



**Vote FOR the Orex Arrangement Resolution  
&  
Vote FOR the Orex Continuance Resolution**

**OREX EXPLORATION INC.**

**Meeting Type:** Special Meeting of Securityholders

**CUSIP #:** 301 921 102

**Exchange:** TSX-V: OX

**Record Date:** March 27, 2017

**Mail Date:** April 5, 2017

**Proxy Cut-Off:** Thursday, May 4, 2017 at 1:00 p.m. (Eastern time)

**Meeting Date:** Monday, May 8, 2017, 1:00 p.m. (Eastern time)

**Meeting Location:** Delta Hotel by Marriott Montreal, Room Vivaldi,  
475 President Kennedy Avenue, Montreal, Quebec H3A 1J7

**Transfer Agent:** Computershare

**Proxy Solicitation Agent:** Kingsdale Advisors

**Questions & Answers**

**About Orex Exploration Inc. (“Orex” or “OX”)**

*Orex is a mineral exploration company based in the Province of Quebec, Canada. Orex’s principal asset is the Goldboro Project in Nova Scotia in which it holds a 100% interest. The Goldboro Project is located approximately 180 kilometres northwest of Halifax, on the eastern shore of Nova Scotia. The property comprises 37 contiguous claims, covering 600 hectares.*

**About Anaconda Mining Inc. (“Anaconda” or “ANX”)**

*Anaconda is a growth-oriented, gold mining and exploration company with a producing project called the Point Rouse Project and three exploration/development projects called the Viking and Great Northern Projects and the Tilt Cove Property in Newfoundland. As the only pure play gold producer in Atlantic Canada, Anaconda Mining is turning the rock we live on into a growing and profitable resource. With a young and motivated workforce, innovative technology and the support of local suppliers, Anaconda is investing in the people of Newfoundland & Labrador and giving back to the communities in which we operate – building a better future for all our stakeholders, from the ground up.*

**Q What type of meeting is it?**

**A:** This is a Special Meeting of shareholders (“**Orex Shareholders**”) and warrant holders (“**Orex Warrantholders**”) of Orex Exploration Inc. (the “**Orex Meeting**”) that will be held at the Delta Hotel by Marriott Montreal, Room Vivaldi, 475 President Kennedy Avenue, Montreal, Quebec H3A 1J7 on May 8, 2017 at 1:00 p.m. (Eastern time).

**Q: What are the resolutions at the Orex Meeting?**

**A:** At the Orex meeting, Orex Shareholders and Orex Warrantholders will be asked to vote on and approve:

- A plan of arrangement involving the acquisition of all the issued and outstanding Orex shares by Anaconda Mining Inc. (the “**Orex Arrangement Resolution**”)
- A resolution authorizing the continuance of Orex from the Province of Quebec into the Province of Ontario in accordance with the Quebec Business Corporations Act and the Ontario Business Corporations Act (“**Orex Continuance Resolution**”)

**Q: What are the resolutions at the Anaconda Meeting?**

**A:** At the Anaconda meeting, shareholders of Anaconda (“**Anaconda Shareholders**”) will be asked to vote on and approve:

- The issuance of the number of Anaconda shares that is required for Anaconda to acquire 100% ownership of Orex under the plan of arrangement (the “**Anaconda Share Issuance Resolution**”)
- A resolution authorizing an amendment to the articles of Anaconda to consolidate the Anaconda shares on the basis of 0.25 of an Anaconda share for every one existing Anaconda share and to cancel any fractional shares resulting from the consolidation (the “**Anaconda Consolidation Resolution**”)

**Q: Why should I support the Arrangement?**

**A:** Reasons to support the Arrangement include the following:

- **Combination with a Diversified Gold Producer**
  - The Arrangement is anticipated to result in a more diversified combined company with a portfolio of high-grade mineral resources, all located in stable, mining friendly jurisdictions.

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- The Arrangement allows for the acceleration of development of Orex's Goldboro Project by combining Orex's mineral resources with Anaconda's proven operating infrastructure at the Point Rousse Project.
- **Improved Financial Flexibility to Support Development of the Goldboro Project**
  - The combined entity will have increased financial strength to better support its exploration and development activities.
  - With favourable logistics and existing infrastructure in place, Orex expects that the combined company will be able to accelerate the development of the Goldboro Project at a lower capital cost than if it were a stand-alone project by leveraging Anaconda's existing port, mill and tailings facilities.
- **Proven Leadership Team**
  - Anaconda has a strong management and operational team and board of directors and the combined company will benefit from this expertise.
  - The Anaconda management team will also be supported by a number of highly qualified directors, with the addition of Jonathan Fitzgerald and Jacques Levesque, current directors of Orex, joining the Anaconda Board.
  - Drawing on extensive strategic, operating and financial experience from both Orex and Anaconda is expected to allow the combined company to successfully manage a wider variety of exploration, development and production projects.
- **Growth in a World Class Mining Jurisdiction**
  - The combined company is expected to be well positioned for sustainable growth through exploration potential in Atlantic Canada.
  - The combination creates a platform to partner with a producing company in another stable mining jurisdiction in Atlantic Canada.
- **Re-Rating Opportunity**
  - Combining Orex's mineral resources with Anaconda's operating infrastructure, current gold production and proven and experienced management, Orex believes that the combined company is well positioned for a potential value re-rating following completion of the Arrangement.

**Q: What will Orex Shareholders receive as part of the Arrangement?**

**A:** Orex Shareholders will receive 0.85 of an Anaconda share for each Orex share held (or on a consolidated basis, approximately 0.2125 of an Anaconda share).

**Q: What will be the new entity's ownership structure?**

**A:** Immediately following the Arrangement, it is expected that:

- Current Anaconda shareholders will own approximately 54.9% of the outstanding Anaconda shares.
- Current Orex shareholders will own approximately 45.1% of the outstanding Anaconda shares.

**Q: Who will serve on the new entity's board of directors?**

**A:** The directors serving on the Anaconda board will be the following:

- Dustin Angelo (Current President & CEO at Anaconda)
- Kevin Bullock (Current Director at Anaconda)
- Michael Byron (Current Director at Anaconda)
- Lewis Lawrick (Current Director at Anaconda)
- Maruf Raza (Current Director at Anaconda)
- Jonathan Fitzgerald (Current Chairman & CEO at Orex)
- Jacques Levesque (Current Director & CFO at Orex)

**Q: Who will serve on the new entity's management team?**

**A:** At present, it is known that Dustin Angelo will serve as President and Chief Executive Officer of the new entity. On April 18, 2017, Anaconda announced the appointment of its new Chief Financial Officer, Robert Dufour, effective May 23, 2017.

**Q: When is the Arrangement expected to be completed?**

**A:** Subject to the necessary approvals at the Anaconda and Orex Meetings as well as court and regulatory approvals, the Arrangement is anticipated to be completed on or about May 19, 2017.

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**Q: What is the vote requirement to pass the Resolutions?**

**A:** The resolutions at the Orex meeting require the following approvals:

- **Orex Arrangement Resolution:** At least two-thirds (66 2/3%) of the votes cast at the Orex Meeting by Orex Shareholders and Orex Warranholders
- **Orex Continuance Resolution:** At least two-thirds (66 2/3%) of the votes cast at the Orex Meeting by Orex Shareholders

**Q: What approvals is the Arrangement contingent on?**

**A:** The Arrangement is contingent upon the following:

- Approval of the Orex Continuance Resolution by at least two-thirds (66 2/3%) of the votes cast at the Orex Meeting by Orex shareholders
- Approval of the Orex Arrangement Resolution by at least two-thirds (66 2/3%) of the votes cast by Orex Shareholders and Orex Warranholders at the Orex Meeting
- Approval of the Anaconda Share Issuance Resolution at the Anaconda Meeting by a majority of Anaconda Shareholders
- Toronto Stock Exchange and TSX Venture Exchange approvals as well as other court and regulatory approvals

**Q: Why should I support the Share Consolidation?**

**A:** The Anaconda Board believes the Consolidation is necessary in order to provide Anaconda with a share capital structure that will better attract capital financing and enhance future growth opportunities. Benefits to the Consolidation include the following:

- **Increased Investor Interest**
  - Anaconda believes that the Consolidation will make investing in Anaconda more attractive to a broader range of institutional and professional investors and other members of the investing public.
  - Many institutions have internal policies that either prohibit them from investing in low-priced shares or discourage individual brokers from recommending low-priced shares to their clients.
- **Reduction in Transaction Costs**
  - Anaconda shareholders are expected to benefit from lower trading costs associated with the anticipated higher share price post-Consolidation.
  - Because brokers' commissions on low-priced shares generally represent a higher percentage of the share's price than commissions on higher-priced shares, a low average price per share can result in higher transaction costs.
- **Increased Liquidity in the Market**
  - Liquidity in the trading of Anaconda shares is expected to improve due to a combination of increased interest and reduced transaction costs.
- **Reduced Price Volatility**
  - Lower volatility is expected to be a result of the anticipated higher Anaconda share price post-Consolidation.

**Q: What is the maximum number of Anaconda shares to be issued as part of the Arrangement?**

**A:** As part of the Anaconda Share Issuance Resolution, Anaconda will issue shares to acquire 100% control of Orex. Consideration in the form of Anaconda shares will be paid to Orex Shareholders and Orex Warranholders. A certain amount of Anaconda Shares will also be reserved to replace existing Orex Options with Replacement Options entitling the holder to receive Anaconda shares upon exercise on similar terms and conditions.

Issued for...	Outstanding Pre-Arrangement	Pre-Consolidation	Post-Consolidation
Orex Shares	202,550,284	172,167,741	43,041,935
Orex Options	16,250,000	13,812,500	3,453,125
Orex Warrants	39,580,000	33,643,000	8,410,750
	<b>Total to be Issued</b>	<b>219,623,241</b>	<b>54,905,810</b>

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**Q: When do you expect the Consolidation to occur?**

**A:** The Anaconda Board may or may not decide to proceed with the Consolidation if the Anaconda Consolidation Resolution is approved. Following the Arrangement, the Anaconda Board will assess market conditions and will proceed to effect the Consolidation within twelve months of its approval if the Anaconda Board determines that the Consolidation is in the best interests of Anaconda.

**Q: Who is eligible to vote at this meeting?**

**A:** Only Orex Shareholders and Orex Warrantholders of record as of March 27, 2017, the record date for the Meeting, are entitled to receive notice of and vote at the Meeting either in person or by proxy.

**Q: How does the Board Recommend that I vote?**

**A:** The board of directors of Orex unanimously recommends that Securityholders vote **FOR** the Orex Arrangement Resolution and **FOR** the Orex Continuance Resolution.

**Q: When is the Proxy Cut-off?**

**A:** Proxies must be delivered to Orex's Transfer Agent, Computershare Investor Services, by May 4, 2017 at 1:00 p.m. (Eastern Time).

**Q: What is the quorum?**

**A:** The quorum for the Meeting will be at least one Orex Shareholder, representing at least 10% of the issued and outstanding Orex Shares, present in person or represented by proxy at the Orex Meeting.

**Q: Can I revoke a proxy of voting instruction?**

**A:** Orex Securityholders may revoke a form of proxy via one of the following ways:

- Completing and signing a proxy bearing a later date and submitting it to Computershare any time up to 48 hours (excluding weekends and holidays) prior to the time of the meeting;
- Delivering a written statement containing revocation instructions, signed by the Orex Securityholder or a power of attorney, to:
  - Orex's registered office by fax at 1-819-797-2454 or by mail or by hand at 101-A, Avenue Principale, Suite 200, Rouyn-Noranda, Quebec, J9X 4P1 by 5:00 p.m. (Eastern Time) on the business day prior to the Meeting; and
  - With the Chair of the Orex Meeting on the day of the meeting and prior to the start of the meeting.

**How to Vote:**

**Voting for Registered Shareholders and Canadian NOBO (CDN NOBO) shareholders**

- By completing, dating, signing, and returning your form of proxy **by Mail** to:  
Computershare Investor Services Inc.  
Attention: Proxy  
Department 100 University  
Avenue, 9<sup>th</sup> Floor Toronto,  
Ontario M5J 2Y1
- **Telephone Vote:** Toll free – 1-866-732-8683 (Use your 15-digit control number to vote over the phone).
- **Internet Vote:** Use the 15-digit control number on the form of proxy to vote at [www.investorvote.com](http://www.investorvote.com)
- **Facsimile Vote:** Complete, date, and sign your form of proxy and fax it to Computershare at (416) 263-9524 or 1-866-7775.
- **In Person** at the Meeting.

**Voting for Canadian OBO Shareholders (CDN OBO)**

- **Telephone Vote:** 1-800-474-7493 (English) or 1-800-474-7501 (French)
- **Internet Vote:** [www.proxyvote.com](http://www.proxyvote.com) (enter your 16-digit control number)

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#### Voting for US Beneficial Shareholders (US NOBO/ OBO)

- **Telephone** Vote: 1-800-454-8683
- **Internet** Vote: [www.proxyvote.com](http://www.proxyvote.com) (enter your 16-digit control number)

If you have any questions or require further assistance in voting your proxy, we can be reached at **1-888-518-1557**.

#### **HOW TO OBTAIN THE CONTROL NUMBER:**

##### **Registered Shareholders and Canadian NOBO shareholders**

- If the shareholder has the Proxy Form/Voting Instruction Form (VIF) that was sent together with the package of the Management Proxy Circular, the 15-digit Control Number can be found at the bottom of the first/front page of the Proxy Form.
- Alternatively, Registered shareholder can also call Computershare to secure the 15-digit Control Number at 1-800-564-6253 providing their full name and address (Account number not required).

##### **Canadian Objecting Beneficial Shareholders (OBOs) and U.S. Beneficial Shareholders (NOBOs/OBOs)**

- If the shareholder has the Voting Instruction Form (VIF) that was sent together with the package of the Management Proxy Circular, the 16-digit Control Number can be found at the top right of the second page of the VIF.
- Alternatively, Canadian OBOs or U.S. Beneficial Shareholders can contact their brokers or financial institutions where their shares are held to obtain their 16-digit control number if they never received their proxy materials.

#### **FORWARD-LOOKING INFORMATION**

*This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, the Arrangement, statements regarding the combined company, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the approval of the Arrangement by the Toronto Stock Exchange and the TSX Venture Exchange; the approval of the Arrangement by the Ontario Superior Court of Justice; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any projects caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; the realization of the expected benefits resulting from the combination of the two entities (or the strategies or future actions of the companies); and other factors. Additionally, forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "may," "estimates," "expects," "intends," "indicates," "targeting," "potential" and similar expressions. These forward-looking statements, including statements regarding Anaconda and Orex's beliefs in the potential mineralization, are based on current expectations and entail various risks and uncertainties. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.*

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**KINGSDALE** Advisors

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Outside North America, Banks and Brokers Call Collect: 416-  
867-2272

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