

# **BARSELE MINERALS CORP.**

## **Condensed Interim Financial Statements (Expressed in Canadian Dollars - Unaudited)**

**July 31, 2015**

### **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 interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

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

**BARSELE MINERALS CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
As at  
(Expressed in Canadian Dollars - Unaudited)

	July 31, 2015	April 30, 2015
<b>ASSETS</b>		
<b>Cash</b>	\$ 1	\$ 1
<b>Shareholder equity</b>		
Share capital (Note 3)	\$ 1	\$ 1

**Nature and continuance of operations** (Note 1)  
**Subsequent event** (Note 4)

**Approved and authorized by the board on September 28, 2015**

<u>/s/ Gary Cope</u>	Director	<u>/s/ Rick Sayers</u>	Director
Gary Cope		Rick Sayers	

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

**BARSELE MINERALS CORP.**  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED JULY 31, 2015  
(Expressed in Canadian Dollars - Unaudited)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Barsele Minerals Corp. (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on February 20, 2013 and is a wholly-owned subsidiary of Orex Minerals Inc. (“Orex”).

The head office of the Company is located at Suite 1130 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

Orex is in the process of completing an arrangement as described in Note 4 that will result in the Company holding a 45% interest in Gunnarn Mining AB which holds title to various exploration properties located in Sweden.

These financial statements reflect the financial position of the Company as at July 31, 2015 and April 30, 2015. The Company has not conducted any operating activities for the periods ended July 31, 2015 and 2014 and accordingly no statements of operations, cash flows or changes in shareholders’ equity have been presented.

While this financial statement has been prepared on a going concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business, there are conditions that cast significant doubt on the validity of this assumption. The Company has no sources of funding and its business and arrangement disclosed in Note 4 are dependent on approvals by the shareholders of Orex, applicable regulatory authorities and the Supreme Court of British Columbia.

**2. BASIS OF PREPARATION**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended April 30, 2015. These condensed interim financial statements should be read in conjunction with the audited financial statements, and the notes thereto, for the year ended April 30, 2015 which were included in the information circular of Orex Minerals Inc. in connection with the spin-out transaction of the Company from Orex and are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

**3. SHARE CAPITAL**

The Company’s authorized share capital consists of an unlimited number of common shares without par value.

Upon incorporation on February 20, 2013, the Company issued one common share at a price of \$1.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED JULY 31, 2015  
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**4. SUBSEQUENT EVENT**

Subsequent to July 31, 2015, The Company entered into an arrangement agreement with Orex, pursuant to which, among other things, Orex will transfer to the Company: (i) Orex's 45% interest in the Barsele Gold Project located in Sweden (the "Barsele Project"); (ii) \$500,000 in cash; and (iii) all of Orex's right, title and interest in and to, and all of its benefits and obligations under, the joint venture agreement (the "JV Agreement") dated June 11, 2015 among Orex, Agnico Eagle Sweden AB and certain other parties, in exchange for common shares of the Company (the "Barsele Shares") and subsequently distribute (the "Spinout") all of the issued and outstanding Barsele Shares to the shareholders of Orex (the "Orex Shareholders").

The Spinout will be effected by way of a court-approved plan of arrangement (the "Arrangement") between Orex and the Company. The Arrangement is subject to applicable regulatory approvals, including the approval of the TSX-V, and the satisfaction of certain closing conditions customary for a transaction of this nature. Pursuant to the Arrangement, Orex Shareholders will receive one new common share of Orex (a "New Orex Share") and one Barsele Share in exchange for each common share of Orex (an "Orex Share") held by such Orex Shareholder immediately before completion of the Arrangement.

Under the Arrangement, each outstanding option of Orex to purchase an Orex Share will be exchanged for one new option of Orex to purchase a New Orex Share and one option of the Company to purchase a Barsele Share, with the respective exercise prices of the newly issued options adjusted to reflect the values of Orex and the Company, respectively, immediately after completion of the Arrangement. Also, under the Arrangement, each outstanding warrant of Orex (an "Orex Warrant") to purchase an Orex Share will be exchange for one new warrant of Orex to purchase a New Orex Share and one warrant of the Company to purchase a Barsele Share, with the exercise prices of the newly issued warrants being equal to the exercise prices of the Orex Warrants for which such warrants were exchanged. On completion of the Arrangement, Orex Shareholders will maintain their interest in Orex and will obtain a proportionate interest in the Company, with Orex Shareholders holding all of the issued and outstanding Barsele Shares immediately upon completion of the Arrangement. After completion of the Arrangement, the Company will hold and operate Orex's 45% interest in the Barsele Project.