BARSELE MINERALS CORP.
INTERIM REPORT TO SHAREHOLDERS
For the Three Months Ended July 31, 2015
(Expressed in Canadian Dollars – Unaudited)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JULY 31, 2015

Dated: September 28, 2015

Management's Responsibility for Financial Reporting:

The accompanying financial report for the three months ended July 31, 2015 has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the annual financial report.

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

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

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

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

Description of Business:

The Company is engaged primarily in the acquisition and exploration of exploration and evaluation mineral properties.

Results of Operations for the Three Months Ended July 31, 2015 and 2014:

The Company is in the business of exploring for precious metal deposits. The Company has no producing properties and consequently no sales or revenue from operations. The Company has not conducted any operating activities for the three months ended July 31, 2015.

(Expressed in Canadian Dollars – Unaudited)

Selected Annual Financial Information:

		For the Year Ended April 30, 2015	For the Year Ended April 30, 2014	For the Year Ended April 30, 2013
Total revenues		Nil	Nil	N/A
Loss and comprehensive loss for the year:				
(i)	total for the year	$ -	$ -	N/A
(ii)	loss per share – basic and diluted	-	-	N/A
Net loss:				
(i)	total for the year	-	-	N/A
(ii)	loss per share – basic and diluted	-	-	N/A
Total assets		1	1	N/A
Total long-term financial liabilities		-	-	N/A
Cash dividends declared per-share		Nil	Nil	N/A

Selected Quarterly Financial Information:

	Revenues	(Loss) Gain for the period	(Loss) Gain per share
1st Quarter ended July 31, 2015	Nil	$-	$-
4th Quarter ended April 30, 2015	Nil	$-	$-
3rd Quarter ended January 31, 2015	Nil	$-	$-
2nd Quarter ended October 31, 2014	Nil	$-	$-
1st Quarter ended July 31, 2014	Nil	$-	$-
4th Quarter ended April 30, 2014	Nil	$-	$-
3rd Quarter ended January 31, 2014	Nil	$-	$-
2nd Quarter ended October 31, 2013	Nil	$-	$-
1st Quarter ended July 31, 2013	Nil	$-	$-

Outstanding Share Data:

The Company had 1 common share issued and outstanding at a price of $1.

Liquidity:

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

As per note 4 of the notes to the condensed interim financial statements, the Company expects to receive $500,000 on completion of the arrangement, which is expected to fund all of its corporate sustaining costs for the next two years. Further, the joint venture operator is committed to fund up to US $7,000,000 in exploration expenditures over this period.

Corporate Summary:

Capital Resources:

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

There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

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

Related Party Transactions:

The Company did not have any transactions with related parties and key management personnel during the three months ended July 31, 2015.

Changes in Accounting Polices Including Initial Adoption:

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018.

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).

Financial and Capital Risk Management (continued):

(a) Fair value of financial instruments

The Company's financial instruments include cash. Cash is carried at fair value using a level 1 fair value measurement.

(b) Concentrations of business risk

The Company maintains its cash with a major Canadian financial institution. The Company believes its business risk is low because it has a minimal cash balance and conducted no operating activities for the three months ended July 31, 2015.

(c) Credit risk

The Company believes it is not exposed to credit risk as its only asset is cash.

(d) Liquidity risk

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

The Company believes its liquidity risk is low because it has no liabilities as at July 31, 2015.

(e) Foreign exchange risk

The Company's exposure to foreign currency risk is on its cash. At July 31, 2015, the Company had a cash balance of $1, therefore, the Company believes its foreign exchange risk is low.

(f) 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.

(g) Price risk

The Company believes its price risk is low

(h) 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 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.

Events after the Reporting Date:

Subsequent to July 31, 2015, the Company has a proposed plan of arrangement (the "Arrangement") involving Orex, the Company, a wholly-owned subsidiary of Orex, and the security holders of Orex Shareholders. The Arrangement is primarily being conducted in order for Orex to spin out its 45% interest in Gunnarn Mining AB ("Gunnarn"), the corporate entity which owns 100% of the Barsele Gold Project ("Barsele Project") in Sweden to the Company, which will be a separate publicly-listed company following completion of the Arrangement.

Under the Arrangement, the security holders of Orex will be entitled to receive:

- for each Orex Share held, one new common share of Orex (a "New Common Share") and one common share of the Company (a "the Company Share");
- for each unexercised option to purchase Orex Shares, one fully-vested option to purchase from Orex one New Common Share and one fully-vested option to purchase from the Company one the Company Share, each with adjusted exercise prices to reflect the respective valuations of Orex and the Company; and
- for each unexercised warrant to purchase Orex Shares, one warrant to purchase from Orex one New Common Share and one warrant to purchase from the Company one the Company Share, each with the same exercise price as the Orex Warrant for which such warrants are exchanged.

As a result of the Arrangement, the Company will hold Orex's 45% interest in the Barsele Project, which is subject to a joint venture with Agnico Eagle Mines Limited, and Orex will retain the other mineral assets currently held by Orex, including the Sandro Escobar project, Los Crestones Project and Coneto Project in Mexico and the Jumping Josephine Project in British Columbia, Canada. Upon completion of the Arrangement, each Orex Shareholder will retain its respective interest in Orex and hold a proportional interest in the Company.

Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.