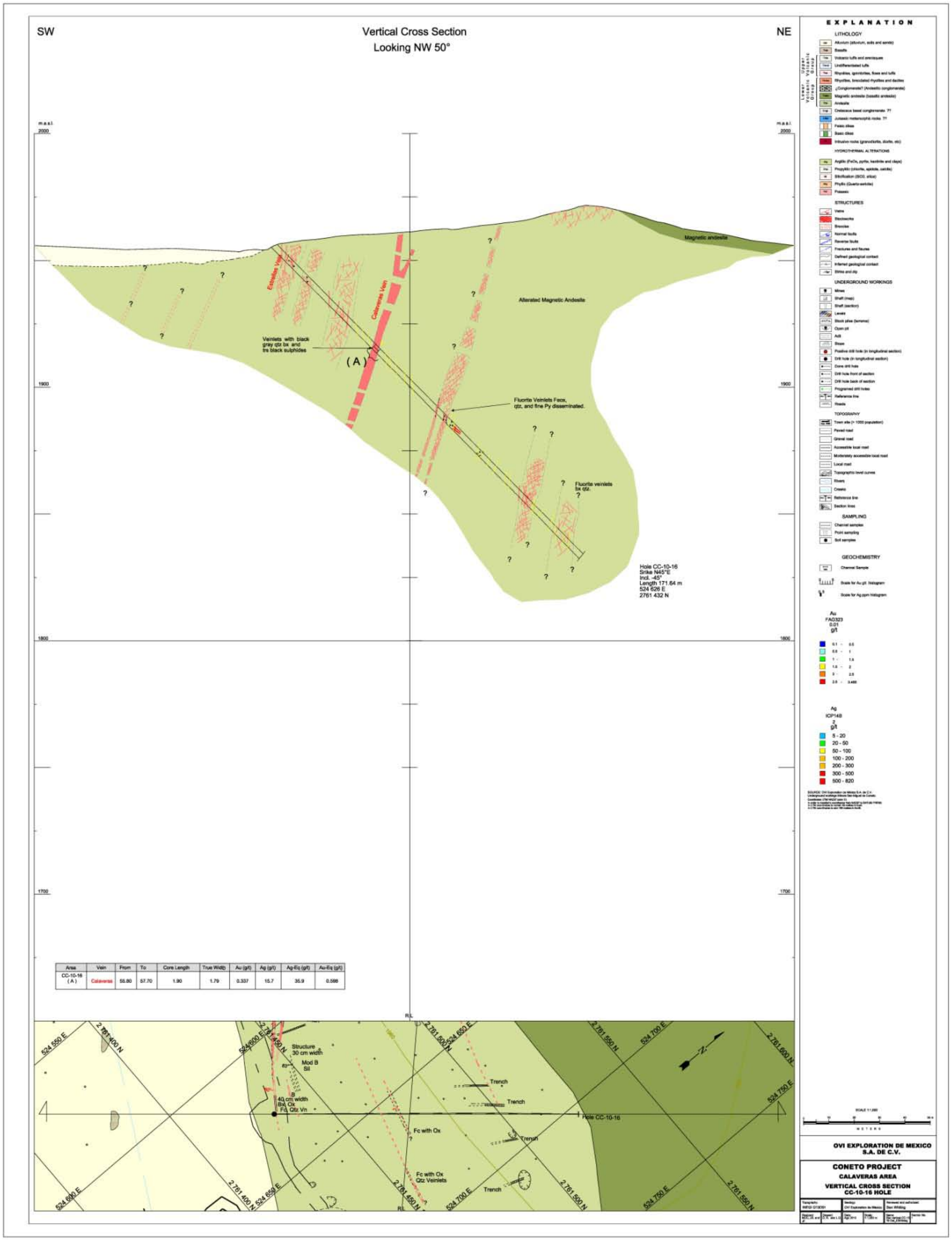


Figure 5.5.2. Cross Section CC-10-16.

5.6. Sauce-Palma

One hole was drilled from the southwest side of the Sauce-Palma area to target a deeper intercept of the Sauce vein structure below the historic mine workings. It was collared on the slope near surface trenching along the Pobre vein. Both veins yielded narrow, mineralized intercepts, but no high grades in this hole.

The following table and cross-section are from the Sauce-Palma Area drilling:

Table 5.6.1. CC-10-17

Vein	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
Pobre	3.50	4.00	0.50	0.48	0.183	80.0	91.0	**1.516**
Sauce	180.50	181.40	0.90	0.78	0.208	54.0	66.5	**1.108**

CC-10-17 was drilled in the Central Coneto area. It is oriented 045^o, dip -60^o, to a depth of 340.30 metres.

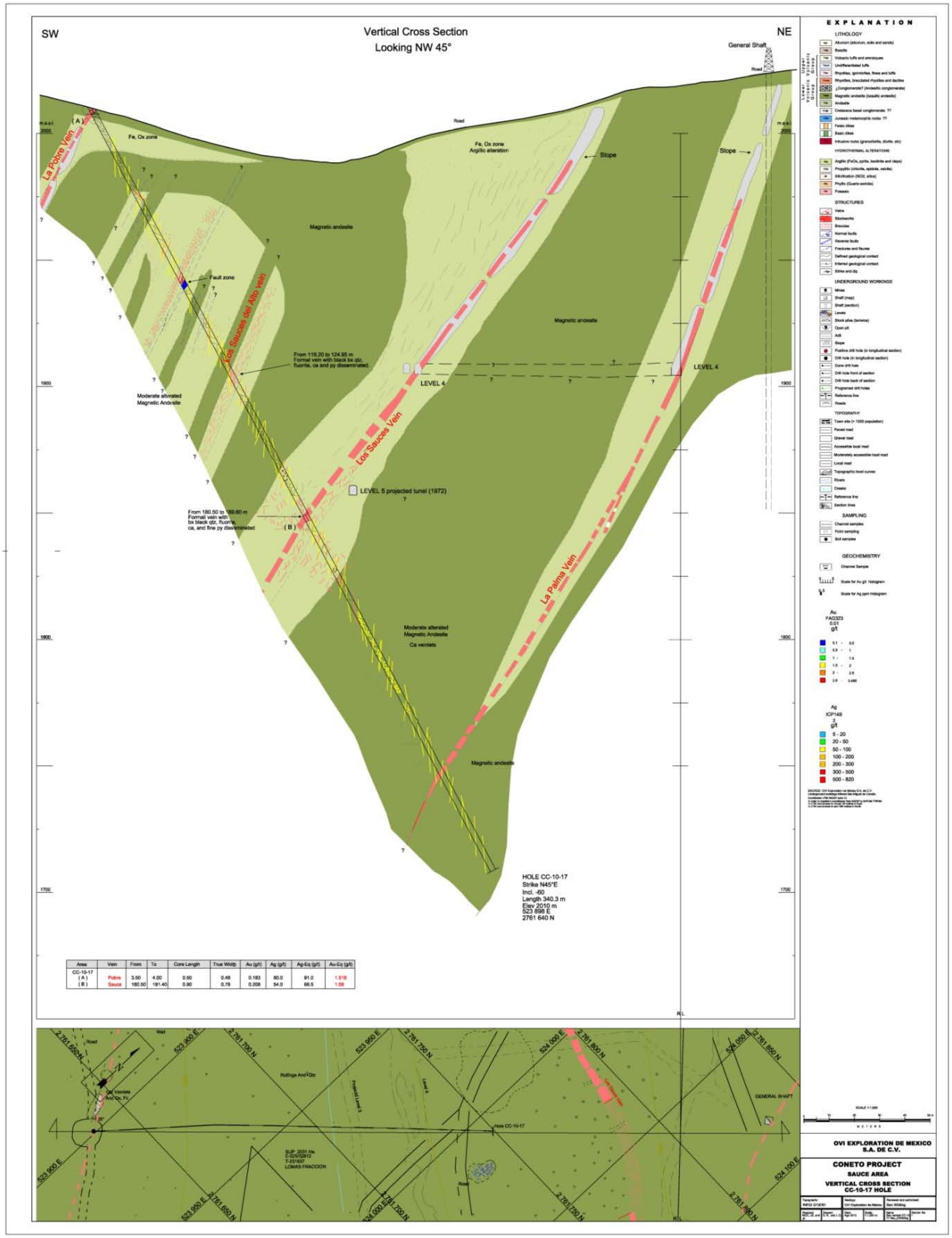


Figure 5.6.1. Cross Section CC-10-17.

6. CORE RECOVERY AND RQD PROCEDURES

Drilling in Phase-I achieved good core recovery, averaging over 94%, with no hole falling below 91% recovery. This was determined by measuring the length of drill core in the boxes between distance tabs, which mark the length of a drill rod, divided by the length of the drill rod. A 10 feet long (3.048 metres) drill rod is standard in the drilling industry (excluding the first casing rod). In addition, rock quality designations (RQD) were determined for each interval as the proportion greater than 10 cm fragments and 20 cm fragments. Individual records are available in the database.

Table 6.1 – Average Core Recovery Summary

Drill Hole	Core Recovery %	Drill Hole	Core Recovery %
CC-10-01	96.75	CC-10-12	95.96
CC-10-02	95.55	CC-10-13	92.45
CC-10-03	93.11	CC-10-14	92.86
CC-10-04	95.74	CC-10-15	95.64
CC-10-05	95.77	CC-10-16	94.60
CC-10-06	94.92	CC-10-17	94.79
CC-10-07	94.72	CC-10-18	92.89
CC-10-08	94.25	CC-10-19	91.41
CC-10-09	95.80	CC-10-20	91.23
CC-10-10	94.49	CC-10-21	93.22
CC-10-11	94.80	AVERAGE	94.33

7. SPECIFIC GRAVITY PROCEDURES

Although the drilling of Phase-I is for the purpose of reconnaissance exploration, it is also the best opportunity to obtain specific gravity (density) data, useful for future resource estimation studies. Two different methods were applied.

The database of drill holes contains a specific gravity reading for every sample which was sent to the laboratory. This was done by the conventional “water displacement specific gravity” method. An air dried sample was weighed on an electronically calibrated scale, then immersed in water to determine the displacement. The mass of the sample divided by the displacement equals the specific gravity.

As a secondary examination, selected samples were marked for “dry cylinder specific gravity” testing. This method takes a measured cylinder of rock to determine volume, then the sample is thoroughly dried in an oven and weighed until the mass readings are stable. The mass for a given volume is used to calculate the specific gravity. The latter method is only important if there is excessive pore space due to vugs.

Typically, the lower value of the two methods is used in resource estimations as a conservative approach. The average specific gravity by water displacement and by dry cylinder in the mineralized structures is 2.55.

8. QUALITY ASSURANCE / QUALITY CONTROL PROCEDURES

Sound QA/QC procedures are important both for the company to know what is happening with the samples and for the investors to know that industry "Best Practices" are being met or exceeded.

The following points illustrate the path samples follow from initial core drilling to final announcement of results:

On The Property

1. Drill hole locations were laid out in the field by Orex geologists. Pad construction was supervised by Orex and fore-sight / back-sight markers were set to align the direction of drilling.
2. Drilling was conducted by Major Drilling de Mexico S.A. de C.V., a subsidiary of Major Drilling Group International Inc., with experienced drillers. The drill is a skid-mounted UDR-200 MX #24 rig. The diamond drill core is HQ size, which provides a large sample as recommended for the testing of precious metal deposits.
3. Down-hole surveys were conducted at 50 metre intervals down the drill hole using a Reflex survey device to measure azimuth and dip of the hole.
4. It is the driller's responsibility to insure that the core in the boxes is in the correct order and to mark the length tags for each rod-length of core, as well as mark the inside of the core boxes where the tag is located. This was checked by Orex personnel.
5. Core boxes were picked up from the drill site several times per day by Orex personnel and taken to the drill core logging facilities on the property. Boxes were secured with rubber bands, or tape, to prevent spillage.
6. Boxes were then laid out on logging tables and checked to make sure that the core is continuous and in the right order in each box. Core boxes are cleaned at this stage to remove drill grease.
7. Measurements of core between rod-length tags were taken to determine drill core percent recovery.
8. The proportions of core fragments greater than 10 cm and 20 cm in length were determined to obtain RQD values. This data is entered into an RQD log. While this information will not be used in the exploration stage, it will be valuable information for future mine design indicating where competent ground and broken ground conditions can be expected.
9. All core boxes and lids were then clearly labelled with the "from" and "to" lengths in metres.
10. Geological logging of the core was conducted and sample positions marked to conform with lithological / alteration changes. Sample numbers were written inside of the core boxes corresponding to pre-printed sample tags.
11. Selected samples were marked for “dry cylinder specific gravity” testing. This method takes a measured cylinder of rock to determine volume, then the sample

is thoroughly dried and weighed. The mass for a given volume is used to calculate the specific gravity. This dry method is compared to the "water displacement" method in step 16.

12. A platform for the photography of the core was constructed, with each picture containing the core of 3 boxes. These photographs were printed and inserted into a photo album.
13. Chalk, or wax pencil lines were marked down the axis of the core and the boxes for sampling were moved to the cutting area. Diamond saw blade cutters were used to cut the core in half. This method is preferred over core splitters for precious metal deposits.
14. The core boxes were returned to their places in order on the logging tables. Strong plastic rock sample bags were labelled with sample numbers on the outside and the sample tags inserted inside, then ½ the core was placed in their respective sample bags.
15. The boxes from which samples have been taken were marked and placed in sequence on the core racks.
16. The sample bags were moved to the testing table for determination of "water displacement specific gravity". An SG value was determined for each sample and samples with high sulphide and/or barite content, or possessing extensive open-space vugs, were tested twice to confirm higher or lower SG readings. This information is used when determining tonnage.
17. Geostandards were weighed and inserted every 10th sample as an analytical check for the laboratory batches. Geostandards "Orko-8" and "Orko-10" were prepared by SGS Mineral Services of material from another Mexican epithermal silver-gold deposit, Orex's sister company Orko Silver Corporation's La Preciosa project, each of which have undergone 5-lab analytical testing. Geostandards "Orko-8" and "Orko-10" are of quartz vein silver-mineralized stockpile material. Geostandard "Orex-1", also prepared by SGS specifically for Orex Minerals Inc., was made from quartz vein silver-gold mineralized material from the Santa Cruz project in Durango.
18. Sample bags were then closed and inserted in large sacks containing 10 samples. The maximum number of samples per sack was restricted to 10 in order to avoid mistreatment of the samples and to allow for a lighter load for the workers. These sacks were labelled with the sample range and company name, with the laboratory instruction sheet placed in sack #1 of the sampling batch.

Laboratories

The city of Durango, Mexico, is fortunate to have the services of several analytical laboratories, including the certified labs SGS Mineral Services and Inspectorate. Depending on the work loads of the labs, batches can be sent to either lab. SGS Lab in Durango was selected for the Phase-I drilling program at Coneto.

17. The sacks of samples were delivered by Orex personnel, utilizing a 3 tonne truck, to the preparation laboratory of SGS Mineral Services in Durango, Mexico.

18. From this point onward, SGS took responsibility for the samples. SGS is an accredited and well respected analytical company. The Durango lab was where the samples were crushed and a sub-sample pulverized. The pulverized pulp was placed in kraft sample bags and the un-pulverized portions returned to the original sample bags.
19. Orex personnel pick up the remainder of the crushed samples, referred to as "sample rejects", which are stored in Durango. The sample rejects are thus available for re-testing when required.

SGS Lab in Durango

20. In Durango, the sample pulps were analysed by Inductively Coupled Plasma (ICP-14B) for 35 elements. Gold and silver were tested by Fire Assay, with an Atomic Absorbtion or Gravimetric finish depending on grade (FAG323) and silver was tested by Atomic Absorbtion Spectrometry (AAS). Each method has a lower and upper calibration range for which the results are accurately determined.
21. Sample results falling out of the calibration range for the elements Au, Ag, Pb, Zn, Cu, As and Sb are re-analysed by methods with higher calibration ranges. This is true for silver >300 g/t, gold >10 g/t, and As, Pb, Zn, Cu and Sb >10,000 ppm.
22. SGS also performs a "duplicate analysis" on every 12th sample, insuring that there is at least one duplicate run with every batch.

Orex in Vancouver and Durango

23. Results were tabulated on spreadsheets and e-mailed to Orex geologists. Originals of the assay certificates were sent in hard-copy format to Vancouver.
24. Upon receiving the completed analytical results, geologists then extracted the duplicate and standard samples for examination of expected values versus tested values.
25. The spreadsheet information for the drill hole samples was then matched with the sampling intervals and geological observations for interpretation.
26. Results of the merged data were then sent to Orex management, along with the interpreted true width of the structures.
27. Orex management periodically prepares news releases to make public the information from the drilling in a format compatible with NI 43-101 standards. A "Qualified Person" signs-off on news releases containing technical data.

9. DATA VERIFICATION

A Quality Control – Quality Assurance (QA/QC) program was implemented for the Phase-I diamond drilling campaign at Coneto. Under data verification, it consisted of duplicate analyses and the insertion of geostandards and analytical blanks within sample batches, as well as re-testing of selected samples.

When the results of an analytical batch were received from the laboratory, the duplicates, geo-standards and blanks were examined before the batch results were considered approved and incorporated into the computerized database. If a batch contained a problem, such as a geostandard falling outside of the expected range, the laboratory would be requested to re-test selected samples from that batch. In total, there were 40 analytical batches received.

Table 9.1 – Analytical Batches

Sequential No.	*SGS Batch No.*	*No. of Samples*	*Date Submitted*	*Date Received*
1	DU10670	60	2010-05-13	2010-05-22
2	DU10671	60	2010-05-13	2010-05-31
3	DU10695	50	2010-05-14	2010-05-26
4	DU10788	56	2010-05-19	2010-06-11
5	DU10789	57	2010-05-19	2010-06-07
6	DU10811	43	2010-05-21	2010-06-07
7	DU10812	42	2010-05-21	2010-06-10
8	DU10813	42	2010-05-21	2010-06-07
9	DU10814	42	2010-05-21	2010-06-09
10	DU10841	60	2010-05-24	2010-06-10
11	DU10875	42	2010-05-26	2010-06-10
12	DU10876	41	2010-05-26	2010-06-10
13	DU10924	45	2010-05-27	2010-06-10
14	DU10925	45	2010-05-27	2010-06-11
15	DU10926	45	2010-05-27	2010-06-11
16	DU10927	46	2010-05-27	2010-06-15
17	DU10960	45	2010-05-29	2010-06-11
18	DU10961	45	2010-05-29	2010-06-15
19	DU11048	55	2010-06-04	2010-06-24
20	DU11049	55	2010-06-04	2010-06-25
21	DU11050	53	2010-06-04	2010-06-22
22	DU11089	52	2010-06-08	2010-06-23
23	DU11119	40	2010-06-12	2010-06-29
24	DU11140	59	2010-06-16	2010-06-28
25	DU11141	59	2010-06-16	2010-06-28
26	DU11204	58	2010-06-22	2010-07-02
27	DU11205	58	2010-06-22	2010-07-02
28	DU11206	59	2010-06-22	2010-06-29

29	DU11232	57	2010-06-24	2010-07-06
30	DU11233	57	2010-06-24	2010-07-02
31	DU11253	44	2010-06-26	2010-07-02
32	DU11254	43	2010-06-26	2010-07-02
33	DU11338	59	2010-07-02	2010-07-12
34	DU11339	59	2010-07-02	2010-07-15
35	DU11340	59	2010-07-02	2010-07-13
36	DU11439	55	2010-07-09	2010-07-26
37	DU11440	55	2010-07-09	2010-07-26
38	DU11441	55	2010-07-09	2010-07-26
39	DU11442	55	2010-07-09	2010-07-26
40	DU11443	55	2010-07-09	2010-07-26

9.1 Duplicate Analyses

SGS Mineral Services routinely re-analyses every 12th sample in a batch run. The results of this testing are provided to the client company as part of the original analytical spreadsheet. Figures 9.1 and 9.2 show the results for silver and gold respectively.

A high degree of correlation is evident for both silver and gold, thus the batches had passed the internal SGS laboratory check. It is expected that this data would have a high degree of correlation as it was done during the same shift and by the same technicians as the original tests. Also, in the event that SGS personnel had spotted an inconsistency, they would most likely have conducted an internal examination prior to the spreadsheets being transmitted to the client.

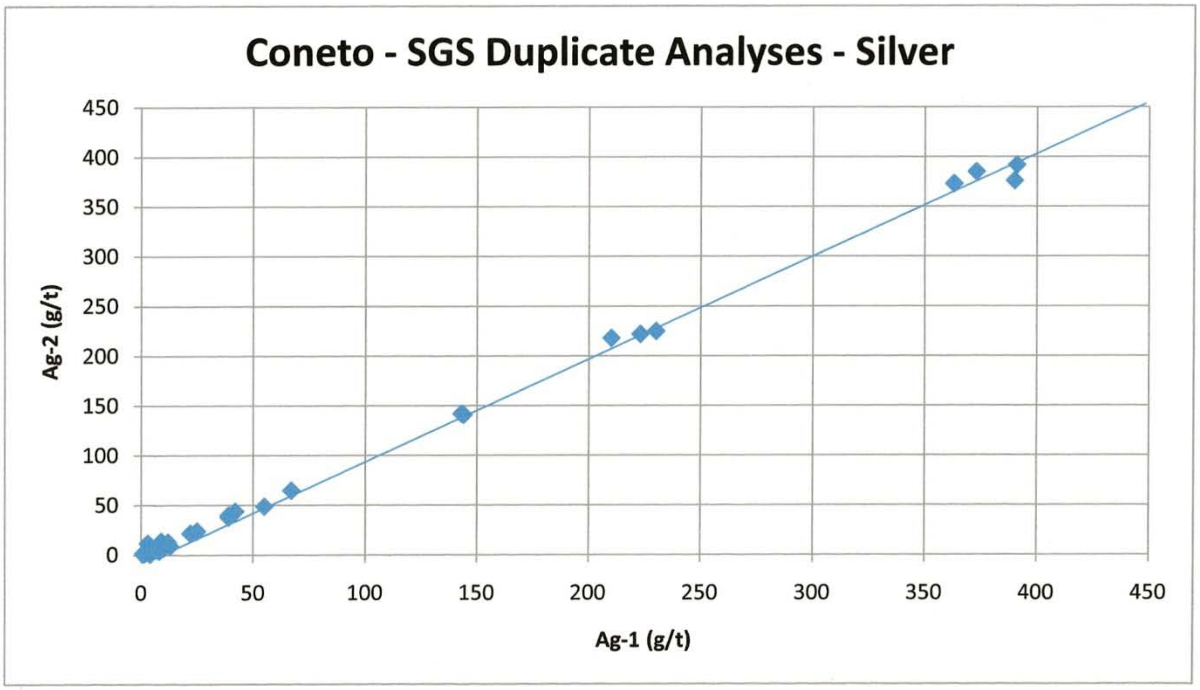


Figure 9.1 – SGS Duplicate Analyses – Silver

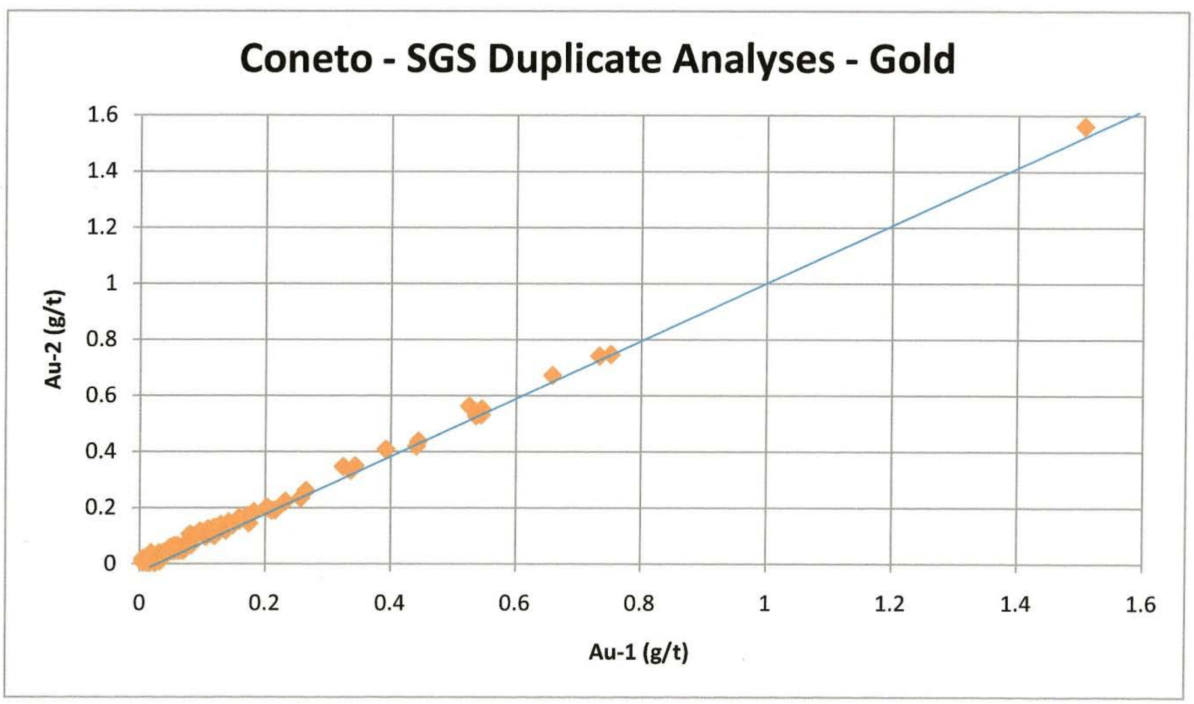


Figure 9.2 – SGS Duplicate Analyses – Gold

9.2 Geostandards and Analytical Blanks

Geostandards and/or blanks were inserted by Orex personnel as every 10th sample in each batch. From the beginning of the program, geostandards OREX-1 and ORKO-10 were used. OREX-1 was used in all 40 batches, however, after batch # 8, the supply of geostandard ORKO-10 was consumed and geostandard ORKO-8 was substituted in its place.

The three geostandards represent pulverized and homogenized material created from epithermal silver-gold mineralization. Mean values plus 3 times their respective standard deviations constitute Upper Control Limits (UCL) and mean values minus 3 times their respective standard deviations constitute Lower Control Limits (LCL), thus defining an acceptable range of values for each element in each geostandard.

Table 9.2 – Geostandards

Geostandard	*Silver Mean (g/t)*	*UCL*	*LCL*	*Gold Mean (g/t)*	*UCL*	*LCL*
OREX-1	373	398	349	0.536	0.639	0.425
ORKO-8	238	283	193	0.134	0.169	0.099
ORKO-10	138	163	112	0.057	0.078	0.036

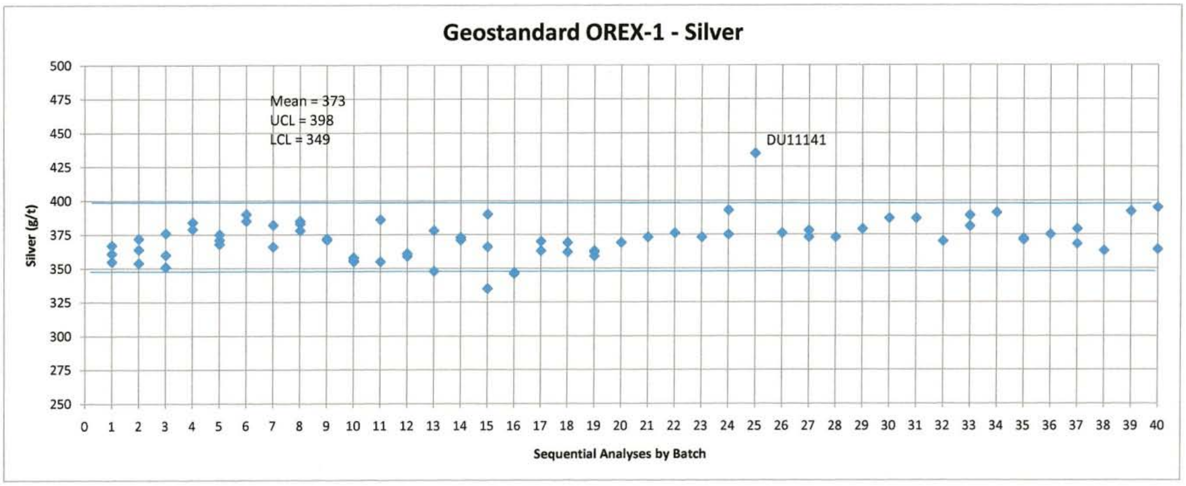


Figure 9.3 – Geostandard OREX-1 – Silver

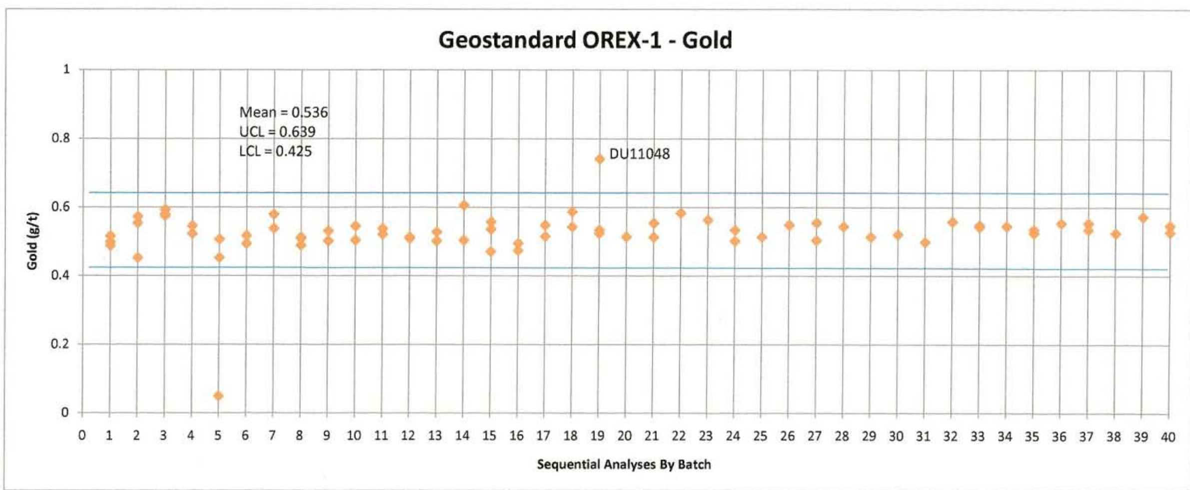


Figure 9.4 – Geostandard OREX-1 – Gold

Results for silver in geostandard OREX-1 reveal one failure below the LCL in batch # 15 and one above the UCL in batch #25. Results for gold in geostandard OREX-1 reveal one failure below the LCL in batch #5 and one above the UCL in batch #19. All other records passed within acceptable range and there was no appreciable long-term instrument drift evident.

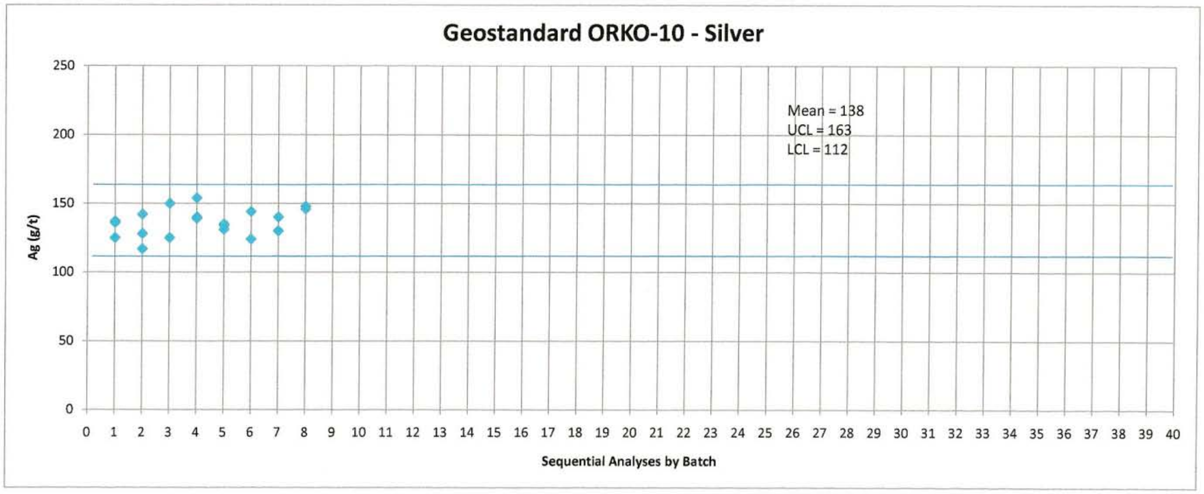


Figure 9.5 – Geostandard ORKO-10 – Silver

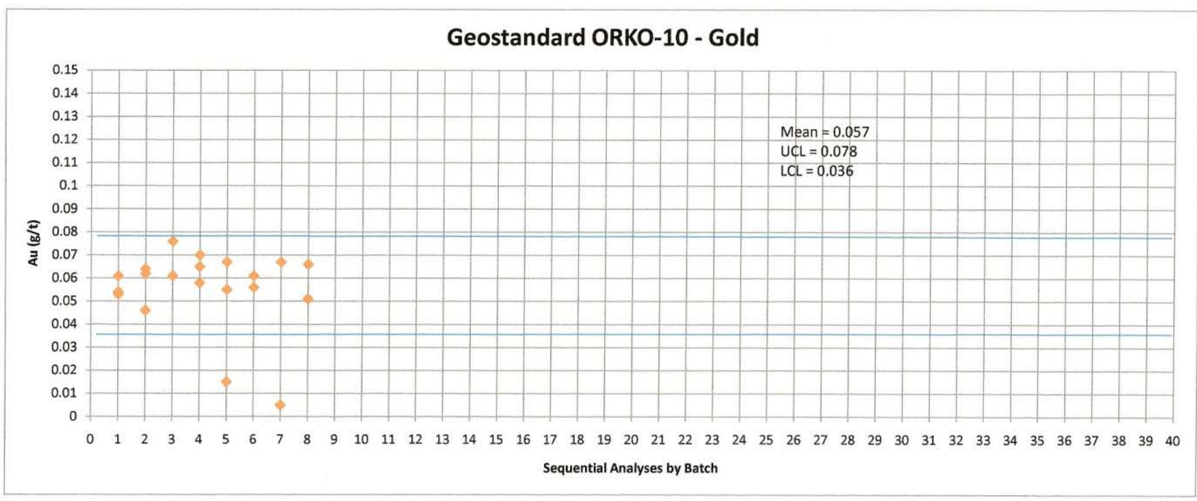


Figure 9.6 – Geostandard ORKO-10 – Gold

Results for silver in geostandard ORKO-10 all came within the acceptable range. Results for gold had two notable failures below the LCL in batches # 5 and # 7. As the overall gold content in this geostandard is low and may be susceptible to nugget effect based on the grain size of gold particles, a low side failure is not of too much concern. However, an examination was requested, particularly for batch #5, which had a low side failure in OREX-1.

Figure 9.7 – Geostandard ORKO-8 – Silver

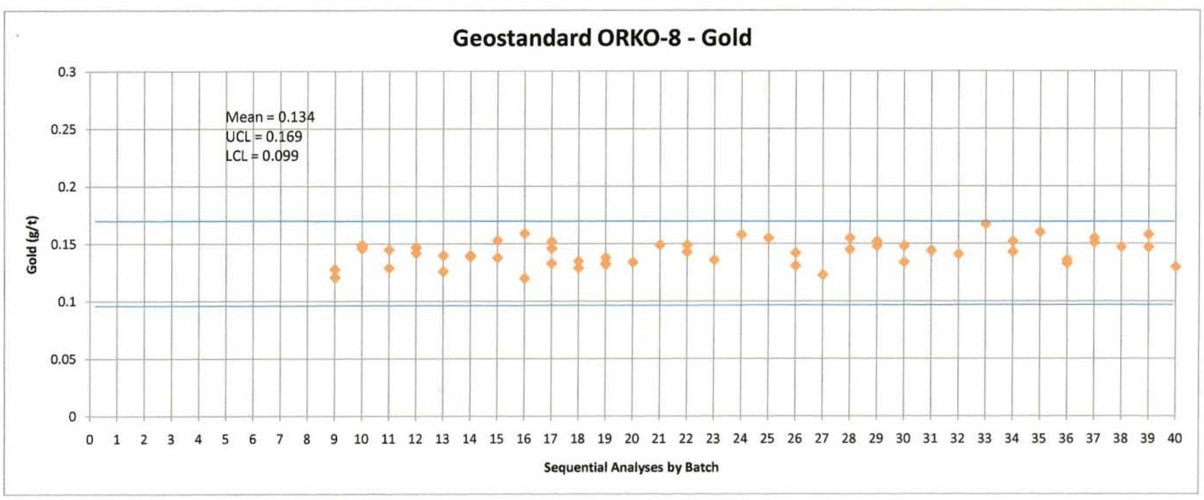


Figure 9.8 – Geostandard ORKO-8 – Gold

Results for silver in geostandard ORKO-8 all came within the acceptable range, although all samples were consistently in the lower half of this range. If this carries over to all of the testing, the results may be considered a little on the conservative side, but are still deemed to be acceptable. Results for gold in geostandard ORKO-8 all came within the acceptable range. There is no appreciable long-term instrument drift evident.

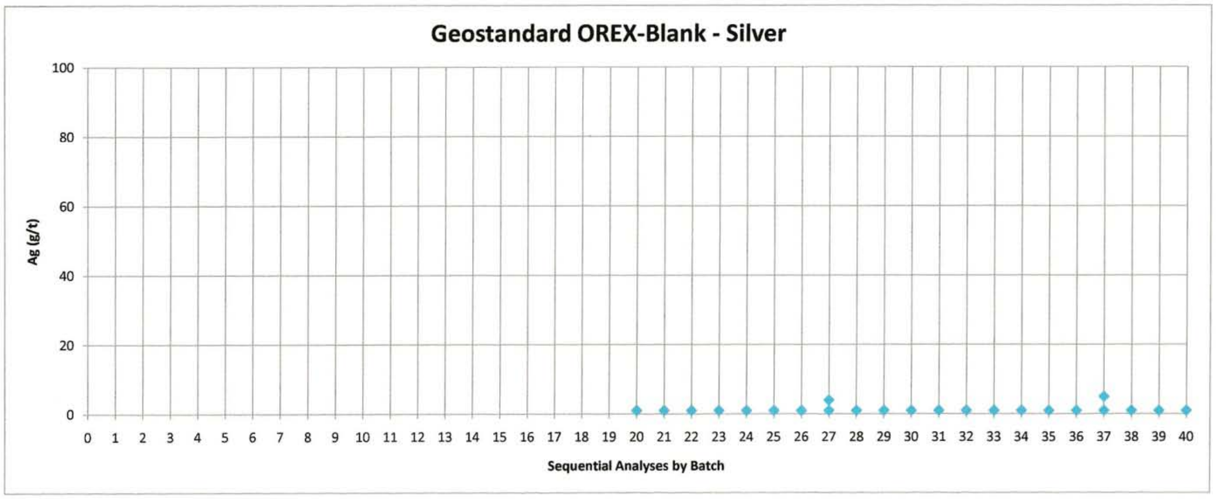


Figure 9.9 – Geostandard OREX-Blank – Silver

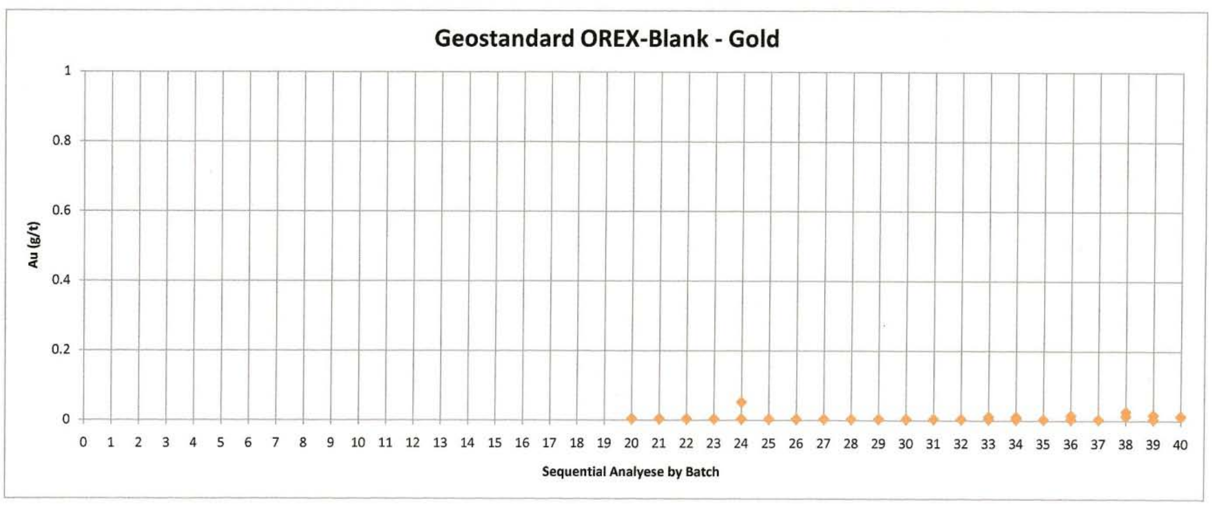


Figure 9.10 – Geostandard OREX-Blank - Gold

OREX-Blank was made from non-hydrothermally altered, non-mineralized, fresh andesite, with at or near detection limit values for gold and silver. The OREX-Blank sample was introduced starting with batch # 20, through to batch # 40.

For natural rock material used as an analytical blank, all results should be expected to be near, or below, the detection limits. This was true for all of the final testing using the OREX- Blank.

9.3 Re-Testing of batches with Geostandard Failures

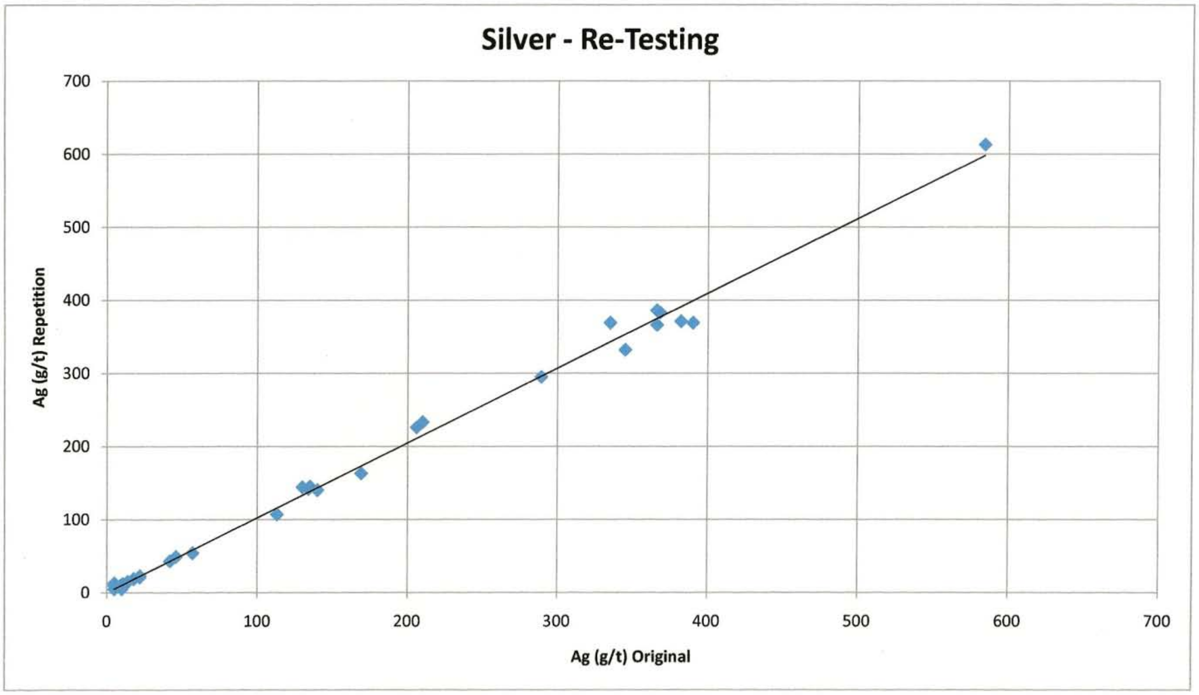


Figure 9.11 – Silver Re-Testing

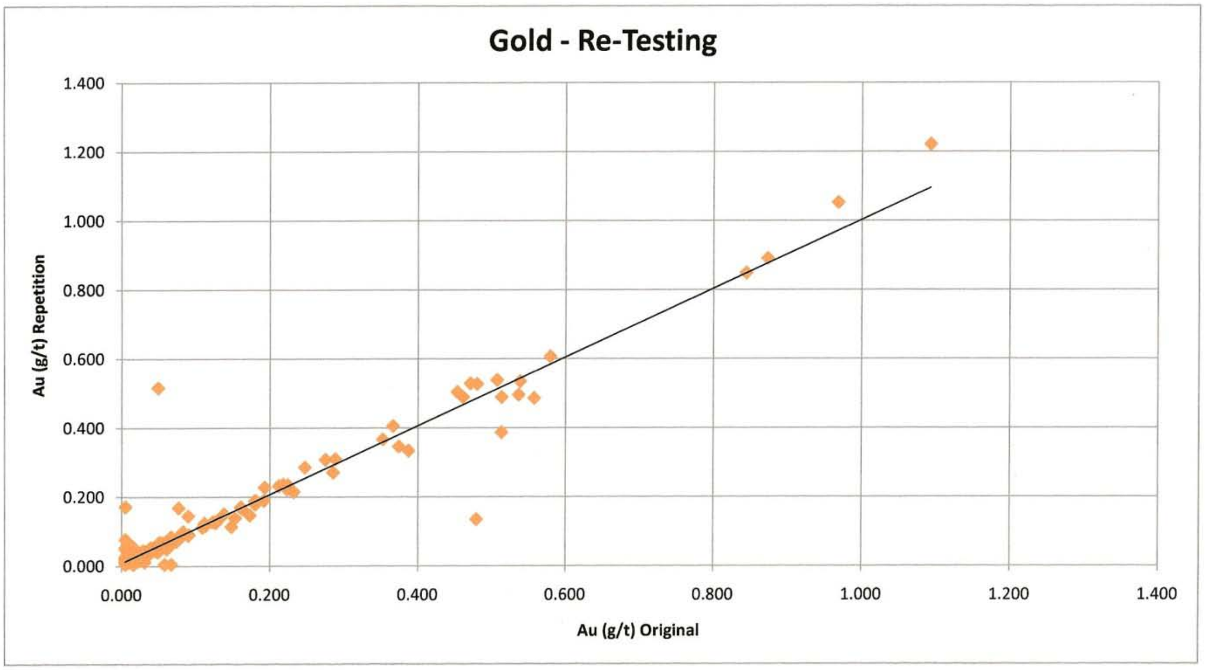


Figure 9.12 – Gold Re-Testing

A batch with a geostandard falling outside of the acceptable range would have a re-test conducted on several samples before and after in the number sequence. Silver and gold re-testing was successful, with a strong correlation for each element from the initial (original) test to the second (repetition) test. The original assays are maintained in the full database.

9.4 Exceptional Circumstances – Corrected Batches

In two extraordinary cases with exceptional circumstances, a corrected batch was requested from SGS Mineral Services. To the credit of SGS personnel, they were quick to respond to Orex's enquiries and needs, plus have tightened their procedures.

Case 1 – In batch # 2 (SGS – DU10671) all of the initial results from geostandards of Orex were wrong. As it turns out, that batch was analysed on a Friday, shortly after the laboratory had had a power failure. The shift on duty had re-set the equipment, but for some reason a mass correction formula had not been re-incorporated into the procedure. The sample mass used in a fire assay for a geostandard pulp is sometimes less than 30 grams and a correction ratio is applied to yield the grade. The false results spreadsheet was sent to Orex and on the Monday Orex informed SGS that they had a serious problem. SGS examined all of their weekend runs for various clients, discovered the problem's source and re-issued batch # 2.

Case 2 – In batch # 38 (SGS – DU11441) there was a case of an evident sample switch. One sample # 9950 was supposed to be a blank and another sample # 9957 in the same run was drill core from within a mineralized structure. Not only were the silver and gold values the opposite of what was expected, the trace elements from the multi-element ICP data showed that the samples were not in the right place. The question became; "Where in the procedure did the sample switch take place – in the field under Orex's supervision, or in the laboratory under SGS's supervision?" Orex requested that SGS personnel pull both the sample pulps and the sample rejects and describe them visually. Sample # 9950 had a greenish-white reject, with an orange-red pulp. Sample # 9957 had an orange-red reject, with a greenish-white pulp. The problem clearly occurred in the preparation stage in the laboratory and not in the field.

SGS's technical management has assured Orex that they take these matters seriously and have modified their procedures so as to reduce the chances of these kinds of problems reoccurring.

10. CONCLUSIONS AND RECOMMENDATIONS

10.1. Conclusions

The reconnaissance Phase-I diamond drilling in the Coneto gold-silver mining district was successful in identifying two areas of mineralization, which could be developed into resource blocks.

The best results were obtained from the Loma Verde and Impulsora areas. Using a combined thickness and grade cut-off, where a hole had to exceed both a minimum true thickness of 1.5 metres and a minimum cut-off of 100 g/t silver-equivalent, the following results were obtained.

For Loma Verde, 6 of the 7 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 4.22 metres grading gold 0.797 g/t and silver 142.4 g/t for a silver-equivalent of 190.2 g/t (gold-equivalent of 3.170 g/t).

Of particular note was hole CC-10-20, which yielded a true thickness of 3.12 metres grading gold 0.982 g/t and silver 291.6 g/t for a silver-equivalent of 350.5 g/t (gold-equivalent of 5.842 g/t).

Table 10.1. Summary of Loma Verde Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-01	184.10	192.90	8.80	7.21	0.471	**165.2**	**193.4**	**3.224**
CC-10-02	299.20	302.50	3.30	1.89	0.184	**117.8**	**128.8**	**2.147**
CC-10-03	259.30	263.00	3.70	3.03	0.583	**125.1**	**160.1**	**2.668**
CC-10-18	136.40	141.20	4.80	4.16	**1.577**	48.8	**143.4**	**2.390**
CC-10-20	144.50	148.10	3.60	3.12	0.982	**291.6**	**350.5**	**5.842**
CC-10-21	121.90	128.70	6.80	5.89	0.853	**118.3**	**169.5**	**2.824**
Wtd Average			5.17	4.22	0.797	**142.4**	**190.2**	**3.170**

For Impulsora, 3 of the 4 drill holes exceeded the minimum thickness and grade cut-offs. The weighted average was a true thickness of 2.70 metres grading gold 1.348 g/t and silver 104.0 g/t for a silver-equivalent of 184.9 g/t (gold-equivalent of 3.082 g/t).

Of particular note in the Impulsora area is the farthest south hole CC-10-12, which yielded 4.60 metres grading gold 1.596 g/t and silver 114.7 g/t for a silver-equivalent of 210.5 g/t (gold-equivalent 3.508 g/t).

Table 10.2. Summary of Impulsora Intercepts:

Hole	From	To	Core Length	True Width	Au (g/t)	Ag (g/t)	Ag-Eq (g/t)	Au-Eq (g/t)
CC-10-11	93.00	94.70	1.70	1.54	0.658	74.0	**113.5**	**1.892**
CC-10-12	116.00	120.90	4.90	4.60	**1.596**	**114.7**	**210.5**	**3.508**
CC-10-13	78.80	80.80	2.00	1.97	**1.308**	**102.6**	**181.1**	**3.018**
Wtd Average			2.87	2.70	**1.348**	**104.0**	**184.9**	**3.082**

As there are over 40 exposed epithermal veins on the property, as well as deeper targets for hydrothermal flow (e.g. unconformity surfaces between the Tertiary andesites and Cretaceous sedimentary rocks), the Coneto mining camp is considered to be relatively under-tested. There are many more opportunities to explore at Coneto.

10.2. Recommendations

Given the successful results obtained in this first drilling phase, the following additional actions are recommended:

A Phase-II diamond drilling program can be initiated to have two objectives. The first objective is to drill in areas to delineate resource blocks where positive thickness and grade intercepts have been obtained in the Loma Verde and Impulsora areas. The second objective is to explore other target areas in the camp, including known outcropping veins, depth extensions of veins (e.g. Durazno) and potential blind targets along the angular unconformities. A 25,000 metres diamond drilling program is proposed.

Geological and geochemical mapping, initially conducted in the central part of the Coneto camp, should also be extended, both north-westward and south-eastward along the mineralized corridor.

A camp scale airborne geophysical survey should be considered to elucidate drilling targets in the area between La Bufa and Cerro Prieto, where rock exposures are limited.

A preliminary Phase-I metallurgical testing should be conducted on sample reject material from the diamond drilling.

A US$ 5 million Budget is proposed and in included in Appendix 2.

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11. DATE AND SIGNATURES PAGE

The “effective Date” of this Report is the 30th of December 2010.

Report signed this _____ day of January, 2010, in Vancouver, Canada and Durango, Mexico.

/sig./ B.H. Whiting/

____

Ben Whiting, M.Sc., P.Geo.

/sig./ M. Davila C.

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Ing. Miguel Davila C.

APPENDICES

LIST OF APPENDICES

1. – Statements of Qualifications for the “Qualified Person” (QP) Author
2. – Proposed Budget

STATEMENT OF QUALIFICATIONS

To Accompany the Report titled

"Summary Report of the Phase-I Diamond Drilling Program
Coneto Gold-Silver Project, Durango, Mexico"
for Orex Minerals Inc.
dated December 30, 2010

I, **Bernard Henry (Ben) Whiting**, of 427 Garrett Street, New Westminster, BC, Canada, Professional Geologist, do hereby certify that:

1. I am a graduate of the University of British Columbia and hold a Bachelor of Science (B.Sc.) degree 1979 in Geological Sciences and a Master of Science (M.Sc.) degree 1989 in Geological Sciences.

2. I am a professional geologist and have practiced my profession on a full time basis in Canada, USA, Mexico, Peru, Chile, Brazil, Venezuela, and elsewhere in South America, Europe, Asia and Oceania since 1979. I have also taught as an Adjunct Professor of geological sciences 1995-2006 and mining engineering 2000-2005 at Queen's University and mining engineering 1989 at the University of British Columbia.

3. I have been a registered Professional Geoscientist (P.Geo.) member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) since 1991 and of the Association of Professional Geoscientists of Ontario (APGO) since 2002. I am also a Fellow of the Society of Economic Geologists (SEG) and a member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and La Asociación de Ingenieros de Minas Metalurgistas y Geólogos de México (AIMMGM).

4. I have read the definitions of "Qualified Person" set out in National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.

5. I have conducted multiple site visits to the Coneto Project, Durango Mexico, the most recent visit being 12 November 2010, with my co-author Ing. Miguel Davila.

6. I am an author responsible for all sections of this report utilizing data gathered in the field in my role as Chief Geologist (Qualified Person) for Orex Minerals Inc. and information summarized in the references of this report.

7. I am not an “independent” Qualified Person with respect to Orex Minerals Inc. and all of its subsidiaries as defined in Section 1.4 of NI 43-101 and in Section 3.5 of the Companion Policy to NI 43-101.

8. This report is intended as a summary of the 2010 diamond drilling and is not a Technical Report as defined under National Instrument 43-101, Companion Policy 43-101CP and Form 43-101F1. (A separate report: Whiting and Gunning, 2009 fulfills the technical reporting requirements.)

/sig/ B.H. Whiting

B. H. (Ben) Whiting, M.Sc., P.Geo.

Dated at Vancouver, British Columbia this 30th day of December 2010.

OREX MINERALS INC
CONETO GOLD-SILVER PROJECT, DURANGO, MEXICO

PRELIMINARY BUDGET PROPOSAL - 2011

Category		Description	Activity	Cost ($US)	Sub-totals
1		GEOLOGICAL			285,000
	1.1	Geologists	Geological mapping and field supervision (1 geologist)	80,000	
	1.2	Geologists	Drill Core Logging (3 geologists)	145,000	
	1.3	Field technicians	Field and Logging technicians (6 locally trained workers)	60,000	
2		DRILLING			2,772,500
	2.1	Contract Drilling	25,000 metres at $110/metre direct costs inc survey	2,750,000	
	2.2	Support Services	Pad construction, access support, etc. 75 holes at $300 ea	22,500	
3		ANALYTICAL			235,000
	3.1	Surface sampling	2,500 samples at $30 ea.	75,000	
	3.2	Drill core sampling	5,000 samples at $30 ea.	150,000	
	3.3	Geostandards Prep	2 geostandards at $5,000 ea.	10,000	
4		GEOPHYSICAL			340,000
	4.1	Contract airborne	Fugro - mobilization/demobilization	100,000	
	4.2	Contract airborne	Survey and report products - 400 line km	240,000	
5		ENVIRONMENTAL			30,000
	5.1	Contract Environ.	Environ impact report for drilling - SAMARNAT	25,000	
	5.2	Hydrogeology	Baseline water chemistry	5,000	
6		METALLURGICAL			42,000
	6.1	Contract Met testing	6 tests at $7000 / test	42,000	
7		PLANT AND EQUIPMENT			97,680
	7.1	Rock saws	2 diamond blade rock saws at $ 3,000 ea.	6,000	
	7.2	Generator	Rental of generator at $ 600/mo	7,200	
	7.3	Trucks	4x4 pickups plus operation 4 at $80/day ea.	84,480	
8		SUPPORT FACILITIES			126,200
	8.1	on-site	On-site accommodation, security, etc.	50,000	
	8.2	Core Storage	Construction of a core storage building	45,000	
	8.3	Core Storage	Drill core racks 120 at $260 ea	31,200	

9	COMMUNITY RELATIONS			155,000
9.1	Ejidos	Payments to Ejidos for surface access to drilling areas, etc	140,000	
9.2	General	Local road repairs in the villages	15,000	
10	LEGAL AND GOVERNMENTAL			38,000
10.1	Legal services	Legal services in Durango $1,500/mo.	18,000	
10.2	Mineral Concession Tax	2 payments per year, approx 10,000	20,000	
	SUBTOTAL:			4,121,380
11	MANAGEMENT			256,513
11.1	Operator	Management supervision - major contracted items 5%	155,625	
11.2	Operator	Management supervision general 10%	100,888	
12	CONTINGENCIES			618,207
12.1	Contingency Margin	Contingency amount in case of unforeseen event 15%	618,207	
	TOTAL:			4,996,100