

OREX EXPLORATION INC.

MANAGEMENT INFORMATION CIRCULAR

GENERAL ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 2, 2004

Solicitation of Proxies by Management

This circular relates to the solicitation by the management of Orex Exploration inc. (the " Company ") of proxies to be used at the General Annual Meeting (the " Meeting ") of the Company to be held at the time, place and for the purposes indicated in the enclosed Notice of General Annual Meeting and any adjournment thereof. This solicitation of proxies will be done by the directors by mail, telecopier and email and the cost will be borne by the Company.

Appointment of Proxies

The persons mentioned in the enclosed form of proxy herewith are officers of the Company. A shareholder has the right to appoint a proxy to represent him at the Meeting other than the persons whose names appear as proxy on the enclosed form of proxy by striking out the names printed on the form of proxy and inserting the name of the proxy of his own choice in the blank space provided therein. A person appointed as proxy need not be a shareholder of the Company. The completed form of proxy must be delivered to the registrar and transfer agent of the Company, National Bank Trust, 1100 University Street, Suite 900, Montreal, Quebec, H3B 2G7 or by facsimile transmission to number 514-871-7434, in each case no later than December 1, 2004 or filed with the Chairman of the Meeting, on the day of the Meeting but prior to the Meeting.

Revocation of a Proxy

A shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or its agent duly authorized in writing or, if the shareholder is a corporation, by an officer duly authorized in writing, and deposited either (i) at the head office of the Company, the last business day before the Meeting or the date of resumption in case of adjournment, or (ii) at the office of the registrar and transfer agent of the Company, National Bank Trust, 1100 University Street, Suite 900, Montreal, Quebec, H3B 2G7, at the latest of December 1, 2004 or two business days preceding the date of resumption if the Meeting is adjourned, or (iii) hand over to the Chairman of the Meeting before the Meeting or any adjournment thereof. Only registered shareholders may revoke a proxy in the manner described above. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.

Discretionary Power Conferred by the Proxies

The voting rights conferred by the Common Shares for which a proxy has been given through a form of proxy duly signed in favour of the persons designated therein will be exercised or withheld from voting in accordance with the instructions indicated herein. If no instructions are specified, the voting rights attached to the Common Shares will be exercised by those persons designated in the form of proxy For the election of the management nominees as directors and For the appointment of auditors and the authorization to fix their remuneration.

The enclosed form of proxy confers discretionary power with respect to any amendment pertaining to the matters identified in the Notice of General Annual Meeting and to any other matters which could be properly brought before the Meeting. At the date hereof, the management of the Company has no knowledge of any amendment whatsoever nor of any other questions that could be brought before the Meeting.

Voting Securities and Principal Holders

The authorized capital stock of the Company consists of an unlimited number of Common Shares.

As at September 30, 2004, 51,799,866 Common Shares of the Company were issued and outstanding. Each Common Share gives the right to one vote at the Meeting. The record date to determine the shareholders entitled to receive notice of, and vote at the Meeting or any adjournment thereof has been fixed at October 26, 2004.

As at September 30, 2004, to the knowledge of the officers of the Company, the only persons exercising control or direction over more than 10% of the voting rights attached to all classes of shares of the share capital of the Company are as follows :

<u>Name of Shareholder</u>	<u>Number of Common Shares held</u>	<u>Percentage of Class</u>
Jacques Levesque	11,961,264	23.1%
CDS & Co	39,734,928	76.7 %

To the best of the knowledge of the officers of the Company, CDS & Co acts in this respect as nominee for a large number of shareholders, none of whom owns more than 10% of the issued and outstanding Common Shares of the Company.

Election of Directors

Pursuant to the general by-laws of the Company, the term of office of each director elected at the Meeting shall end at the date of the next annual meeting following his election or nomination or at the date of the election or nomination of his successor, unless he resigns or his office becomes vacant through death or any other reason in accordance with the by-laws of the Company.

The persons named in the enclosed form of proxy will vote IN FAVOUR of the election of the management nominees whose names are listed below, unless the shareholder signatory of the proxy has indicated his will to abstain from voting regarding to this matter.

Management of the Company does not contemplate that any of the nominees will, for any reason, become unable or unwilling to serve as a director. However, if any change should occur prior to the Meeting, the persons named in the form of proxy reserve the right to vote for other nominees of their choice.

All the nominees were elected at a precedent annual meeting for which an information circular including the complete description of their occupation was sent to the shareholders, except David Hachette and Michel Larocque. Mr. Hachette is a geologist graduated from St-Francis Xavier University (Nova-Scotia) in 1985. He is currently acting as principal software quality assurance engineer for information and technology companies. Mr. Larocque is a financial advisor. He works actually and for the last five years for the private company Services Financiers Lamy Inc. as president.

<u>Name and Principal Occupation</u>	<u>Office held within the Company</u>	<u>Director Since</u>	<u>Number of Common Shares Owned Directly or Indirectly, as of September 30, 2004</u>
Jacques Levesque (1)(2) Rouyn-Noranda, Qc Chartered accountant, Income tax specialist	President and Director	December, 1991	11,961,264
Guy Faucher (2) Boucherville, Qc Chartered accountant	Director	December, 1991	452,584

<u>Name and Principal Occupation</u>	<u>Office held within the Company</u>	<u>Director Since</u>	<u>Number of Common Shares Owned Directly or Indirectly, as of September 30, 2004</u>
Claude Poulin (2) Rouyn-Noranda, Qc Chartered accountant, Income tax specialist	Director	December, 1999	101,000
David Hachette Darmouth, Nova-Scotia	Director	October 2004	1,000
Michel Larocque Beloeil, Qc Financial advisor	Candidate	-	164,500

- (1) Jacques Levesque is the sole director and shareholder of 2541-8203 Quebec inc. which holds 10,290,520 Common Shares. Mr. Levesque holds, directly and indirectly, approximately 23.1% of the issued shares of the Company.
- (2) Member of the Audit Committee.

In the ten (10) years prior to the date of this circular, the proposed directors mentioned above have not been personally, and have not been a director or officer of any company that has been the subject of any cease trade order or similar order for more than 30 consecutive days and have not been declared bankrupt or made a voluntary assignment or proposal with respect to bankruptcy or insolvency, or been subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Executive Compensation

During the financial year ended June 30, 2004, the Company has not paid any salary, bonus, compensation or benefit to its directors and officers. The Company has only one «Named Executive Officer», being Jacques Levesque, as this expression is defined in Form 51-102F6 of Regulation 51-102 respecting continuous disclosure obligations. Jacques Levesque, president, is also the chief financial officer.

Summary Compensation Table

Name and Principal Position	Years	Annual Compensation			Long-Term Compensation			All Other Compensation
		Salary	Bonus	Other Annual Compensation	Awards		Payouts	
					Securities Under Options/SARs Granted	Shares or Units Subject to Re-sale Restrictions	LTIP Payouts	
	(\$ (1))	(\$)	(\$)	(2)	(\$)	(\$ (3))	(\$)	
Jacques Levesque President	2004	78,000	0	0	850,000	0	0	0
	2003	78,000	0	0	0	0	0	0
	2002	78,000	0	0	0	0	0	0

- (1) Paid to private companies whose shareholder is the president of the Company, as professional fees, rental expenses for office and equipments and others.
- (2) Other than the stock options that may be granted by the Company pursuant to its stock option plan. The Company has not granted any stock appreciation right (SAR) to its directors and officers.
- (3) The Company has no long-term incentive plan (LTIP).

Options Granted During the Most Recently Completed Financial Year

The following table indicates the stock options granted to the only Name Executive Officer of the Company pursuant to its Stock Option Plan during the financial year ended June 30, 2004.

Name	Securities, Under Options Granted (#)	Percent of Total Options Granted in Financial Year	Exercise Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Securities)	Expiration Date
Jacques Levesque President	850,000	50 %	0.10	0.045	October 28, 2008

Options Exercised During the Most Recently Completed Financial Year

The following table indicates the options exercised and option value for the only Named Executive Officer of the Company for the financial year ended June 30, 2004.

Name	Securities, Acquired on Exercise	Aggregate Value Realized (\$)	Unexercised Options at FY-End Exercisable/Unexercisable	Value of Unexercised in-the-Money Options at FY-End (\$) Exercisable/Unexercisable
Jacques Levesque President	0	0	1,385,000 / 0	0 / 0

Directors Compensation

The directors did not receive any remuneration in their capacity as directors of the Company during the financial year ended June 30, 2004.

Employment Agreements

There are no employment agreement between the Company and its officers and there is no remuneration plan that could apply in the case of a dismissal, retirement, or any other reason for the end of employment with the Company or following a change of control or a change in the responsibilities of the officers in reason of a change of control of the Company.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table gives certain information as of June 30, 2004, being the Company's most recently completed financial year, with respect to compensation plan under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in a)
Equity compensation plans approved by security holders	2,345,000	0.15 \$	3,655,000
Equity compensation plans not approved by security holders	None	-	-

Pursuant to the stock option plan (the «Option Plan») approved by the shareholders at the special and annual meeting of December 15, 1995, the Company may, from time to time, grant to eligible directors, officers, employees and consultants of the Company options to acquire common shares of the Company in such number, at such exercise prices, and for such terms as may

be determined by the board. The maximum number of common shares that may be reserved for issuance under the Option Plan is 6,000,000 common shares.

The exercise price may not be lower than the closing price of the common shares on the last working day prior to the grant of the options. The maximum number of common shares which may be reserved for issuance to any one person pursuant to stock options during a twelve-month period may not exceed 5% of the common shares outstanding at the time of grant (on a non-diluted basis). The maximum number of common shares which may be reserved for issuance to all insiders of the Company pursuant to the Option Plan may not exceed 10% of the common shares outstanding at the time of grant (on a non-diluted basis).

All options must be exercised no later than ten years after the date of the grant and they are not transferable other than by will or by the laws of descent and distribution. If an optionee cease to be an eligible person for any reason other than death, each option held by such optionee will be exercisable during the ninety-day period following the date on which such optionee ceases to be an eligible person but only up to and including the original option expiry date.

Indebtedness of Directors and Executive Officers

As of June 30, 2004, no director, executive officer, employee or previous directors, executive officer or employee of the Company was indebted to the Company in regard with the purchase of securities of the Company or for any other reason.

Interest of Officers and other Persons in Material Transactions

No insider or proposed director of the Company, nor any associate or affiliate of any informed person or proposed director, has or had, directly or indirectly, any material interest in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except what is disclosed in this circular.

For the financial year ended June 30, 2004, the Company has incurred rental expenses for office and equipments and professional fees for a total amount of \$78,000 with companies whose shareholder is the president of the Company. Ms. Julie Godard, corporate secretary of the Company, has rendered professional services to the Company as legal counsel; in 2004, the Company has paid her an amount of \$30,000 for professional services incurred during the financial year and for the three previous financial years. Management considers that these transactions were concluded in the ordinary course of business of the Company.

Audit Committee

Audit Committee's Charter

The Audit Committee has the general responsibility to review and make recommendations to the Board of Directors on the approval of the Company's annual and interim financial statements, the Management Discussion and Analysis and the press releases relating to financial information. More particularly, it has the mandate to:

- i) oversee all the aspects pertaining to the process of reporting and divulging financial information, the internal controls and the insurance coverage of the Company;
- ii) oversee the implementation of the Company's rules and policies pertaining to financial information and internal controls and to insure that the certification process of annual and interim financial statements is conformed with the applicable regulations; and
- iii) evaluate and supervise the risk control program and review all related party transactions.

The Audit Committee makes sure that the external auditors are independent from management. The Committee reviews the work of outside auditors, evaluate their performance, evaluates their remuneration and makes recommendations to the Board of Directors. The Committee also authorizes non related audit work.

Composition of the Audit Committee

The Audit Committee is composed of Jacques Levesque, Guy Faucher and Claude Poulin, directors of the Company, of which only one is considered not independent. All members, by their experience and formation, are financially literate.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, it has not relied on exemptions in section 2.4 (De Minimis Non-audit Services) and under Part 8 (Certain exemptions) of the Regulation 52-110 on the Audit Committee («The Regulation»).

External Auditor Service Fees

	<u>2003</u>	<u>2004</u>
a) Audit Fees For the Financial Year ended June 30	\$4,000	\$4,000
b) Audit-related Fees Audited Financial Statements June 30	\$0	\$0
c) Tax Fees	\$0	\$0
d) All Other Fees	\$0	\$750

Exemption

The Company may use the exemption of Section 6 of the Regulation, which exempts the venture issuers of the application of certain dispositions of the Regulation concerning the composition of the audit committee and of certain disclosure obligations.

Appointment of Auditors

Samson Belair Deloitte & Touche LLP are the Auditors of the Company from their office in Rouyn-Noranda.

The persons named in the enclosed form of proxy will vote IN FAVOUR of the appointment of Samson Belair/Deloitte & Touche LLP as Auditors and the authorization to the Board of Directors to fix their remuneration, unless the shareholder signatory of the proxy has indicated his will to abstain from voting regarding to this matter.

Statement of Corporate Governance Practices

The Company's actual corporate governance policies take into account characteristics specific to a junior exploration company.

The Board of Directors of the Company is actually composed of a majority of unrelated directors. An unrelated director is a director who is independent from the Board having no interest or business relationship with it, but excluding interests or relationships simply related to his share ownership which are likely to significantly harm his capacity to act in the Company's best interests or which are reasonably likely to be perceived as having this effect. In the opinion of the Company's Board of Directors, only Mr. Jacques Levesque may not be considered unrelated.

The Board of Directors has the responsibility to supervise the management of the Company, to implement the Company's policies and to review its performance. However, the Board of Directors is not involved in the day to day operations. Such operations are conducted by Company's management, more specifically the President.

In addition, the mandate of the Board of Directors covers the overseeing, assessing and reviewing, on an ongoing basis, of the Company's business plans including: (i) the strategic planning process; (ii) business development initiatives; (iii) the integrity of the internal control systems; (iv) the principal risks arising from business activities; and (v) the shareholders' communications

policies, including the disclosure of quarterly and annual results and other material information. Given that the Company has no employee and generally has not had any material commercial activities during the last year, the aforementioned functions have not been prioritized.

The Board of Directors has appointed an Audit Committee constituted of three members, of which two are external and unrelated. See the headings «Audit Committee» above.

The Board of Directors does not have a corporate governance committee. The corporate governance issues are approved by all members of the Board during its meetings.

Due to the fact that the directors and officers of the Company do not receive any remuneration, as such, the Company doesn't have a Compensation Committee.

The Board hasn't appointed a committee responsible to propose new nominees for the Board and to evaluate the directors on a regular basis. Until now, the nominees have been recruited solely by members of the Board and have been discussed between themselves before they are presented to the Board. The Company does not have a formal process of orientation and education for new members of the Board. The Board is also responsible for the appointment of officers.

The Company's shareholder communication policy is to ensure timely disclosure of all material information concerning the Company and its business, in conformity and subject to the requirements applicable under securities laws.

Additional Information

Financial information on the Company is included in its financial statements and the notes for the financial year ended June 30, 2004. These documents and other financial information on the Company may be obtained on SEDAR at www.sedar.com. Shareholders may also contact the corporate secretary (no: 819-797-4354) to request copies of the Company's financial statements and Management Discussion and Analysis.

Approval of Management Proxy Circular

The contents of this Management Proxy Circular and the sending of the circular to the shareholders have been approved by the Board of Directors of the Company.

Rouyn-Noranda, October 15, 2004

The President,

(S) Jacques Levesque

Jacques Levesque