

OREX MINERALS INC.

**Condensed Consolidated Interim Financial Statements**  
(Expressed in Canadian Dollars)

**January 31, 2024**

**Notice to Reader**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

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

	January 31, 2024	April 30, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 89,002	\$ 1,126,141
Receivables	67,381	98,971
Prepaid expenses and deposits	<u>17,904</u>	<u>30,024</u>
	174,287	1,255,136
<b>Equipment</b> (Note 4)	9,720	11,963
<b>Deposits</b>	25,000	25,000
<b>Investment in associates</b> (Note 6)	3,089,418	3,149,490
<b>IVA receivable</b>	206,891	165,593
<b>Exploration and evaluation assets</b> (Note 5)	<u>1</u>	<u>1</u>
	<u>\$ 3,505,317</u>	<u>\$ 4,607,183</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ <u>267,284</u>	\$ <u>83,423</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	37,723,754	37,552,572
Reserves (Note 7)	6,808,422	6,808,422
Accumulated other comprehensive income	490,975	427,634
Deficit	<u>(41,785,118)</u>	<u>(40,264,868)</u>
	<u>3,238,033</u>	<u>4,523,760</u>
	<u>\$ 3,505,317</u>	<u>\$ 4,607,183</u>

**Nature and continuance of operations** (Note 1)

**Subsequent event** (Note 13)

**Approved and authorized by the board on March 28, 2024**

<u>/s/ Bernard H. Whiting</u> Bernard H. Whiting	Director	<u>/s/Harry White</u> Harry White	Director
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The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**OREX MINERALS INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	Three Months ended January 31		Nine Months ended January 31	
	2024	2023	2024	2023
<b>EXPLORATION EXPENSES</b>				
Geological (Note 10)	\$ 51,600	111,124	\$ 190,725	283,556
General exploration	98,348	74,334	293,288	237,066
	<u>149,948</u>	<u>185,458</u>	<u>484,013</u>	<u>520,622</u>
<b>GENERAL EXPENSES</b>				
Consulting fees	6,000	10,000	18,000	22,000
Depreciation (Note 4)	748	997	2,243	2,991
Investor relations	51,932	76,225	160,510	195,831
Management fees (Note 10)	103,200	169,951	309,600	376,351
Office and administrative	63,355	81,583	198,157	246,405
Professional fees	9,500	8,750	50,720	35,938
Rent	4,800	4,800	14,400	14,400
Transfer agent and filing fees	9,232	14,476	47,233	40,291
	<u>248,767</u>	<u>366,782</u>	<u>800,863</u>	<u>934,207</u>
	<u>(398,715)</u>	<u>(552,240)</u>	<u>(1,284,876)</u>	<u>(1,454,829)</u>
Equity loss in associated company (Note 6)	(132,252)	(54,598)	(264,724)	(456,475)
Foreign exchange gain (loss)	(895)	3,934	19,892	47,292
Interest income	470	12,094	9,458	34,428
	<u>(132,677)</u>	<u>(38,570)</u>	<u>(235,374)</u>	<u>(374,755)</u>
<b>Loss for the period</b>	<b>(531,392)</b>	<b>(590,810)</b>	<b>(1,520,250)</b>	<b>(1,829,584)</b>
Equity investment – foreign currency translation (Note 6)	26,725	64,316	63,341	210,724
<b>Comprehensive loss for the period</b>	<b>\$ (504,667)</b>	<b>(526,494)</b>	<b>\$ (1,456,909)</b>	<b>(1,618,860)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.03)</b>	<b>(0.03)</b>	<b>\$ (0.08)</b>	<b>(0.10)</b>
<b>Weighted average number of common shares outstanding</b>	<b>19,299,045</b>	<b>18,739,806</b>	<b>18,926,219</b>	<b>18,739,806</b>

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

**OREX MINERALS INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	<b>Common Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Accumulated other comprehensive income</b>	<b>Deficit</b>	<b>Total Shareholders ' Equity</b>
<b>Balance, April 30, 2022</b>	<b>18,739,806</b>	<b>\$ 37,552,572</b>	<b>\$ 6,808,422</b>	<b>\$ 104,831</b>	<b>\$ (37,933,745)</b>	<b>\$ 6,532,080</b>
Comprehensive loss for the period	-	-	-	210,724	(1,829,584)	(1,618,860)
<b>Balance, January 31, 2023</b>	<b>18,739,806</b>	<b>37,552,572</b>	<b>6,808,422</b>	<b>315,555</b>	<b>(39,763,329)</b>	<b>4,913,220</b>
Comprehensive loss for the period	-	-	-	112,079	(501,539)	(389,460)
<b>Balance, April 30, 2023</b>	<b>18,739,806</b>	<b>37,552,572</b>	<b>6,808,422</b>	<b>427,634</b>	<b>(40,264,868)</b>	<b>4,523,760</b>
Issuance of common shares	1,225,000	183,750	-	-	-	183,750
Share issuance costs	-	(12,568)	-	-	-	(12,568)
Comprehensive loss for the period	-	-	-	63,341	(1,520,250)	(1,456,909)
<b>Balance, January 31, 2024</b>	<b>19,964,806</b>	<b>\$ 37,723,754</b>	<b>\$ 6,808,422</b>	<b>\$ 490,975</b>	<b>\$ (41,785,118)</b>	<b>\$ 3,238,033</b>

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

**OREX MINERALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2024	Nine months ended January 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,520,250)	\$ (1,829,584)
Items not affecting cash:		
Depreciation	2,243	2,991
Equity loss in associated company	264,724	456,475
Changes in non-cash working capital items:		
Receivables	31,590	42,153
Prepaid expenses	12,120	18,904
IVA receivable	(41,298)	(33,527)
Accounts payable and accrued liabilities	181,130	(4,352)
Cash used in operating activities	<u>(1,069,741)</u>	<u>(1,346,940)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Equity investment	<u>(141,311)</u>	<u>(361,487)</u>
Cash used in investing activities	<u>(141,311)</u>	<u>(361,487)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placement, gross proceeds	183,750	-
Share issuance costs	(9,837)	-
Cash provided in financing activities	<u>173,913</u>	<u>-</u>
<b>Change in cash during the period</b>	<b>(1,037,139)</b>	<b>(1,708,427)</b>
<b>Cash, beginning of period</b>	<u>1,126,141</u>	<u>3,302,296</u>
<b>Cash, end of period</b>	<u>\$ 89,002</u>	<u>\$ 1,593,869</u>
<b>Supplemental disclosure with respect to cash flows (Note 9)</b>		

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

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**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, V6E 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

The Company’s financial statements and those of its controlled subsidiaries (“condensed consolidated interim financial statements”) are presented in Canadian dollars.

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

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. The Company had incurred a loss of \$1,520,250 for the nine months ended January 31, 2024 and accumulated losses of \$41,785,118 as of January 31, 2024. 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.

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

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

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

**2. BASIS OF PREPARATION**

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

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

**2. BASIS OF PREPARATION (cont'd...)****Critical accounting estimates and judgements**

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

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

- a) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements 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 determination of an investments in an associate as an equity investment requires judgement as to whether the Company has significant influence over the strategic financial and operating decisions relating to the activity of the investee.
- c) The carrying value and the recoverability of investment in associates, which are included in the statements of financial position. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest amounts exceeds the recoverable amounts.
- 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.

**3. SIGNIFICANT ACCOUNTING POLICIES****Principles of consolidation**

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

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

**OREX MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**NINE MONTHS ENDED JANUARY 31, 2024**

(Expressed in Canadian Dollars)

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**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, consists of cash and receivables classified at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

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

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

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

b) Impairment of financial assets

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****Foreign exchange**

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

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

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

**Share capital**

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

**Share-based payments**

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

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

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****Investment in associate**

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

Objective evidence of impairment of equity investment includes:

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

**Income (loss) per share**

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

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

**Income taxes**

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

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

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

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

**OREX MINERALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**NINE MONTHS ENDED JANUARY 31, 2024**

(Expressed in Canadian Dollars)

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

**Leases**

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

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

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

The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, or for leases of low value. The payments for such leases are recognized in the statements of loss and comprehensive loss on a straight-line basis over the lease term. For the nine months ended January 31, 2024, rent expense of \$14,400 (2023 - \$14,400) and rent in general exploration of \$14,268 (2023 - \$12,525) has been incurred.

**Accounting standards adopted by the Company**

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

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

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

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

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

**4. EQUIPMENT**

<b>Cost</b>		<b>Field equipment</b>
Balance, as at April 30, 2023 and January 31, 2024	\$	92,625
<b>Accumulated depreciation</b>		
Balance, as at April 30, 2022	\$	(76,675)
Additions		(2,991)
Balance, as at January 31, 2023		(79,666)
Additions		(996)
Balance, as at April 30, 2023		(80,662)
Additions		(2,243)
Balance, as at January 31, 2024	\$	(82,905)
<b>Net book value</b>		
Balance, as at April 30, 2023	\$	11,963
Balance, as at January 31, 2024	\$	9,720

**5. EXPLORATION AND EVALUATION ASSETS**

		Jumping Josephine, Canada	Total
Balance, as at April 30, 2023 and January 31, 2024	\$	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.

**Jumping Josephine, Canada**

The Company owns 100% interest in the Jumping Josephine Property, located in the West Kootenay Mining District of British Columbia, Canada.

There are 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.

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NINE MONTHS ENDED JANUARY 31, 2024

(Expressed in Canadian Dollars)

**6. INVESTMENT IN ASSOCIATES**

	<b>Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V.</b>		<b>Empresa Minera Sandra-Escobar, S.A. De C.V.</b>		<b>Total</b>
Net investment, opening	\$	2,349,290	\$	800,200	\$ 3,149,490
Additional investment		141,311		-	141,311
Equity loss for the period		(201,930)		(62,794)	(264,724)
Other comprehensive income - currency translation		31,465		31,876	63,341
Net investment, closing	\$	2,320,136	\$	769,282	\$ 3,089,418

**Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V (“EDMC”)**

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. Under the terms of the agreement:

- a) 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.
- 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.

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

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**6. INVESTMENT IN ASSOCIATES (cont'd...)****Exploracions y Desarrollos Mineros Coneto S.A.P.I de C.V (cont'd...)**

As at January 31, 2024 and April 30, 2023, EDMC's aggregate assets, aggregate liabilities and net losses are as follows:

	January 31, 2024	April 30, 2023
Current assets	\$ 134,132	\$ 106,009
Non-current assets	1,971,174	1,927,121
Current liabilities	(18,645)	(2,674)
Net assets	2,086,661	2,030,456
The Company's ownership %	45%	45%
The Company's share of net assets	\$ 938,997	\$ 913,705

	January 31, 2024	April 30, 2023
Loss for the period	\$ (448,734)	\$ (302,570)
Other comprehensive income – currency translation	69,923	346,330
Total comprehensive income (loss)	(378,811)	43,760
The Company's ownership %	45%	45%
The Company's share of comprehensive income (loss)	\$ (170,465)	\$ 19,692

	January 31, 2024	April 30, 2023
Net investment, opening	\$ 2,349,290	\$ 2,241,638
Additional investment	141,311	87,960
Equity loss for the period	(201,930)	(136,157)
Other comprehensive income - currency translation	31,465	155,849
Net investment, closing	\$ 2,320,136	\$ 2,349,290

**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 EMSE 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 EMSE and does not control operational decisions. The Company's judgement is that it has significant influence, but not control and accordingly equity accounting is appropriate.

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**6. INVESTMENTS IN ASSOCIATES (cont'd...)****Empresa Minera Sandra-Escobar, S.A. De C.V (cont'd...)**

As at January 31, 2024 and April 30, 2023, EMSE's aggregate assets, aggregate liabilities and net losses are as follows:

	January 31, 2024	April 30, 2023
Current assets	\$ 228,117	\$ 361,606
Non-current assets	2,033,715	1,967,026
Current liabilities	(16,707)	(6,210)
Net assets	2,245,125	2,322,422
The Company's ownership %	40%	40%
The Company's share of net assets	\$ 898,050	\$ 928,969

  

	January 31, 2024	April 30, 2023
Loss for the period	\$ (156,985)	\$ (1,060,958)
Other comprehensive income – currency translation	79,689	417,385
Total comprehensive loss	(77,296)	(643,573)
The Company's ownership %	40%	40%
The Company's share of comprehensive loss	\$ (30,918)	\$ (257,429)

  

	January 31, 2024	April 30, 2023
Net investment, opening	\$ 800,200	\$ 726,529
Additional investment	-	331,100
Equity loss for the period	(62,794)	(424,383)
Other comprehensive income - currency translation	31,876	166,954
Net investment, closing	\$ 769,282	\$ 800,200

**7. SHARE CAPITAL AND RESERVES****Authorized**

Unlimited number of common shares without par value.

**Share issuances**

As at January 31, 2024, there were 19,964,806 common shares issued and outstanding. On September 27, 2023, the Company consolidated its outstanding share capital on the basis of ten (10) pre-consolidated shares for one (1) post-consolidation share.

The Company completed a private placement on December 20, 2023 and raised gross proceeds of \$183,750 through the sale of 1,225,000 units at a price of \$0.15 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of \$0.25 per share for a period of two years. In connection with the issuance, cash finders' fees of \$6,750 were paid and \$5,818 of legal, regulatory, and filing fees were paid.

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

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, 2022	3,255,833	\$ 2.00	1,240,000	\$ 1.30
Expired	(3,255,833)	2.00	(195,000)	1.70
Forfeited	-	-	(132,500)	1.26
Outstanding, January 31, 2023 and April 30, 2023	-	-	912,500	1.23
Granted	1,225,000	0.25		
Expired	-	-	(65,000)	1.00
Outstanding, January 31, 2024	1,225,000	\$ 0.25	847,500	\$ 1.24
Exercisable, January 31, 2024	1,225,000	\$ 0.25	847,500	\$ 1.24

The following stock options to acquire common shares of the Company were outstanding at January 31, 2024:

	Number of Shares	Exercise Price	Expiry Date
<b>Options</b>			
	247,500	\$1.00	December 19, 2024
	295,000	1.70	January 28, 2026
	305,000	1.00	December 22, 2026
	847,500		

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**7. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options and warrants (cont'd...)**

The following warrants to acquire common shares of the Company were outstanding at January 31, 2024:

Number of Warrants	Exercise Price	Expiry Date
1,225,000	\$0.25	December 20, 2025
1,225,000		

**8. CAPITAL MANAGEMENT**

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

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

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the nine months ended January 31, 2024:

- a) Other comprehensive gain – currency translation of \$63,341
- b) In accounts payable and accrued liabilities is \$2,731 of share issuance costs

Significant non-cash transactions during the nine months ended January 31, 2023:

- a) Other comprehensive gain – currency translation \$210,724

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

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**10. RELATED PARTY TRANSACTIONS**

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

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

During the nine months ended January 31, 2024, 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:

	Nine Months Ended January 31, 2024	Nine Months Ended January 31, 2023
Management fees	\$ 309,600	\$ 376,351
Geological consulting fees	104,400	127,317
Total	\$ 414,000	\$ 503,668

Included in accounts payable and accrued liabilities as at January 31, 2024 is \$117,873 (April 30, 2023 - \$1,709) due to directors or officers or companies controlled by directors.

During the nine months ended January 31, 2024, the Company received consulting fees from a related party company controlled by common directors for \$35,570 (2023 - \$53,435).

**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).

**OREX MINERALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

NINE MONTHS ENDED JANUARY 31, 2024

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**11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)****Fair value of financial instruments**

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

**Concentrations of business risk**

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

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

**Credit risk**

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

**Liquidity risk**

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

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

**Foreign exchange risk**

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

The Company's exposure to foreign currency risk is on its cash, receivables, accounts payable and accrued liabilities. At January 31, 2024, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and US dollar would have an effect of \$900 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 \$22,000 on loss and comprehensive loss.

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**11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)****Interest rate risk**

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

**Price risk**

Mineral prices, in particular gold and silver, are volatile, and 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:

	January 31, 2024		April 30, 2023	
Equipment				
Mexico	\$	9,720	\$	11,963
Exploration and evaluation assets				
Canada	\$	1	\$	1

**13. SUBSEQUENT EVENT**

On February 13, 2023, the Company signed an Option Agreement with Exploraciones El Cairo S.R.L. de C.V. ("EEC"), a Mexican registered private company, to acquire 100% of the Valenciana Gold-Silver Project in Zacatecas State, Mexico (the "Valenciana Property").