OREX MINERALS INC.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the year ended April 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Orex Minerals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Orex Minerals Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $2,324,684 during the year ended April 30, 2022 and, as of that date, the Company's accumulated losses is $37,933,745. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 26, 2022

OREX MINERALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

		April 30, 2022		April 30, 2021
ASSETS				
Current				
Cash	$	3,302,296	$	5,627,706
Receivables		142,237		54,126
Prepaid expenses and deposits		38,541		46,146
		3,483,074		5,727,978
Equipment (Note 4)		15,950		21,267
Deposits		25,000		31,000
Investment in associates (Note 6)		2,968,167		2,657,002
IVA receivable		112,256		147,777
Exploration and evaluation assets (Note 5)		1		1
	$	6,604,448	$	8,585,025
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 10)	$	72,368	$	66,180
Shareholders' equity				
Share capital (Note 7)		37,552,572		37,552,572
Reserves (Note 7)		6,808,422		6,511,354
Accumulated other comprehensive income		104,831		63,980
Deficit		(37,933,745)		(35,609,061)
		6,532,080		8,518,845
	$	6,604,448	$	8,585,025

Nature and continuance of operations (Note 1)

Approved and authorized by the board on July 26, 2022

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

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

OREX MINERALS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended April 30, 2022
(Expressed in Canadian Dollars)

	2022	2021
EXPLORATION EXPENSES		
Geological (Note 10)	$ 369,939	$ 378,232
General exploration	169,225	548,305
Assay	-	2,532
	539,164	929,069
GENERAL EXPENSES		
Consulting fees	27,750	79,300
Depreciation (Note 4)	5,317	7,091
Investor relations (Note 10)	238,989	191,135
Management fees (Note 10)	476,932	329,752
Office and administrative (Note 10)	320,682	245,210
Professional fees	50,401	74,768
Rent (Note 10)	55,600	79,650
Share-based payments (Note 7 and 10)	297,068	528,088
Transfer agent and filing fees	52,640	69,395
	1,525,379	1,604,389
	(2,064,543)	(2,533,458)
Interest income	13,865	16,633
Equity loss in associated companies (Note 6)	(285,749)	(45,079)
Foreign exchange gain	11,743	17,784
	(260,141)	(10,662)
Loss for the year	(2,324,684)	(2,544,120)
Equity investment – foreign currency translation (Note 6)	40,851	(33,517)
Comprehensive loss for the year	$ (2,283,833)	$ (2,577,637)
Basic and diluted loss per common share	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	187,398,044	166,024,922

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

OREX MINERALS INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' Equity
Balance, April 30, 2020	**122,031,379**	**$ 30,015,913**	**$ 5,999,356**	**$ 97,497**	**$ (33,064,941)**	**$ 3,047,825**
Private placement - units	62,916,666	7,600,000	-	-	-	7,600,000
Finder's units (Note 7)	2,199,999	515,820	-	-	-	515,820
Share issuance costs - Finder's units (Note 7)	-	(515,820)	-	-	-	(515,820)
Share issuance costs - cash	-	(104,431)	-	-	-	(104,431)
Exercise of options	250,000	41,090	(16,090)	-	-	25,000
Share - based payments (Note 7)	-	-	528,088	-	-	528,088
Comprehensive loss for the year	-	-	-	(33,517)	(2,544,120)	(2,577,637)
Balance, April 30, 2021	**187,398,044**	**37,552,572**	**6,511,354**	**63,980**	**(35,609,061)**	**8,518,845**
Share - based payments (Note 7)	-	-	297,068	-	-	297,068
Comprehensive loss for the year	-	-	-	40,851	(2,324,684)	(2,283,833)
Balance, April 30, 2022	**187,398,044**	**$ 37,552,572**	**$ 6,808,422**	**$ 104,831**	**$ (37,933,745)**	**$ 6,532,080**

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

OREX MINERALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended April 30, 2022
(Expressed in Canadian Dollars)

		2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(2,324,684)	$	(2,544,120)
Items not affecting cash:				
Share-based payments		297,068		528,088
Depreciation		5,317		7,091
Equity loss in associated company		285,749		45,079
Changes in non-cash working capital items:				
Receivables		(88,111)		(16,768)
Prepaid expenses		7,605		(14,001)
IVA receivable		35,521		(27,409)
Deposits		6,000		-
Accounts payable and accrued liabilities		6,188		(37,787)
Cash used in operating activities		(1,769,347)		(2,059,827)
CASH FLOWS FROM INVESTING ACTIVITIES				
Equity investment		(556,063)		(75,421)
Cash used in investing activities		(556,063)		(75,421)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from private placement, net of share issue costs		-		7,495,569
Proceeds from option exercise		-		25,000
Cash provided by financing activities		-		7,520,569
Change in cash during the year		(2,325,410)		5,385,321
Cash, beginning of year		5,627,706		242,385
Cash, end of year	$	3,302,296	$	5,627,706

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

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

The head office of the Company is located at Suite 300 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

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

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether any of its properties contain ore reserves that are economically recoverable. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. The Company had incurred a loss of $2,324,684 for the twelve months ended April 30, 2022 and accumulated losses of $37,933,745 as of April 30, 2022. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

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

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

2. BASIS OF PREPARATION

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

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Critical accounting estimates and judgements

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

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

Exploration and evaluation assets

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

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

Equipment

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

Impairment

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

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

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

Provision for environmental rehabilitation

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

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

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

Financial instruments

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

a) Classification and measurement of financial assets and liabilities

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

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

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

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

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

b) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets are measured at amortized cost and subject to the ECL model.

Foreign exchange

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

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

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

Share capital

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

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

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

Share-based payments

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

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

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

Investment in associate

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

Objective evidence of impairment of equity investment includes:

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

Income (loss) per share

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

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

Income taxes

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

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

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

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

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

Leases

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

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

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

The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, or for leases of low value. The payments for such leases are recognized in the statement of loss and comprehensive loss on a straight-line basis over the lease term. For the year ended April 30, 2022, rent expense of $55,600 (2021 - $79,650) and rent in general exploration of $13,445 (2021- $14,292) has been incurred.

(Expressed in Canadian Dollars)

4. EQUIPMENT

Cost		**Field equipment**
Balance, as at April 30, 2020, 2021 and 2022	$	92,625
Accumulated depreciation		
Balance, as at April 30, 2020	$	(64,267)
Additions		(7,091)
Balance, as at April 30, 2021		(71,358)
Additions		(5,317)
Balance, as at April 30, 2022	$	(76,675)
Net book value		
Balance, as at April 30, 2021	$	21,267
Balance, as at April 30, 2022	$	15,950

5. EXPLORATION AND EVALUATION ASSETS

		Sandra, Mexico		Jumping Josephine, Canada		Total
Balance, as at April 30, 2020	$	500,000	$	1	$	500,001
Joint venture transfer		(500,000)		-		(500,000)
Balance, as April 30, 2021 and 2022	$	-	$	1	$	1

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

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

Sandra Escobar, Mexico

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

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

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

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

Coneto, Mexico

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

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

During fiscal 2011, the Company agreed with Fresnillo PLC ("Fresnillo") to jointly explore the contiguous mineral concessions held by the Company and Fresnillo in the Coneto mining district.

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

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

(Expressed in Canadian Dollars)

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

Coneto, Mexico (cont'd…)

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

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

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

Jumping Josephine, Canada

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

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

6. INVESTMENT IN ASSOCIATE

		Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V.		Empresa Minera Sandra-Escobar, S.A. De C.V.		Total
Net investment, opening	$	2,161,344	$	495,658	$	2,657,002
Additional investment		107,627		448,436		556,063
Equity loss for the period		(52,465)		(233,284)		(285,749)
Other comprehensive income (loss) - currency translation		25,132		15,719		40,851
Net investment, closing	$	2,241,638	$	726,529	$	2,968,167

Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V ("EMSE)

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

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

(Expressed in Canadian Dollars)

6. INVESTMENT IN ASSOCIATE (cont'd…)

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

As at April 30, 2022 and 2021, EDMC's aggregate assets, aggregate liabilities and net losses are as follows:

		April 30, 2022		April 30, 2021
Current assets	$	189,890	$	223,158
Non-current assets		1,694,159		1,556,151
Current liabilities		(3,557)		(79,470)
Net assets		1,880,492		1,699,839
The Company's ownership %		45%		45%
The Company's share of net assets	$	846,221	$	764,928

		April 30, 2022		April 30, 2021
Loss for the year	$	(116,588)	$	(90,652)
Other comprehensive income (loss)– currency translation		55,849		(74,356)
Total comprehensive income/loss		(60,739)		(165,008)
The Company's ownership %		45%		45%
The Company's share of comprehensive income/loss	$	(27,333)	$	(74,254)

		April 30, 2022		April 30, 2021
Net investment, opening	$	2,161,344	$	2,160,177
Additional investment		107,627		75,421
Equity loss for the year		(52,465)		(40,794)
Other comprehensive income (loss) - currency translation		25,132		(33,460)
Net investment, closing	$	2,241,638	$	2,161,344

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

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

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

(Expressed in Canadian Dollars)

6. INVESTMENTS IN ASSOCIATES (cont'd…)

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

As at April 30, 2022 and 2021, EMSE's aggregate assets, aggregate liabilities and net losses are as follows:

		April 30, 2022		April 30, 2021
Current assets	$	329,679	$	10,836
Non-current assets		1,628,059		1,577,813
Current liabilities		(92,046)		(12,270)
Net assets		1,865,692		1,576,379
The Company's ownership %		40%		40%
The Company's share of net assets	$	746,277	$	630,552

		April 30, 2022		April 30, 2021
Loss for the year	$	(583,210)	$	(10,713)
Other comprehensive income (loss)– currency translation		39,298		(142)
Total comprehensive income/loss		(543,912)		(10,855)
The Company's ownership %		40%		40%
The Company's share of comprehensive income/loss	$	(217,565)	$	(4,342)

		April 30, 2022		April 30, 2021
Net investment, opening	$	495,658	$	-
Additional investment		448,436		500,000
Equity loss for the year		(233,284)		(4,285)
Other comprehensive income (loss) - currency translation		15,719		(57)
Net investment, closing	$	726,529	$	495,658

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Share issuances

The Company completed the first tranche of its non-brokered private placement on June 23, 2020 and raised gross proceeds of $989,000 through the sale of 12,362,500 units at a price of $0.08 per unit. Each unit consisted of one common share of the Company and one half of one share purchase warrant. Each whole warrant is exercisable into

(Expressed in Canadian Dollars)

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

Share issuances (cont'd…)

one common share of the Company at a price of $0.20 per share for a period of two years.

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

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

There were no shares issued during the year ended April 30, 2022.

Stock options and warrants

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

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

During the year ended April 30, 2022, the Company granted 3,600,000 (2021 – 3,800,000) stock options to directors, employees, investor relations consultants and consultants. The weighted average fair value of each option granted was $0.08 (2021 - $0.14). During the year ended April 30, 2022, the Company recognized a total of $297,068 (2021 - $528,088) in share-based compensation for the options granted and vested during the period.

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

	For the year ended ended April 30, 2022	For the year ended ended April 30, 2021
Expected option lives	4.8 years	4.8 years
Risk-free interest rate	1.33%	0.55%
Expected dividend yield	0%	0%
Expected stock price volatility	120.41%	122.11%

(Expressed in Canadian Dollars)

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

Stock options and warrants (cont'd…)

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

	Warrants			Stock options		
	Number of Shares		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
Outstanding, April 30, 2020	4,000,000	$	0.15	11,050,000	$	0.20
Granted	32,558,332		0.20	3,800,000		0.17
Expired	-		-	(4,825,000)		0.27
Exercised				(250,000)		0.10
Forfeited	-		-	(450,000)		0.17
Outstanding, April 30, 2021	36,558,332		0.19	9,325,000		0.15
Granted	-		-	3,600,000		0.10
Expired	(4,000,000)		0.15	(150,000)		0.55
Forfeited	-		-	(375,000)		0.14
Outstanding, April 30, 2022	32,558,332	$	0.20	12,400,000	$	0.13
Exercisable at April 30, 2022	32,558,332	$	0.20	12,400,000	$	0.13

The following stock options to acquire common shares of the Company were outstanding at April 30, 2022:

Number of Options	Exercise Price	Expiry Date
1,950,000	0.17	May 3, 2022 [1]
400,000	0.10	September 10, 2023
2,750,000	0.10	December 19, 2024 [2]
250,000	0.10	May 26, 2023
3,450,000	0.17	January 28, 2026 [2]
3,600,000	0.10	December 22, 2026 [2]
12,400,000		

[1] 1,950,000 options expired unexercised subsequent to the year ended April 30, 2022.
[2] 475,000 options were forfeited subsequent to the year ended April 30, 2022, 25,000, 200,000 and 250,000 respectively.

The following warrants to acquire common shares of the Company were outstanding at April 30, 2022:

Number of Warrants	Exercise Price	Expiry Date
6,181,250	0.20	June 23, 2022 [3]
6,943,750	0.20	July 17, 2022 [3]
19,433,332	0.20	August 19, 2022
32,558,332		

[3] 13,125,000 warrants expired unexercised subsequent to ye year ended April 30, 2020.

8. CAPITAL MANAGEMENT

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

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

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended April 30, 2022:

a) Other comprehensive gain – currency translation $40,851

Significant non-cash transactions during the year ended April 30, 2021:

a) Other comprehensive gain – currency translation $33,517

b) Fair value of finders' units issued of $515,820

c) Options exercised with a fair value of $16,090

d) Joint venture transfer of $500,000

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

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

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

During the year ended April 30, 2022, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

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

		Year Ended April 30, 2022		Year Ended April 30, 2021
Management fees	$	476,932	$	329,752
Geological consulting fees		160,238		168,214
Share - based compensation		111,400		189,040
Total	$	748,570	$	687,006

		Year Ended April 30, 2022		Year Ended April 30, 2021
Investor relations*	$	-	$	14,962
Office and administrative*		-		91,393
Rent*		-		46,050
Total	$	-	$	152,405

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

Included in accounts payable and accrued liabilities as at April 30, 2022 is $Nil (April 30, 2021 - $668) paid to directors or officers or companies controlled by directors.

During the year ended April 30, 2022, the Company received consulting fees from a related party company controlled by common directors and management for $32,452 (2021 - $49,052).

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

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

Concentrations of business risk

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

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

Credit risk

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

Liquidity risk

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

Accounts payable and accrued liabilities are due within the current operating period. The Company is exposed to liquidity risk.

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

Foreign exchange risk

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

The Company's exposure to foreign currency risk is on its cash, receivables, and accounts payable and accrued liabilities. At April 30, 2022, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have an effect of $600 on loss and comprehensive loss; a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and the Mexican Peso would have an effect of $20,000 on loss and comprehensive loss.

Interest rate risk

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

Price risk

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

12. SEGMENTED INFORMATION

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

	April 30, 2022	April 30, 2021
Equipment		
Mexico	$ 15,950	$ 21,267
Exploration and evaluation assets		
Mexico	$ -	$ -
Canada	1	1

(Expressed in Canadian Dollars)

13. INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

		2022		2021
Loss before income taxes	$	(2,324,684)	$	(2,544,120)
Expected income tax (recovery)	$	(628,000)	$	(687,000)
Change in statutory, foreign tax, foreign exchange rates and other		(15,000)		15,000
Permanent difference		186,000		(6,000)
Share issue costs		-		(28,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		56,000		25,000
Change in unrecognized deductible temporary differences		401,000		681,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's temporary difference, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2022		2021	Expiry date range
Temporary differences:					
Exploration and evaluation assets	$	10,110,000	$	10,744,000	No expiry date
Investment tax credit		36,000		36,000	2027-2034
Property and equipment		63,000		65,000	No expiry date
Share issue costs		66,000		89,000	2042
Non-capital losses available for future period		34,026,000		32,912,000	2022 to onward

Tax attributes are subject to review, and potential adjustment, by tax authorities.