

OREX EXPLORATION INC.

MANAGEMENT INFORMATION CIRCULAR

GENERAL ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 29, 2007

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 of shareholders (the " Meeting ") of the Company to be held at the time, place and for the purposes indicated in the enclosed Notice of 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 received by the registrar and transfer agent of the Company, Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by facsimile transmission to number 1-866-249-7775, in each case no later than March 27, 2007 or filed with the Chairman of the Meeting, on the day of the Meeting but prior to the Meeting.

A Non-Registered Shareholder who wish to appoint another person to represent him at the Meeting shall carefully follow the instructions of it's intermediary, including those regarding when and where to send the voting instruction form or proxy is to be delivered with directions concerning the appointment of another person to represent him at the Meeting.

Revocation of a Proxy

A registered 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, Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at the latest of March 27, 2007 or 48 hours before 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, in a reasonable delay, 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 at the Meeting 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, For the appointment of auditors and the authorization to the Board to fix their remuneration and For the amendment of the release conditions of the escrowed shares of the Company.

The enclosed form of proxy confers discretionary power with respect to any amendment pertaining to the matters identified in the Notice of General Annual and Special 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.

Exercise of Voting Rights by Non-Registered Shareholders

If you are a Non-Registered Shareholder (that is, if your shares are registered in the name of an intermediary such as a securities broker, clearing agency, financial institution, trustee or custodian), **you should carefully follow the instructions on the request for voting instructions or form of proxy that you receive from the intermediary, in order to vote the shares of the Company that you hold with that intermediary.** Non-Registered Shareholder should follow the voting instructions provided to them by their intermediary.

The Non-Registered Shareholder, who wishes to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), should insert his own name (or such other person's name) in the blank space provided in the request for voting instructions or form of proxy to appoint himself (or such other person) as proxy holder and then follow his intermediary's instructions for returning the request for voting instructions or proxy form.

Voting Securities and Principal Holders

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

As at February 21, 2007, 64,000,165 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 February 21, 2007.

As at February 21, 2007, to the knowledge of the officers of the Company, the only person 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 is Jacques Levesque, holding 12,590,264 common shares, representing approximately 19.7% of the outstanding shares of the Company.

As the date hereof, the directors and officers, as a group, own beneficially, directly or indirectly, 13,734,848 common shares of the Company, representing approximately 21.5% of the outstanding shares.

AGENDA OF THE MEETING

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 for Jean Lafleur.

Mr. Lafleur received his B.Sc. and M.Sc. degrees in Geology from the University of Ottawa.

He has more than 25 years of experience in various capacities (nationally and internationally) within the mineral exploration field, including company, project and property evaluations and audits, project planning and execution, supervision and management, and resource estimations with a wide range of industry-leading companies, such as Newmont, Falconbridge and Placer Dome, and was instrumental in the discovery of new ore reserves on gold projects in the Val-d'Or and Malartic Mining camps.

Mr. Lafleur is currently a Mineral Exploration and Management Consultant. He is currently a Board member of Eoro Resources Ltd., NioGold Mining Corporation, Pershimco Resources, Typhoon Exploration, and Champion Minerals.

<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 February 21, 2007</u>
Jacques Levesque (1)(2) Rouyn-Noranda, Qc President of the Company	President and Director	December, 1991	12,590,264
Guy Faucher (2) Boucherville, Qc Chartered accountant	Director	December, 1991	902,584
Claude Poulin (2) Rouyn-Noranda, Qc Chartered accountant, Income tax specialist	Director	December, 1999	211,000
David Hatchette Darmouth, Nova-Scotia Software Quality Assurance Engineer	Director	October 2004	31,000
Jean Lafleur Laval, Qc B.Sc and M.Sc in Geology Geological and Management Consultant	Candidate	N/A	0

(1) Jacques Levesque is the sole director and shareholder of 2541-8203 Quebec inc., 2527-1560 Quebec inc. and 113882 Canada Itée which hold 12,590,264 Common Shares. Mr. Levesque holds, directly and indirectly, approximately 19.7% 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, 2006, 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 Resale Restrictions	LTIP Payouts	
(\$ (1))	(\$)	(\$)	(2)	(\$)	(\$ (3))	(\$)		
Jacques Levesque President	2006	102,000	0	0	0	0	0	0
	2005	88,000	0	0	600,000	0	0	0
	2004	78,000	0	0	850,000	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 fees and expenses.
- (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

During the financial year ended June 30, 2006 no stock options were granted to the directors and officers the Company.

Options Exercised During the Most Recently Completed Financial Year

The following table sets forth the number of common shares under option, the number of options exercised during the financial year ended June 30, 2006, the aggregate value received at the time of exercise, the total number of unexercised options, and the value of the unexercised in-the-money options, held as of June 30, 2006 by the Named Executive Officer. The value of the unexercised in-the-money options as of June 30, 2006 is equal to the difference between their exercise price and the market value of the common shares as at June 30, 2006, which was \$0.215 per share. Such values have not yet been obtained and may never be obtained since these options have not been exercised and may never be exercised. The real gain, if any, made at the time of the exercise will depend on the value of the common shares of the Company at the exercise date. There is no guarantee that such value will be obtained.

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	535,000	133,750	1,450,000 / 0	166,750 / 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, 2006.

Compensation Committee

The Board of Directors directly assumes the obligations usually delegated to the compensation committee.

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, 2006, 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	3,310,000	\$0.11	1,355,000
Equity compensation plans not approved by security holders	None	-	-

Pursuant to the stock option plan (the «Option Plan») approved by the shareholders at the annual and special meeting of December 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 business 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 five 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, 2006, 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, 2006, the Company has incurred research and financing expenses, rental expenses for office and equipments and professional fees for a total amount of \$305,500 with companies whose shareholder is the president of the Company. 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 Charter is annexed as Schedule A of this circular.

Composition of the Audit Committee and the financial hability of the members

The Audit Committee is composed of Jacques Levesque, chartered accountant, Guy Faucher, chartered accountant and Claude Poulin, chartered accountant, directors of the Company. Only Jacques Levesque is considered as a non independent member (with reference to Regulation 58-101 respecting Disclosure of Corporate Governance Practices) in reason of his role as President and CEO of the Company. All members, by their experience and formation, are financially literate to understand the accounting principles used by the Company in the preparation of its financial statements.

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

		Financial Years ended June 30,	
		2006	2005
a)	Audit Fees (1)	\$14,000	\$15,000
b)	Audit-related Fees (2)	\$0	\$0
c)	Tax Fees (3)	\$0	\$0
d)	All Other Fees (4)	\$0	\$0

(1) Corresponds to the aggregate fees billed by the Company's external auditor for audit services provided to the Company.

(2) Corresponds to the aggregate fees billed by the Company's external auditor for assurance and related services provided to the Company that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under item « Audit Fees ».

- (3) Corresponds to the aggregate fees billed by the Company's external auditor for professional services provided to the Company regarding tax compliance, tax advice and tax planning.
- (4) Corresponds to the aggregate fees billed by the Company's external auditor for products and services provided to the Company other than the services reported under items « Audit Fees », « Audit-Related Fees » and « Tax Fees ».

Exemption For Venture Issuers

The Company may use the exemption of Section 6.1 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

Raymond Chabot Grant Thornton LLP are the auditors of the Company, from their office in Val d'Or, since 2005.

The persons named in the enclosed form of proxy will vote IN FAVOUR of the appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants 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.

Amendment to the Release Conditions of the Escrowed Shares of the Company

Pursuant to escrow agreements dated February 1988 and May 1992, 585,000 common shares of the Company may only be released in conformity with the former Québec Policy Statement no Q-4. The holders of such shares are:

- 2527-1560 Québec inc. 450,000 shares
(Jacques Levesque is the President of this Company)
- Amex Exploration Inc. 135,000 shares
(previously named Ressources Minières Coleraine inc.) 585,000 shares

In 2003, the Canadian regulatory authorities have adopted National Policy 46-201, an uniform escrow regime, which changes the escrow conditions as well as the timing of their release. National Policy 46-201 allows amendments to existing escrow agreements following certain conditions, such as the approval by a majority vote of the shareholders of the Company, excluding escrow shareholders and their affiliates and associates.

According to National Policy 46-201, the release schedule of escrowed shares of an issuer such as the Company would correspond to the following:

Date	Released Common shares (in %) on the Balance of Escrowed Shres
60 days after the required press release announcing the approval of the amendment	25%
6 months after such date	50%
12 months after such date	75%
18 months after such date	100%

Management deems expedient the Company amend the escrow agreement following Annex 46-201A of National Policy 46-201 so that the aforementioned modifications be included. The Board of Directors wishes

to obtain approval of its shareholders along this line. To the best knowledge of the Company, 12,725,264 common shares held by the holders of escrowed shares will not be considered.

The persons named in the enclosed proxy form intend to vote FOR the resolution authorizing the amendment to the release conditions of the escrowed shares at the conditions mentioned above, unless the shareholder giving the proxy has indicated his will to vote against with respect to such matters.

Corporate Governance Practices

The following table describes the Company's approach to corporate governance with reference to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* ("the Regulation 58-101") for venture issuers. The Company believes that its practices are adequate and efficient for its organization as well as for its "junior" exploration company status. The matters pertaining to the corporate governance practices are studied by the Board of Directors.

Composition of the Board	<p>The Board consists of a majority of independent directors as this term is defined in Regulation 58-101.</p> <p>Of the four members of the Board, the only director who is considered not to be independent is Jacques Levesque, in reason of his position as President and CEO. Guy Faucher, Claude Poulin and David Hatchette are all considered as independent pursuant to Regulation 58-101.</p>
Directorships	The only director that is presently also director of other reporting issuers is Jacques Levesque, director of Abcourt Mines Inc. and Conway Resources Inc.
Orientation and Continuing Education	The Board does not currently have a formal orientation program for new directors. The Board brief all new directors with the policies of the Board and other relevant corporate and business information.
Ethical Business Conduct	The Board does not have a written code of ethics and conduct for the directors and officers. The Company has no employees. All the directors are required to act and carry-out their duties honestly and in good faith with a view to the best interest of the Company. The Company requests that all its directors act according to laws and rules whereby they are governed. Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transaction. All board members have solid track records in spheres ranging from financial to exploration in order to ensure a culture of ethical business conduct.
Nomination of Directors	The Board does not have a nominating committee. The current size and composition of the Board allows the entire Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences and ability to devote the required time.
Compensation Committee	The Board does not have a compensation committee. The current size of the Board allows the entire Board to take responsibility for considering compensation for the Company's executive officers and directors. Except for the issuance of incentive stock options from time to time, the Company does not presently compensate its directors for their capacity as such and does not compensate its President and CEO. An annual amount is paid to a private corporation related to the President and CEO covering administrative fees and office expenses.

Other Board Committees	The Company does not have any standing committees other than the Audit Committee.
Board Assessments	The Board is responsible for assessing its effectiveness as well as that of individual directors. The Board considers the mix of skills and experience that directors bring to the Company to assess whether they have the necessary skills to perform their function effectively.

Additional Information

Financial information on the Company is included in its financial statements and the notes for the financial year ended June 30, 2006. These documents and other financial information on the Company may be obtained on SEDAR at www.sedar.com. Shareholders may also request copies of the Company's financial statements and Management Discussion and Analysis to the President of the Company, 101-A, Principale Avenue, Suite 200, Rouyn-Noranda, Quebec, J9X 4P1.

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, February 21, 2007

The President,

(S) Jacques Levesque
 Jacques Levesque

SCHEDULE "A"

OREX EXPLORATION INC. (the « Company »)

AUDIT COMMITTEE CHARTER

This Charter was adopted in conformity with *Rule 52-110 on the Audit Committee* (« Rule 52-110 »). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee (hereinafter described as the "Audit Committee" or the "Committee") and describes the qualifications and status required to become a member. The Committee reviews its charter annually and, as required, makes recommendations to the Board of Directors (hereinafter described as the "Board of Directors" or the "Board") as to any changes to be made.

1. Overall Purpose - Role of Audit Committee

The Committee is a committee of the Board to whom the Board has delegated the responsibility of reviewing the financial reporting process. The Audit Committee has a general mandate to assist the Board in fulfilling its responsibilities with regard to the financial information of the Company and its accounting practices, mainly in the process of reporting and disclosure. In this context, the Committee:

- ensures the reliability and the integrity of the Company's financial statements and financial information, as well as other information made public by the Company;
- supervises the management of accounting systems and internal controls;
- assists in ensuring proper communications between the directors and the external auditors;
- supports the independence of the external auditors;
- supports the duties of the external directors in facilitating in-depth discussions between the directors members of the Audit Committee, Management and the external auditors;
- supervises the activities of the external auditors appointed to carry out an audit or to perform other related services; and
- recommends to the Board the appointment of the external auditors and their remuneration.

The Committee has the authority to examine and make recommendations on any question brought to its attention. The Committee, in carrying out this mandate, has access, upon request, to all relevant information concerning the Company's operations, whether this information is in the hands of the Company, a subsidiary or a related person.

The Committee may, at his own discretion, use the services of outside consultants.

2. Committee Responsibilities - Audit

In general, the Committee's mandate is to supervise the reporting and disclosure processes of the Company and to report on its activities to the Board.

The Committee must ascertain that adequate procedures are in place to review the public disclosure by the Company of financial information extracted or derived from its financial statements and must periodically assess the adequacy of these procedures.

The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;

and the confidential, anonymous submission by employees of the Company, if any, of concerns regarding questionable accounting or auditing matters.

And, more particularly,

2.1 Financial Statements, Notes, Management Reports and Press Releases

- 2.1.1 The Committee examines the interim financial statements and the audited financial statements at year-end before making them public, as well as the documents prepared for electronic deposit with regulatory authorities. The Committee may make whatever changes it deems necessary to the financial statements. Otherwise, the Committee recommends the approval of these financial statements by the Board.
- 2.1.2 The Committee examines the notes to the financial statements and all management reports accompanying the financial statements distributed to the shareholders and/or to the regulatory authorities, as well as press releases issued along with the financial statements, notes and related comments. The Committee makes all the modifications deemed necessary to these documents. Otherwise, it recommends the approval of these documents by the Board.

2.2 External auditors

- 2.2.1 The Committee makes recommendations to the Board with regard to the selection of external auditors, their remuneration and their reappointment, as the case may be. It reviews the audit plan with the external auditors and defines the specific needs of the Committee. The Committee receives the auditors' report with the accompanying notes.
- 2.2.2 The Committee meets with the external auditors before the beginning of their mandate and, at this meeting, examines and approves the scope of the audit plan as well as the audit fees allocated to the work to be done.
- 2.2.3 At that time, the Committee analyzes the external auditors' independence, reviews services other than audit services to be performed by the external auditors and determines if the nature and extent of these services may or may not be prejudicial to their independence.
- 2.2.4 The Committee also meets with the external auditors at the meeting planned for the examination of the year-end audited financial statements and, on this occasion, receives the post-audit report that will mainly deal with:
- The acceptability and quality of the Company's accounting principles;
 - The quality of the accounting systems and internal controls put in place by Management to ensure the integrity of the accounting and financial information;
 - The recommendations made by the auditors to Management with respect to the accounting systems and internal controls, and Management's response thereto;
 - The assessment of the measures put in place to deal with the risks faced by the Company when, in the auditors' opinion, certain factors could have a material impact on the results of the Company; and

- The difficulties encountered by the external auditors in the course of their mandate, in particular any restrictions imposed by Management or serious accounting questions over which they disagreed with Management.

2.2.5 At these meetings, the Audit Committee may meet with the auditors, out of the presence of the Company's Management and the internal directors. In fact, the Committee has direct access to the external auditors and Management and may hold private and informal discussions with each of the parties, whenever deemed opportune in carrying out their mandate.

2.2.6 Also, the Management of the Company and the external auditors may, if necessary, ask to meet the members of the Committee to review with them all transactions, procedures or other questions which, in their opinion, are relevant to the mandate of the Committee.

2.2.7 The Audit Committee must approve, in advance, all the services that are not related to the audit that the external auditors do for the Company and its subsidiaries.

2.2.8 The Committee examines the conditions of the mandate of the external auditors and verifies that the fees are appropriate and reasonable for the audit and approves unpaid fees.

3. Responsibilities of the Committee - Conflicts of Interest

Every year or more often, as required, the Committee examines

3.1 Any situation that has been brought to its attention that may cause a conflict of interest and, more particularly, the approval of the financial conditions applicable within the framework of contracts with persons or companies related to or affiliated with the Company, to ensure that these contracts are as advantageous to the Company as if they had been negotiated with other parties.

3.2 Any eventual violation of a contract that is brought to its attention and which could have an impact on the financial statements.

4. Appointment of Auditors - Other Resources

In performing its duties, the Committee may hire all necessary resources.

Each year, after having verified the qualifications of the incumbent or potential auditors, the Committee must recommend to the Board the appointment of external auditors. At its first meeting of the year in March, the Committee must consider whether it is appropriate, for the next financial year, to proceed with a call for tenders from various auditing firms or to renew the mandate of the auditors in place.

If Management proposes a change of external auditors, the Committee must be informed of the reasons for such a change and, in all cases, approve the information to be made public in accordance with the regulations.

5. Composition

The Audit Committee consists of a minimum of three directors appointed by the Board at the first meeting following the annual general meeting of the shareholders.

The members of the Committee must be in majority independent directors, as defined in Rule 52-110. All members of the Committee are financially literate.

The majority of the members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

6 Chairman of the Committee

The Chairman of the Committee is selected by the members of the Committee unless he is appointed by the Board; in the case of absence, unavailability or if he vacates his post, the chairmanship will be assumed by a member chosen by the Committee.

7. Number of Meetings

The Committee will meet at least for times per year or more, if necessary. If necessary, meetings can be held by conference call.

A member of the Committee may convene a special meeting.

8. Organization

The Committee appoints a Secretary.

Before each Committee meeting, the Secretary distributes a written agenda to the members. The Secretary will also maintain minutes of each meeting.

9. Quorum and Decisions

A majority of Committee members shall constitute a quorum.

Provided there is a quorum, decisions are made by a vote of the majority of the members present.

10. Report

The Committee reports to the Board of Directors. The minutes of a Committee meeting constitute a report in itself.