

OREMEX RESOURCES INC.

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

OREMEX RESOURCES INC.

**FINANCIAL STATEMENTS
(UNAUDITED)**

**FOR THE THREE MONTH PERIOD ENDED
FEBRUARY 28, 2007**

OREMEX RESOURCES INC.

BALANCE SHEETS

	Feb. 28, 2007 (Unaudited)	Nov. 30, 2006 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,257,931	\$ 5,971,675
Marketable securities (Note 4)	373,006	-
Amounts receivable	31,470	9,669
Prepaid expenses	32,376	55,022
	4,694,783	6,036,366
Equipment (Note 5)	39,075	46,005
Lease Receivable (Note 6)	259,594	-
Mineral Property Interests (Note 7 and Schedule)	9,570,573	8,399,115
	\$ 14,564,025	\$ 14,481,486

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 101,195	\$ 53,370

SHAREHOLDERS' EQUITY

Share Capital (Note 8)	16,527,815	16,314,805
Contributed Surplus (Note 9)	2,109,714	2,212,672
Deficit	(4,174,699)	(4,099,361)
	14,462,830	14,428,116
	\$ 14,564,025	\$ 14,481,486

RELATED PARTY TRANSACTIONS (Note 10)

On behalf of the Board:

Signed: "Ross O. Glanville"

Signed: "Iain F. MacPhail"

See Accompanying Notes

OREMEX RESOURCES INC.

STATEMENTS OF OPERATIONS AND DEFICIT

(Unaudited)

	Three month period ended Feb. 28, 2007	Three month period ended Feb. 28, 2006
ADMINISTRATIVE EXPENSES		
Accounting and audit	\$ 7,550	\$ 14,288
Administration and office	28,587	22,883
Amortization	3,347	2,716
Director and committee fees	30,000	18,000
Insurance	4,907	4,408
Legal	12,239	14,145
Management fees and salaries	95,355	32,288
Regulatory and filing fees	6,411	5,514
Rent	9,554	5,850
Shareholder relations	74,340	12,252
Stock-based compensation (Note 9)	6,972	67,886
Travel, promotion and entertainment	34,081	14,378
	313,343	214,608
OTHER INCOME		
Interest income	52,191	2,953
Loss on disposal of assets	(1,736)	-
Loss on sale of property	(30,082)	-
Foreign exchange gain (loss)	(90)	237
	20,283	3,190
LOSS FROM OPERATIONS for the period	(293,060)	(211,418)
Unrealized gain on marketable securities held for sale (Note 4)	217,722	-
COMPREHENSIVE LOSS for the period	(75,338)	(211,418)
DEFICIT , beginning of the period	(4,099,361)	(3,508,445)
DEFICIT , end of the period	\$ (4,174,699)	\$ (3,719,863)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.002)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – basic and diluted		
	37,082,325	27,098,992

See Accompanying Notes

OREMEX RESOURCES INC.

STATEMENTS OF CASH FLOWS

(Unaudited)

	Three month period ended Feb. 28, 2007	Three month period ended Feb. 28, 2006
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the year	\$ (75,338)	\$ (211,418)
Items not affecting cash:		
Amortization	3,347	2,716
Loss on disposal of assets	1,736	-
Loss on sale of property	30,082	-
Unrealized gain on marketable securities held for sale	(217,722)	-
Stock-based compensation	6,972	67,886
	(250,923)	(140,816)
Changes in non-cash operating accounts:		
Amounts receivable	(21,801)	(240)
Accounts payable and accrued liabilities	47,825	16,908
Prepaid expenses	20,146	(43,469)
Net cash used in operating activities	(204,753)	(167,617)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Mineral property interest acquisition costs	(1,085,766)	(264,693)
Exploration of mineral property interests	(268,558)	(262,359)
Proceeds from sale of equipment	2,000	-
Purchase of drill rig for lease	(285,570)	-
Lease recovery	25,976	-
Purchase of equipment	(153)	(10,391)
Net cash used in investing activities	(1,612,071)	(537,443)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from options exercised	103,000	-
Share issuance costs	80	-
Net cash provided by financing activities	103,080	-
Decrease in cash and cash equivalents	(1,713,744)	(705,060)
Cash and cash equivalents, beginning of the period	5,971,675	1,103,925
Cash and cash equivalents, end of the period	\$ 4,257,931	\$ 398,865
Cash and cash equivalents consist of:		
Cash	\$ 55,185	\$ 28,865
Guaranteed investment certificates	2,287,497	370,000
Bankers acceptances and commercial paper	1,915,249	-
	\$ 4,257,931	\$ 398,865

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

See Accompanying Notes

OREMEX RESOURCES INC.

SCHEDULE OF MINERAL PROPERTY INTERESTS

(Note 7)

	For the three month period ended Feb. 28, 2007 (unaudited)				For the year ended Nov. 30, 2006 (audited)
	Tejamen	San Lucas	Other	Total	Total
Acquisition costs					
Balance, beginning of period	\$ 1,562,755	\$ 436,028	\$ 274,805	\$ 2,273,588	\$ 1,667,420
Incurred during year:					
Property option payments	1,031,478	10,878	43,431	1,085,766	599,060
Property tax payments	-	-	-	-	74,307
Cost of property sold	-	-	(145,593)	(145,593)	(67,199)
Balance, end of period	\$ 2,594,233	\$ 446,886	\$ 172,643	\$ 3,213,762	\$ 2,273,588
Exploration expenditures					
Balance, beginning of year	\$ 5,506,691	\$ 553,164	\$ 65,672	\$ 6,125,527	\$ 5,005,257
Incurred during the year:					
Administration	40,400	17,313	-	57,713	123,611
Assaying	18,899	-	-	18,899	53,007
Field office and supplies	53,337	28,007	-	81,344	127,752
Drilling	-	109,246	-	109,246	414,386
Exploration advances (Note 7)	76,340	-	-	76,340	390,023
IVA exploration credit	(165,871)	-	-	(165,871)	(463,804)
Geological consulting	25,154	4,168	-	29,322	336,591
Geological survey	-	2,489	-	2,489	
Labour	16,825	5,449	-	22,274	72,778
Reports and maps	-	-	-	-	16,958
Transportation	26,600	10,200	-	36,800	56,503
Cost recovered on property sale	-	-	(37,273)	(37,273)	(7,535)
	91,684	176,873	(37,273)	231,284	1,120,270
Balance, end of the period	\$ 5,598,375	\$ 730,037	\$ 28,399	\$ 6,356,811	\$ 6,125,527
Total mineral property interests	\$ 8,192,608	\$ 1,176,923	\$ 201,041	\$ 9,570,573	\$ 8,399,115

See Accompanying Notes

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three months ended February 28, 2007

1. NATURE OF OPERATION

The Company was incorporated on March 22, 1995 under the Canada Business Corporations Act. The Company's shares are traded on the TSX Venture Exchange under the trading symbol ORM.

The Company is in the process of exploring and evaluating its mineral property interests in Mexico. The Company presently has no proven reserves, and on the basis of information to date, has not yet determined whether any of its property interests contain economically recoverable ore resources. The amounts recorded as mineral property interests and deferred exploration costs represent costs incurred to date and do not necessarily represent present or future values. The recoverability of amounts recorded for mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of its property interests, securing of underlying title on optioned properties and upon future profitable production.

2. BASIS OF PRESENTATION

The unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the presentation of the Company's audited annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2006, since they do not contain all disclosures required by Canadian GAAP for annual financial statements. These interim financial statements reflect all normally and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

3. CHANGE IN ACCOUNTING POLICY – FINANCIAL INSTRUMENTS

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, Financial Instruments – Recognition and Measurement, and 1530, Comprehensive Income. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. Accordingly, comparative amounts for prior periods are not restated. The Company has adopted these new standards effective December 1, 2006.

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

3. CHANGE IN ACCOUNTING POLICY – FINANCIAL INSTRUMENTS – CONT'D

a) Financial instruments – recognition and measurement

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets be measured at fair value subsequent to initial recognition.
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method.

b) Comprehensive income (loss)

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income, including unrealized gains and losses on available-for-sale investments.

c) Impact upon adoption of Sections 3855 and 1530

The Company has recorded the following transactions resulting from the adoption of Sections 1530 and 3855:

- \$217,722 was recorded in respect of the unrealized gain on marketable securities held for sale.

4. MARKETABLE SECURITIES

Marketable securities are carried at fair value. At February 28, 2007, the Company held 650,000 shares of Canasil Resources Inc., and 75,000 share purchase warrants, exercisable until January 24, 2008 at a price of \$0.50 per common share, acquired pursuant to a property sale.

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

5. EQUIPMENT

	Three months ended		Year ended	
	February 28, 2007		November 30, 2006	
	\$		\$	
Cost	Accumulated Amortization	Net	Net	
Computer equipment	20,927	(7,184)	13,743	18,593
Leasehold improvements	3,062	(589)	2,473	2,473
Office furniture and equipment	15,635	(2,267)	13,368	14,072
Software	6,944	(4,542)	2,402	3,203
Site vehicles	18,400	(11,311)	7,089	7,664
	64,968	(25,893)	39,075	46,005

6. LEASE RECEIVABLE

On December 21, 2006, the Company purchased a drill rig at a cost of US\$247,000 (CDN\$285,570). Concurrently, the Company entered into an agreement with Tiger Drilling ("Tiger"), a related party, to operate and maintain the rig.

Under Canadian GAAP the agreement constitutes a financial instrument, and the drill rig is presented in these financial statements as a lease receivable. US\$150,000 (approximately CDN\$173,423) is to be recovered at a rate of US\$15 (approximately CDN\$17.34) per metre drilled. The agreement provides Tiger with the opportunity to purchase the rig for US\$97,000 (approximately CDN\$112,147) after the completion of a minimum of ten thousand metres of drilling. The purchase price may be reduced should the drilling program be extended.

As at February 28, 2007, the lease receivable is \$259,394 (original purchase price of \$285,570 less \$25,976 recoverable for 1,485 metres drilled at US\$15 per metre).

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

7. MINERAL PROPERTY INTERESTS

The Company initially agreed to acquire options for the Tejaman Silver Property, the San Lucas Property and four other mineral properties located in the states of Durango and Zacatecas, Mexico, pursuant to an agreement dated February 28, 2003 (the "Letter Agreement"), between the Company and Minera Montana S. de R.L. de C.V. ("Minera Montana"). Minera Montana is a Mexican corporation controlled by an individual who, subsequent to signing of this agreement, became an officer and director of the Company. The Letter Agreement originally contemplated that the Company would acquire Minera Montana in consideration for the issuance of not less than 3,500,000 common shares of the Company. The structure of the transaction was changed in June 2003, whereby the parties entered into a formal property option agreement dated effective February 28, 2003, as amended, (the "Option Agreement") that replaced and superseded the Letter Agreement. In connection with revisions to the agreement structure, the individual above and certain members of his family subscribed for 3,500,000 Series A Special Warrants of the Company at a price of \$0.001 per special warrant.

In accordance with the terms of the Option Agreement, the Company paid the sum of \$3,500 and reimbursed other costs incurred by Minera Montana totaling \$236,954. The Option Agreement gives the Company the right to acquire the property interests presently held by Minera Montana upon payment of amounts due to the underlying property holder under the Jarvis Agreement described below. Minera Montana has agreed to assign all of its mineral property interests to a Mexican corporation which will be a wholly-owned subsidiary of the Company.

Minera Montana has agreed to acquire the mineral exploration concessions under an option agreement dated July 20, 2000 with the underlying property owner, as amended (the "Jarvis Agreement"). Under the terms of the Jarvis Agreement (subsequently amended on October 28, 2005), Minera Montana has the right to acquire the concessions by making payments totaling US\$2,118,000 (approximately \$2,487,264). All payments under the Jarvis Agreement, plus an adjustment to compensate the underlying owners for any directly related taxes, have been made as of February 28, 2007.

Payment on a tax-free basis is interpreted to mean that Minera Montana is also obligated to pay the Mexican IVA tax and the Mexican ISR tax on behalf of the property owner. The mineral exploration concessions which are the subject of the Jarvis Agreement include concessions that form part of the Tejaman Silver Property and the San Lucas Silver Property, as well as four other mineral property interests. The La Parilla Property, one of the mineral properties included in the initial agreement, was sold during 2006. Additional mineral concessions are held by Minera Montana and are included in the Minera Montana agreement for the Company, pursuant to the Option Agreement.

In order to maintain the options in good standing, the Company is required to pay property taxes on the mineral concessions to the Mexican government in January and July of each year. The minimum annual exploration work that is required to maintain the mineral concessions under option is approximately \$49,685 (MP\$475,000).

On June 6, 2006, the Company, Minera Montana, Canasil Resources Inc. ("Canasil") and its wholly-owned subsidiary Minera Canasil S.A. de C.V., signed a letter of agreement granting Canasil the right to acquire 100% interest in the Mezquetal silver-zinc-lead claims, in which the Company and Minera Montana have an option to earn a 100% interest. A director of the Company had served as an officer of Canasil at the onset of the transaction. The sale was completed on December 8, 2006 (see Schedule). Regulatory approval was received on January 25, 2007.

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

7. MINERAL PROPERTY INTERESTS – CONT'D

During 2006, Minera Montana received IVA (value added tax) refunds of \$463,804 related to acquisition costs and exploration work incurred on exploration programs in Mexico. Accordingly, the amount of the IVA refunds received relating to the Company's programs by prior agreement have been treated as a credit towards the Company's future exploration of the mineral interests. The amount of the future credit is not refundable in cash. Accordingly the balance has not been reported as a current asset or deposit. As the advance is used the amount will be allocated to specific expenditure classifications. Additional IVA claims of approximately \$165,871 (MP\$1,553,242) have been filed in the quarter, and are reflected in the financial statements as an IVA exploration credit during the period.

At February 28, 2007, advances of \$1,288,563 were made to Minera Montana for property payments and exploration expenditures. Funds advanced but not yet expended increased by \$76,340 in the quarter.

8. SHARE CAPITAL

a) Common Shares

Authorized:

Unlimited number of common shares, without par value

Issued and outstanding common shares:

	Three month period ended Feb. 28, 2007 (unaudited)		Year ended Nov. 30, 2006 (audited)	
	Number	Amount	Number	Amount
Balance, beginning of period	36,882,325	\$ 16,314,805	27,098,992	\$ 9,430,048
Shares issued:				
Options exercised (i)	200,000	212,930		
Options exercised (ii)	-	-	450,000	443,309
Private placement - Shares (iii)	-	-	9,333,333	5,997,393
- Warrants	-	-		1,002,607
Share issue costs		80		(558,552)
Balance, end of period	37,082,325	\$ 16,527,815	36,882,325	\$ 16,314,805

- i. During the three months ended February 28, 2007, the Company received \$103,000 from the exercise of 200,000 stock options at prices ranging from \$0.50 to \$0.52 per share. These stock options had a previously determined fair value of \$0.61 per option, which has been allocated from contributed surplus to share capital.
- ii. During the year ended November 30, 2006, the Company received \$244,750 from the exercise of 450,000 stock options at prices ranging from \$0.50 to \$0.57 per share. These stock options had a previously determined fair value of \$0.30 per option, which has been allocated from contributed surplus to share capital.

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

8. SHARE CAPITAL – CONT'D

iii. On May 19, 2006, the Company closed a private placement for 9,333,333 units at a price of \$0.75 per unit for gross proceeds of \$7,000,000. Each Unit consists of one common share and one-half of one transferable warrant, each whole warrant entitling the holder to purchase one common share until November 18, 2007 at \$0.95 per share, subject to an acceleration provision such that if, at any time following four months after the closing of the financing, the closing price per share on the TSX Venture Exchange is \$2.00 or higher for twenty consecutive business days, then the Company may give the investors notice that the warrants must be exercised or they will expire within 30 days of such notice. The fair value of the warrants attached to the share units has been estimated to be \$1,002,697. All securities are subject to a four-month hold period. In connection with the private placement, the Company paid finder's fees of \$512,050 in cash.

b) Share Purchase Options (Note 13b)

In April 2004, the Company adopted a 10% rolling share purchase option plan whereby options may not exceed 10% of the total number of shares issued and outstanding of the Company from time to time on a non-diluted basis. On May 11, 2006, the plan was updated and re-approved.

For the period ended February 28, 2007, options were outstanding as follows:

	Granted and outstanding			Vested and exercisable	
	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Number of Years to Expiry	Number Outstanding	Weighted Average Exercise Price (\$)
Balance, November 30, 2005	1,675,000	0.69	3.61	1,675,000	0.69
Granted	1,400,000	0.77	4.45	1,400,000	0.77
Exercised	(450,000)	0.54	-	(450,000)	0.54
Cancelled and expired	(300,000)	0.50	1.97	(350,000)	0.50
Balance, November 30, 2006	2,325,000	0.74	3.33	2,325,000	0.66
Granted	-	-	-	-	-
Exercised	(200,000)	0.52	0.01	(200,000)	0.01
Cancelled and expired	(100,000)	0.89	-	(100,000)	-
Balance, February 28, 2007	2,025,000	0.66	3.50	2,025,000	0.66

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

8. SHARE CAPITAL – CONT'D

Option expiry dates are as follows :

Number	Exercise Price	Expiry
385,000	\$ 0.50	November 18, 2008
150,000	0.52	December 15, 2008
125,000	0.52	January 25, 2010
40,000	0.52	May 31, 2010
200,000	0.52	September 21, 2010
50,000	0.52	November 23, 2010
675,000	0.89	May 11, 2011
250,000	0.60	July 17, 2011
50,000	0.73	August 21, 2011
100,000	0.70	August 31, 2011
<u>2,025,000</u>		

c) Share Purchase Warrants

Transactions involving the Company's share purchase warrants have been summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)	Weighted Average Number of Years to Expiry
Balance, November 30, 2005	735,000	0.65	1.33
Issued	4,666,667	0.95	0.97
Balance, November 30, 2006 and February 28, 2007	<u>5,401,667</u>	<u>0.91</u>	<u>0.88</u>

On February 14, 2007, the expiry date of 700,000 warrants that were issued as part of the September 2005 private placement was extended by three months from March 21, 2007 to June 21, 2007.

The warrant expiry dates are as follows:

Number	Price	Expiry Date
35,000	\$ 0.65	March 21, 2007
700,000	0.65	June 21, 2007
4,666,667	0.95	November 19, 2007
<u>5,401,667</u>		

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

Three months ended February 28, 2007

9. CONTRIBUTED SURPLUS AND STOCK-BASED TRANSACTIONS

During the period, the Company entered into certain transactions pursuant to the exercise of stock options and the extension of the exercise period for 700,000 previously issued share warrants. The Company recorded contributed surplus arising from stock-based compensation related to these transactions as follows:

a) Contributed surplus

	Three months ended Feb. 28, 2007 \$	Year ended November 30, 2006 \$
Balance, beginning of the period	2,212,672	1,833,086
Transfer of share capital upon exercise of stock options	(109,930)	(198,559)
Fair value of warrant extension	6,972	-
Fair value adjustment upon repricing of options	-	63,209
Fair value of stock options granted and vested	-	514,936
Balance, end of the period	<u>2,109,714</u>	<u>2,212,672</u>

For the three months ended February 28, 2007, the Company recorded stock-based compensation expense of \$6,972 with respect to the extension of exercise period for 700,000 share purchase warrants previously granted as part of a private placement financing. The Company determined the fair value of the granted stock options on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

	2007	2006
Risk free interest rate	4.2%	3.80–4.20%
Volatility	55%	85–89%
Expected life of options	0.25 yrs	2.5 yrs
Dividend rate	0%	0%

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

10. RELATED PARTY TRANSACTIONS

During the three month period ended February 28, 2007, the Company incurred the following amounts in transactions with directors and companies with common directors:

	Three months ended Feb. 28, 2007 \$	Three months ended Feb. 28, 2006 \$
Stock-based compensation	-	61,501
Consulting fees	-	11,000
Directors fees (a)	30,000	-
Deferred mineral property expenditures (b)	261,042	205,307
Acquisition payments (c)	1,085,766	294,314
Geological consulting, travel and field supplies (d and e)	53,175	24,431
	<u>1,430,083</u>	<u>596,553</u>

- a) On November 16, 2005, the Company passed a resolution to compensate directors and committee members. The resolution was updated on May 11, 2006. Director compensation totaled \$30,000 for the three months ended February 28, 2007 (2006 - \$nil).
- b) Funds for the budgeted mineral property exploration program in Mexico were advanced to Minera Montana, a company controlled by a director and officer of the Company. Minera Montana is contracted to provide and manage the exploration program conducted in Mexico (see Schedule of Mineral Property Interests). Amounts paid to third parties by Minera Montana are reimbursed at cost. Charges paid by Minera Montana for equipment rentals and drilling services that are provided by a company controlled by a director are charged at market rates (see Note 7).
- c) Amounts are paid or payable to Minera Montana relating to property acquisition costs. Amounts paid to third parties by Minera Montana are reimbursed at cost (see Schedule of Mineral Property Interests).
- d) On November 30, 2003, the Company entered into an agreement for the provision of management and technical services from a company controlled by an officer and director. Compensation under the agreement was US\$9,000 per month. On May 31, 2005, this contract was amended to US\$5,400 per month. On November 16, 2005, this contract was renewed for a further six months. Effective May 1, 2006, compensation was reinstated to US\$9,000 per month.
- e) The travel amount includes reimbursement charges for the use of a private plane owned and piloted by a director and officer of the Company.

Transactions with related parties have been paid measured at their exchange amount, being the amount agreed to by the related parties.

OREMEX RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS Three months ended February 28, 2007

11. SUPPLEMENTARY CASH FLOW INFORMATION

The Company paid no interest or income taxes during the three months ended February 28, 2007.

12. SEGMENTED INFORMATION

The Company operates in a single industry segment. At period end, assets by geographic location are as follows:

	Three months ended February 28, 2007 \$	Year ended November 30, 2006 \$
Mexico	9,570,573	8,399,115
Canada	4,993,452	6,082,371
	<u>14,564,025</u>	<u>14,481,486</u>

13. SUBSEQUENT EVENTS

- a) On April 3, 2007, the Company announced that an agreement had been negotiated with the Ejido at San Lucas, which provides surface rights to 50 hectares for the purposes of exploration, development and mining for a 30 year term. The lease provides for annual payments of approximately \$2,000 (MP\$20,000).
- b) On April 9, 2007, the Company announced the appointment of a project development manager for the Tejaman Silver Property. The individual was granted 150,000 stock options exercisable at a price of \$0.56 per common share, which vest in 50,000 share increments at six month intervals from the date of employment.

OREMEX RESOURCES INC.
Management's Discussion & Analysis
For the First Quarter Ended February 28, 2007

EFFECTIVE DATE

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of Oremex Resources Inc. ("the Company") for the three month period ended February 28, 2007 and incorporates certain information from the prior three fiscal years. This MD&A should be read in conjunction with the unaudited financial statements of the Company for the three months ended February 28, 2006, and the audited financial statements and the Management's Discussion and Analysis for the year ended November 30, 2006. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise. The effective date of this Management's Discussion and Analysis is April 25, 2007. This MD&A contains statements that constitute "forward-looking" statements and other cautionary notices (Refer to "Forward-looking Statements and Estimates" in this MD&A).

OVERALL PERFORMANCE

The Company is an active exploration and development company with its primary focus on the acquisition and development of mineral deposits in Mexico. Through an agreement with Minera Montana S. de R.L. de C.V. ("Minera Montana"), a company controlled by an individual who subsequently became a director and officer of the Company, the Company obtained the right to acquire five properties in the State of Durango and one property in the State of Zacatecas. In addition, the Company has acquired a property in each of the states of Sinaloa and Sonora. Since November 2003, the Company has made significant progress in advancing development of its key asset, the Tejaman Silver Property ("Tejaman").

During the quarter, the Company:

- Purchased a reverse circulation drill rig and entered into an operating and maintenance agreement for the rig.
- Completed the buyout of the underlying owner of the mineral concessions for the majority of the Company's property holdings including Tejaman and part of the San Lucas Property and three other property interests.
- Did not secure permission from the Ejido of Tejaman (governing authority for the village and surrounding lands) for the right to access the surface for expanded use to include mining and an extended term. Discussions with the Ejido are ongoing. Please see *Results of Operations* for more detail.
- Conducted a search for a project development manager for Tejaman. Subsequent to the quarter, entered into an agreement with Ing. Javier Rojas to address surface access issues, permitting and to lead the transition of Tejaman from exploration through to development and production.

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- Commenced a 5,000 metre reverse circulation drill program at the San Lucas Property to test extensions of mineralization defined in a 3,000 metre drill program conducted in 2005. At the end of the quarter, 2,005 metres had been completed.
- Subsequent to the end of the quarter, finalized negotiations with respect to long term access to surface rights at the San Lucas Property with the Ejido of San Lucas.
- Finalized the agreement of the sale of the Mezquetal property to Canasil Resources Inc. in consideration of 650,000 shares and 75,000 share purchase warrants of Canasil. The agreement received regulatory approval from the TSX Venture Exchange on January 25, 2007.

RESULTS OF OPERATIONS

Tejamen Property, State of Durango

Tejamen is the Company's most advanced project. The property, located 130 kilometres northwest of Durango, the capital of the State of Durango, consists of 22 claims covering approximately 1,682 hectares. Access is by paved highway from Durango to Nuevo Ideal and by 15 kilometres of good gravel road from Nuevo Ideal to Tejamen.

Background

From December 2003 to November 2005, the Company completed 217 reverse circulation drill holes totaling approximately 36,000 metres. In 2006, the Company completed 1,500 metres of diamond drilling to provide larger samples for metallurgical and rock mechanics testing as well as to further delineate the resource.

In April 2006, the Company released results of a second NI 43-101 compliant Technical Report prepared by Wardrop Engineering Inc. (the "Wardrop Report"). The Wardrop Report, based on the 36,000 metres of reverse circulation drilling, indicated that Inferred Mineral Resources amounted to 50.8 million ounces in 22.6 million tonnes at a grade of 66.9 grams per tonne silver ("gpt") and 0.05 gpt gold or 69.8 gpt silver-equivalent.

Metallurgical testing in 2006 on a composite of test material indicated a silver recovery for two columns of 73 percent. These results were obtained over periods ranging from 106 to 162 days of leaching. Data suggests that lime and cyanide usage are modest.

The Company engaged Snowden Mining Industry Consultants ("Snowden") in 2006 to complete a NI 43-101 compliant Technical Report, an independent Preliminary Assessment Study ("PAS") on Tejamen. Utilizing the results of the Wardrop independent resource study, Snowden developed a base case mining scenario with an optimized pit shell containing 21.7 million tonnes grading 51.9 gpt silver and 0.023 gpt gold.

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Based on the cost and productivity assumptions provided in the PAS, Snowden concluded that a 10,000 tonne per day open pit mining project and heap-leach processing system could generate significant return on investment with a net present value of US\$58.6 million at a silver price of US\$10.00 per ounce and US\$97.4 million at a silver price of US\$12.00 per ounce.

The following table (excerpted from PAS) illustrates the impact of the silver price on the estimated Net Present Value (NPV) of the project, before taxes. A 7% discount rate has been applied.

NPV Sensitivity to Metal Value

Ag Value	NPV
\$US/oz	(US\$million)
8	19.2
10	58.6
12	97.4
15	155.5

In late 2006, Call & Nicholas Inc. of Tucson, Arizona were retained to conduct a geotechnical review at Tejaman. Their findings with respect to rock strengths generally support the pit slope angles utilized by Snowden for a preliminary pit design.

Also in 2006, the Company adopted and began implementing, with external advice from Snowden, a quality assurance/quality control program in order to increase certainty regarding mineral resources.

First Quarter 2007

During the first quarter of 2007, the Company substantially completed the duplicate assay program initiated under the quality assurance/quality control program for prior drilling. Data is currently being compiled for statistical analysis.

Also during the quarter, the Company initiated formal discussions with the Ejido of Tejaman (local governing authority of the community and surrounding lands) for expanded use of the surface for mining operations over an extended term. On February 26, 2007, the Company announced that the Ejido, by a narrow margin, elected not to renew the surface access permit for the Tejaman Silver Property. The Company is encouraged, however, by the level of support received from individuals of the Ejido.

While continuing to work with the Ejido in an ongoing effort to secure access to the surface, the Company has initiated proceedings under Mexican law to secure access to surface rights. Notwithstanding that legal proceedings are always subject to some uncertainty, based on advice from Mexican legal counsel, management believes that there

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is a firm and binding legal process which will result in the Company obtaining surface rights should ongoing negotiations with the Ejido not be successful. Under Mexican law, exploration, exploitation and processing of minerals are considered of public benefit and therefore have preferential status over any other use of the land. The Company will be guided by legal counsel to seek remedies under that law, which remedies include, but may not be limited to, obtaining occupancy or expropriation of the land.

Also during the quarter, the Company completed the final buyout of the underlying owner for the mineral concessions in its property portfolio including most of the Tejamen Silver Property, part of the San Lucas Property and three other property interests. There are no ongoing obligations or residual royalties payable to, or net profit interests retained by, the former owner of the mineral concessions.

Subsequent to the quarter, the Company announced that it had appointed Ing. Javier Rojas, who has over 40 years of mine development and operating expertise, as project development manager for Tejamen. His expertise will assist with the transition from exploration through development and production at the property.

San Lucas Property, State of Durango

The San Lucas Property ("San Lucas"), located 86 kilometres north of the city of Durango and accessed via paved highway, consists of 18 claims totaling approximately 1,033 hectares. San Lucas consists of a series of northeast trending mineralized shear zones in volcanic and sedimentary rocks.

Background

During fiscal year 2005, the Company drilled 19 reverse circulation drill holes totaling 3,042 metres across one of the mineralized zones. Drill holes, spaced approximately 100 metres apart along the northeast striking structure, indicate a large disseminated gold-silver-lead-zinc system. The mineralization is traced by drilling along a strike length of about 1,700 metres with widths of up to 70 metres. Surface mapping has traced the zone for over 4 kilometres and mineralization is open along strike and to depth. A surface mapping and sampling program was completed in late 2006 on a second sheared and altered system on the property.

First Quarter 2007

During the first quarter of 2007, the Company initiated a 5,000 metre reverse circulation drilling program to test extensions down dip and along trend of mineralization. By the end of the quarter, the Company had completed 2,005 metres of drilling. At the time of this report, the Company had completed 5,000 metres of drilling. No results have been reported from the drill program to date.

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Mezquetal Property, State of Durango

The Mezquetal Silver-lead-zinc Property ("Mezquetal"), located 63 kilometres southeast of Durango, consists of three claims covering approximately 161 hectares. Subsequent to year end, the Company completed the sale of Mezquetal to Canasil Resources Inc. ("Canasil") for 650,000 common shares and 75,000 share purchase warrants. Each warrant entitles the Company to acquire one common share of Canasil at a price of \$0.50 within twelve months of regulatory approval. The TSX Venture Exchange granted regulatory approval of the transaction on January 25, 2007.

Chalchihuites Property, State of Zacatecas

The Chalchihuites Silver-lead-zinc Property, located 100 kilometres southeast of the city of Durango and 100 kilometres northwest of Fresnillo, Zacatecas, consists of four claims totaling 48 hectares. The property, located on the northern end of the Chalchihuites silver producing district, is a veined mantos system that produced high grade silver, lead and zinc. The Company has not performed any field work on the property during the quarter.

El Sol Property, State of Durango

The El Sol Property, located 73 kilometres northeast of the city of Durango, consists of a single claim covering approximately 63 hectares. The high grade silver-lead-zinc system on the property has seen past production. The Company has not performed any field work on the property during the quarter.

Maco Property, State of Sinaloa

The Maco Property, located near San Blas, Sinaloa, is comprised of a single claim covering 5,000 hectares. The claim covers a large area of prospective gold/copper porphyry mineralization. Results of a first quarter 2006, rock chip sampling of a copper-stained cliff are encouraging and further work is planned for fiscal 2007. The Company has not performed any field work on the property during the quarter.

Navidad Property, State of Sonora

The Navidad Property is located in the municipality of Cucurpe, Sonora in northern Mexico. The claim, in the vicinity of the Santa Gertrudis heap-leach operation, covers approximately 134 hectares. Prior information indicates the area is prospective for disseminated gold. The Company completed a preliminary surface sampling program in 2006 but has not performed any field work on the property during the quarter.

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SUMMARY OF AUDITED ANNUAL INFORMATION

The Company is a mineral exploration company with no revenues from operations and no ongoing mining operations. In order to sustain the exploration programs, the Company raises capital primarily through the sale of common shares. Interest income is generated from the investment of surplus cash reserves. The effect of applying the treasury stock method to the Company's loss per share calculations is anti-dilutive. Therefore, basic and diluted losses per share are equal for the periods presented.

The following summary of financial information is taken from the audited annual financial statements of the Company for 2006, 2005 and 2004. The effect of applying the treasury stock method to the Company's loss per share calculation is anti-dilutive. Therefore, basic and diluted losses per share are equal for the years presented.

SELECTED ANNUAL FINANCIAL INFORMATION

(Audited) (Dollars expressed as \$thousands)	Nov 30, 2006	Nov. 30, 2005	Nov. 30, 2004
a) Total revenues	Nil	Nil	Nil
b) Loss before discontinued operations and extraordinary items	\$ (1,446)	\$ (1,012)	\$ (998)
c) Basic and diluted loss per share	\$ (0.02)	\$ (0.04)	\$ (0.05)
d) Net loss for the year	\$ (591)	\$ (1,012)	\$ (998)
e) Basic and diluted loss per-share	\$ (0.02)	\$ (0.04)	\$ (0.05)
f) Total assets	\$ 14,481	\$ 7,839	\$ 7,756
g) Total long-term financial liabilities	Nil	Nil	Nil
h) Cash dividends per share for each class of share	Nil	Nil	Nil

The losses, year over year, reflect the current stage of development of the Company from its initial public offering in fiscal 2003 along with acquisition of the mineral properties through to the sustaining four years of exploration work, primarily on Tejaman. The increase of total assets, year over year, reflects the capitalization of exploration program costs partially offset by declining cash balances used to fund the program.

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SUMMARY OF QUARTERLY RESULTS

The following information is derived from the unaudited interim financial statements of the Company that were prepared by management in accordance with Canadian GAAP.

Period	Revenues	Loss (Income)	Loss (Income) per share
Feb. 28, 2007	Nil	\$ 75,300	\$ 0.002
Nov. 30, 2006	Nil	\$ (98,000)	\$ (0.005)
Aug. 31, 2006	Nil	\$ (103,000)	\$ (0.005)
May 31, 2006	Nil	\$ 581,000	\$ 0.02
Feb. 28, 2006	Nil	\$ 211,000	\$ 0.01
Nov. 30, 2005	Nil	\$ 298,000	\$ 0.01
Aug. 31, 2005	Nil	\$ 256,000	\$ 0.01
May 31, 2005	Nil	\$ 245,000	\$ 0.01
Feb. 28, 2005	Nil	\$ 213,000	\$ 0.01

The Company's expenses are related to the level of activity of the Company. Consequently, relative levels of expenditures may not be predictable, and observable trends may not be meaningful.

FINANCIAL SUMMARY

For the three months ended February 28, 2007, the Company had a loss of \$75,338 (\$0.002 per share). Excluding an unrealized gain of \$217,722 on marketable securities held for resale, the Company had a loss of \$293,060 (\$0.01 per share). This compares to a loss for the comparable quarter ended February 28, 2006 of \$211,418 or \$0.01 per share.

In January 2005, Canadian Institute of Chartered Accountants adopted Handbook sections relating to financial instruments and comprehensive income (see Note 3 of the financial statements), which were adopted by the Company when they came into effect for this fiscal year.

The principal effect of these rule changes on the Company is the requirement that marketable securities held for resale, such as those received from Canasil for the sale of the Mezquetal Property, are required to be revalued at their fair market value as of the date of the financial statements. Accordingly, the unrealized gain of \$217,722 on marketable securities held for resale at February 28, 2007 is reflected in comprehensive income.

Should the fair market value of these securities change in subsequent quarters, the Company will be required to record the additional gains or losses in such periods as are appropriate.

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Expenses were higher during the quarter compared to the first quarter of 2006 due to a revised management structure, new offices and increased shareholder activities. The principal expenses were incurred in the areas of:

- administration and office expenses of \$28,587 (2006 - \$22,883) due to increased staffing to meet head office demands and replace external consultants, and new office space;
- director fees of \$30,000 (2006 - \$18,000) reflecting increased fees implemented mid-year of fiscal 2006 reflecting increased board involvement in order to provide more expertise to the Company;
- management fees and salaries of \$95,355 (2006 - \$32,288) reflecting the addition of management staff to meet the growing needs of the company and replace outside consulting services;
- travel, promotion and entertainment expense of \$34,081 (2006 - \$14,378) due to increased travel to investment conferences, shareholder meetings and for the purposes advancing the Company; and
- shareholder relations costs of \$74,340 (2006 - \$12,252) again reflecting an increased presence at shareholder events, prepaid expenses for conferences, speaking engagements and an investor relations trip to the United Kingdom and Europe.

Reduced expenses were realized with respect to:

- accounting and audit fees of \$7,550 (2006 - \$14,288) due primarily to a reduction in actual and accrued auditing fees in the current quarter; and
- stock-based compensation of \$6,972 (2006 - \$67,886) due to the extension of warrants in the current quarter, and a reliance on share consideration in the prior year.

Interest income of \$52,191 was received in the quarter (2006 - \$2,953) due to funds on hand which are invested in interest bearing instruments.

CAPITAL RESOURCES AND LIQUIDITY

As at February 28, 2007, the Company's working capital was \$4,593,588 (2006 - \$425,011) which included \$4,257,931 in cash and cash equivalents (2006 - \$398,865). Management is of the opinion that these financial resources are sufficient in order to fund the Company's ongoing level of corporate activities, mineral exploration, and required property commitments for the next twelve months; however, management anticipates that additional funds will be raised prior to depleting the funds on hand. The Company's cash requirements are not exact projections and may change due to future circumstances. In the event of any changes the Company may require additional funding above current estimates. As a mineral exploration company, the Company is reliant upon equity financings to fund its exploration activities. However,

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there can be no assurance that debt facilities or additional equity financings will be available when required or at terms that are favourable to the Company.

OFF-BALANCE-SHEET ARRANGEMENTS

As at February 28, 2007 and as of the date of this report, the Company had no off-balance-sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Funds for the budgeted mineral property exploration program in Mexico were advanced to Minera Montana, a company controlled by a director and officer of the Company. Minera Montana was contracted to provide and manage the exploration programs conducted in Mexico. Amounts paid to third parties by Minera Montana were reimbursed at cost. Charges for equipment rentals and drilling services provided by a company controlled by one director were charged at market rates.

During the quarter the Company advanced approximately \$1,288,600 to Minera Montana for future exploration expenditures and to make the remaining two property acquisition payments (approximately \$1,085,800).

On November 30, 2003, the Company entered into an agreement for the provision of management and geological consulting fees from a company controlled by an officer and director for compensation of US\$9,000 per month. On May 31, 2005, that compensation was reduced to US\$5,400 per month due to the financial position of the Company. On May 11, 2006, the contract was amended to the original terms of US\$9,000 per month.

ACTUAL AND PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates mineral properties for either acquisition or disposal. As of the date of this report, the sale of Mezquetal has received regulatory approval and is being completed.

CHANGES IN ACCOUNTING POLICIES

In January 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 3855, Financial Instruments – Recognition and Measurement, and 1530, Comprehensive Income. These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. Accordingly, comparative amounts for prior periods are not restated. The Company has adopted these new standards effective December 1, 2006.

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and equivalents, amounts receivable, accounts payable, and amounts due to related parties. The fair value of these instruments approximates their carrying value due to their short-term maturity.

Cash equivalents include money-market investments and term deposits where maturity is less than 90 days or that may be liquidated at the Company's option without significant penalty. The Company is not exposed to significant credit or interest rate risk.

The purchase of the drill rig announced during the quarter also included a buy-back provision for the operator, who is a related party. Under Canadian GAAP as a result of the buy-back provision, the rig is considered to be a financial instrument. The Company is effectively amortizing the cost of the rig, net of the expected buy back amount, over the life of the anticipated drill programs based on a per metre rate (see Note 6 of the financial statements).

INCENTIVE SHARE OPTION PLAN

On May 11, 2006, shareholders approved the Company's Incentive Share Option Plan ('the Plan'). Under the Plan, in compliance with the rules of the TSX Venture Exchange, the Company may grant share purchase options up to 10% of the issued and outstanding common shares or such greater number as may be approved from time to time by the shareholders of the Company.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at February 28, 2007, the Company had 37,082,325 common shares issued and outstanding (see Note 8 of the financial statements). There are no other classes of shares authorized to be issued. As of the date of this report, the Company had 37,082,325 shares outstanding.

As at February 28, 2007 and as of the date of this report, the Company had 2,025,000 share purchase options outstanding at various exercise prices and maturing at various future dates. As at the date of this report, the Company had 2,175,000 share purchase options outstanding at various exercise prices and maturing at various future dates.

On February 14, 2007, the expiry date of 700,000 warrants that were issued as part of a September 2005 private placement was extended by three months from March 21, 2007 to June 21, 2007.

As at February 28, 2007, 35,000 warrants were exercisable at a price of \$0.65 until March 20, 2007, 700,000 warrants were exercisable at a price of \$0.65 until June 21,

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2007, and 4,666,667 warrants were exercisable at \$0.95 until November 19, 2007. As of the date of this report, the Company had 5,366,667 share purchase warrants outstanding.

On a fully diluted basis, if all of these options and warrants were exercised, a total of 44,473,992 shares would be issued and outstanding. As at the date of this report if all of these options and warrants were exercised, a total 44,623,992 shares would be issued and outstanding on a fully diluted basis.

INVESTOR RELATIONS

During the quarter, the Company did not engage the services of any independent consultants to provide investor relations services. Subsequent to the quarter, the Company has engaged the services of an independent consultant to provide investor relations services.

RISKS AND UNCERTAINTIES

By its very nature, the business of mineral exploration and extraction involves a high degree of risk. The Company competes with other mining enterprises, some of which have greater financial resources, for the acquisition of mineral concessions. The Company is at risk to fluctuations in precious metal prices, the interest of investors and the availability of contractors. These factors impact upon the Company's ability to finance its programs and to carry on operations.

Mineral development involves a high degree of risk as very few properties warrant the considerable expenditures required to initially substantiate their reserves and then to develop them into production. Consequently, very few properties are ever developed into producing mines. At present, none of the Company's properties has a known body of commercial ore and the Company has no mineral reserves. However, a NI 43-101 compliant Technical Report prepared by Wardrop Engineering Inc. and released by the Company in April 2006 identified an Inferred Mineral Resource of 50.8 million ounces of silver in 22.6 million tonnes grading 69.8 grams per tonne of silver-equivalent at Tejaman.

A subsequent NI 43-101 compliant technical report, prepared by Snowden Mining Industry Consultants and released by the Company in October 2006, concluded that the project could support a 10,000 tonne per day, heap-leach and open-pit mining operations with a net present value of US\$58.6 million at a silver price of US\$10.00 per ounce and US\$97.4 million at a silver price of US\$12.00 per ounce.

The Company requires additional approvals from both local and federal government authorities to continue its drilling programs. Accordingly, there are potential future political and legal risk implications should the project advance to a commercial production stage.

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The development of Tejaman may eventually require that the village of Tejaman be moved in accordance with Mexican law. While there are a number of precedents for such a move, the cost and timing of a move are not determinable at this time. The Company believes that it may be feasible to delay the move of the village by commencing production in the larger mineralized zone south of the village.

The Company's mineral properties are all located in Mexico. As a result, the Company is subject to geographical and political risks including currency fluctuations, possible political and economic instability and logistical issues. The mineral exploration activities expose the Company to potential environmental liabilities relating to the reclamation of property in accordance with Mexican laws and regulations.

There is no guarantee that title to the properties in which the Company has an interest will not be challenged. These mineral interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. As of the effective date, management is not aware of any impediment to the Company's rights to the ownership to these properties.

The recoverability of amounts capitalized for the Company's properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange economically appropriate financing to complete the development of its properties, relevant metal prices, sufficient global and regional demand, and future profitable production.

FORWARD-LOOKING STATEMENTS AND ESTIMATES

Certain statements made herein, other than those statements of historical fact, may constitute forward-looking statements. These include, but are not limited to, statements respecting anticipated business activities, planned expenditures, corporate strategies, investigation and acquisition of new projects. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the beliefs, opinions and estimates of management at the date the statements are made, and these by their inherent nature entail various risks, uncertainties and other unknown factors. Consequently, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading Risk Factors elsewhere in this MD&A. Therefore, the reader is cautioned not to place undue reliance on forward-looking statements. Further, the Company disclaims any obligation or intention to update or to revise any forward-looking statement, whether as a result of new information, future events, or otherwise except as may be required under applicable securities legislation.

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This MD&A contains references to estimates of mineral resources. By its very nature, the estimation of resources is uncertain and involves subjective judgments about many factors. The accuracy of any such estimates is a function of the quality and quantity of available data, the assumptions made and of the judgments used in the engineering and geological interpretations, all of which may ultimately prove to be unreliable. There can be no assurance that these estimates will be accurate or that such mineral resources can be mined and/or processed profitably. Mineral resources that do not meet the strict definition for mineral reserves do not have any demonstrated economic viability.

DISCLAIMER

The information contained within this discussion, by its very nature, is not a thorough summary of all matters and developments concerning the Company. This information should be considered with all of the disclosure documents of the Company. The information contained herein is not a substitute for a detailed investigation or an analysis of any issue related to the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

CORPORATE DISCLOSURE PRACTICES AND POLICIES

The Company maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. The Board of Directors has the responsibility to understand the principal risks of the business of the Company and to confirm that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Company. The Chair of the Board is an unrelated outside director. Committees of the Board presently consist of an Audit Committee, a Compensation and Nominating Committee and a Corporate Governance Committee. The Audit Committee consists of three unrelated outside directors. The role of the Audit Committee is to review the Company's financial statements and the financial disclosure that is publicly disseminated, to review the systems of internal controls, and to monitor the performance and the independence of the Company's external auditors. The Compensation and Nominating Committee consists of three unrelated outside directors and one related director. The role of the Compensation and Nominating Committee is to recommend levels of executive compensation and to identify and to recommend to the Board the new director nominees at each annual meeting of the shareholders. The Corporate Governance Committee consists of three unrelated outside directors. The role of the Corporate Governance Committee is to monitor the effectiveness of the Board of Directors and of the Board Committees.

Pursuant to new certification requirements for financial reporting, the Company and its management have designed and have in place disclosure controls and procedures that it believes are necessary to provide reasonable assurance that material information has been made available to management in preparation of its quarterly filings. In addition, management has determined that such controls and procedures are working effectively.

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There have been no changes in the issuer's internal controls with respect to financial reporting during the period.

OTHER INFORMATION

The Company's web site address is www.oremex.com. Other information relating to the Company can be found on SEDAR at www.sedar.com. The Company is listed on the TSX Venture Exchange with the trading symbol **ORM**.

AUTHORITY

On April 25, 2007 the Board of Directors of the Company approved the unaudited financial statements of the Company for the three months ended February 28, 2007 and the disclosure contained within this MD&A.