



**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR**

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the **Meeting**) of shareholders of Portex Minerals Inc. (the **Corporation**) will be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on October 8, 2014 at 10:00 AM (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended September 30, 2013, and the auditor's report thereon;
2. to elect the directors of the Corporation;
3. to reappoint the auditors and authorize the directors to fix their remuneration;
4. to consider and if deemed appropriate, to pass an ordinary resolution re-approving the Stock Option Plan of the Corporation (the **Stock Option Plan Resolution**) ;
5. to consider and, if thought advisable, pass an ordinary resolution ratifying and confirming the Corporation's By-law No. 2 which permits and facilitates the use by the Corporation of the notice and access provisions developed by the Canadian Securities Administrators (**Notice and Access Provisions**), a copy of which is appended to the Circular (as defined below) as Schedule 5 (the **Amended By-law Resolution**);
6. to consider and, if thought appropriate, pass a special resolution authorizing the board of directors of the Corporation (the **Board**), in its sole discretion to consolidate the common shares of the Corporation up to a 10 to 1 ratio, and to amend the Corporation's articles accordingly as described in further detail in the accompanying management information circular (the **Consolidation Resolution**); and
7. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Particulars of the foregoing matters are set forth in the accompanying management information circular dated August 27, 2014 (the "**Circular**"). The Corporation has elected to use the Notice and Access Provisions for this Meeting. Notice and Access provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Corporation by allowing the Corporation to post the Circular, the 2014 Financial Statements and related Management's Discussion and Analysis ("**MD&A**") online under the Corporation's SEDAR profile at www.sedar.com or on the Company's website at www.portexminerals.com. Shareholders will still receive this Notice of Meeting, a form of proxy and a financial request form and may choose to receive a hard copy of the Circular and other proxy-related materials. The Corporation will not use procedures known as "stratification" in relation to the use of Notice and Access Provisions.

The specific details of the matters proposed to be put before shareholders at the Meeting and the text of the Stock Option Plan Resolution, the Amended By-Law Resolution and the Consolidation Resolution are contained in the Circular. Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting. The Circular is available on the website of the Corporation at www.portexminerals.com and under the Corporation's profile on SEDAR at www.sedar.com. Any shareholder who wishes to receive a paper copy of the Circular, the 2014 Financial Statements, related MD&A and any other proxy-related materials, is directed to contact the Corporation at 2 Bloor Street West, Suite 2510, Toronto, Ontario M4W 3E2, Fax (416) 479-5420, toll free 1-844-454-4697, or email info@portexminerals.com. A shareholder may also use the toll-free number to obtain additional information about the Notice and Access Provisions.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular that accompanies and forms part of this Notice.

Dated at Toronto, Ontario, this 27th day of August, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

Victor Wyprysky (signed)
Chairman

Notes:

1. A Circular and Proxy are furnished with this Notice of Meeting, subject to Notice and Access Provisions as defined below. Registered shareholders who are unable to be present at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted, and to sign, date and return same in accordance with the instructions set out in the Proxy and Circular.
2. The directors have fixed a record date of August 29, 2014. Accordingly, shareholders registered on the books of the Corporation at the close of business on August 29, 2014, are entitled to Notice of the Meeting and to vote at the Meeting.
3. If you are a beneficial shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

PORTEX MINERALS INC.

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is dated August 27, 2014 and the information contained herein is current as of that date.

SOLICITATION OF PROXIES

This Management Information Circular (the Circular) is furnished in connection with the solicitation of proxies by the management of Portex Minerals Inc. (Portex or the Corporation) for use at the annual and special meeting of shareholders of the Corporation (the Meeting) to be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4, on October 8, 2014 at 10:00 AM (Toronto time) and at any adjournment or adjournments thereof, for the purposes set out in the foregoing Notice of Meeting (the Notice). It is expected that the solicitation of proxies will be primarily by mail, subject to the use of the notice and access provisions (the **Notice and Access Provisions**) in relation to the delivery of the Meeting Materials (as defined below), however, proxies may also be solicited personally or by the Corporation's investor relations group by telephone and by officers and directors of the Corporation (but not for additional compensation). The costs of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of the date hereof.

Holders of common shares (the **Common Shares**) may vote on all matters to come before the Meeting. The form of proxy forwarded to holders of Common Shares affords the shareholder the opportunity to specify the manner in which the proxy nominees are to vote with respect to any specific item by checking the appropriate space in order to indicate whether the Common Shares registered in the shareholder's name shall be: (i) voted for or withheld from voting for the election of the directors named in this Circular; (ii) voted for or withheld from voting for the appointment of auditors and authorizing the directors to fix their remuneration; and (iii) voted for or against the resolution approving the stock option plan of the Corporation attached as Schedule "1" (the **Stock Option Plan**).

The proxy must be signed by the holder of Common Shares or the shareholder's attorney duly authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees or in any other representative capacity should so indicate and give their full title as such. A partnership should sign in the partnership's name and by an authorized person(s).

The persons named in the enclosed form of proxy are officers of the Corporation and represent Management. **Each shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a shareholder, to attend and act for him and on his behalf at the Meeting.** A shareholder wishing to appoint some other person as a representative at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to the Corporation's Registrar and Transfer Agent, Olympia Transfer Services Inc., P.O. Box 1775, 31 Adelaide Street East, Toronto, Ontario M5C 0A2, by mail or 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, in person or faxed to 416-364-1827 at least 48 hours before the Meeting time or to the Secretary of the Corporation in time for use at the Meeting.

A proxy given by a shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

The head office of the Corporation is located at 2 Bloor Street W., Suite 2510, Toronto, Ontario, M4W 3E2.

NOTICE AND ACCESS

"Notice and Access Provisions" means provisions concerning the delivery of proxy-related materials to Shareholders found in section 9.1.1 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102"), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), in the case of non-registered shareholders, which would allow an issuer to deliver an information circular forming part of proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice and Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The Notice and Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

The use of the Notice and Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice and Access Provisions to deliver proxy-related materials by posting the Meeting Materials electronically on a website that is not SEDAR, the Corporation must send a notice to shareholders, including non-registered shareholders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation, a paper copy of those materials. The Meeting Materials have been posted in full on the Corporation's website at www.portexminerals.com and under the Corporation's SEDAR profile at www.sedar.com.

In order to use Notice and Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Meeting Materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, explain how a shareholder can obtain a paper copy of the Meeting Materials and MD&A, and explain the Notice and Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered shareholders or a voting instruction form in the case of non-registered shareholders).

As the Corporation is a reporting issuer that is using the Notice and Access Provisions for the first time, it was required to file a notification at least 25 days prior to the record date indicating its intent to use the Notice and Access Provisions.

The Corporation will not rely upon the use of 'stratification'.

The Corporation will send proxy-related materials directly to non-objecting non-registered shareholders, through the services of its registrar and transfer agent, Olympia Transfer Services Inc. The Corporation does not intend to pay for the Intermediary to deliver to objecting non-registered shareholders the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* of NI 54-101. Any shareholder who wishes to receive a paper copy of this Circular must make contact with the Corporation at 2 Bloor Street W., Suite 2510, Toronto, Ontario, M4W 3E2, Fax (416) 479-5420, toll free 1-844-454-4697, or email info@portexminerals.com. In order to ensure that a paper copy of the Meeting Materials can be delivered to a requesting shareholder in time for such shareholder to review the Meeting Materials and return a proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that a shareholder ensure their request is received no later than October 3, 2014.

All shareholders may call 1-844-454-4697 (toll-free) in order to obtain additional information regarding the Notice and Access Provisions or to obtain a paper copy of the Meeting Materials, up to and including the date of the Meeting, including any adjournment of the Meeting.

MANNER IN WHICH PROXIES WILL BE VOTED

The management representatives designated in the enclosed forms of proxy will vote or withhold from voting the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

In the absence of such direction, such shares will be voted by the management representatives in favour of the passing of the matters set out in the Notice. The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters. However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the proxy nominee.

VOTING BY BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to shareholders who do not hold their shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the voting shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the voting shares.

More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the **Non-Registered Holder**) but which are registered either: (a) in the name of an intermediary (an **Intermediary**) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (**CDS**)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Corporation has distributed copies of the Notice, this Circular and the Proxy (collectively, the **Meeting Materials**) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to Olympia Transfer Services Inc., P.O. Box 1775, 31 Adelaide Street East, Toronto, Ontario M5C 0A2 by mail or 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 in person; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly

complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

AUTHORIZED CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Class A shares of which 204,984,302 Common Shares and no Class A shares were issued and outstanding as at the close of business on August 29, 2014 (the **Record Date**).

Each Common Share carries one vote in respect of each matter to be voted upon at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting, except to the extent that a person has transferred any of his or her Common Shares after that date and the transferee establishes proper ownership and requests, not later than ten (10) days before the Meeting, that his or her name be included in the list of shareholders for the Meeting, in which case the transferee is entitled to vote his or her shares at the Meeting.

PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, to the knowledge of the directors and officers of the Corporation, there are no persons or corporations who beneficially own, directly or indirectly, or exercise control or direction over, shares of the Corporation carrying more than 10% of the voting rights attached to any class of outstanding shares of the Corporation entitled to vote in connection with any matters being proposed for consideration at the Meeting, except as set out below:

Principal Security Holders	Number of Common Shares Owned or Controlled	% of Issued and Outstanding Common Shares
Aberdeen International Inc.	21,249,315	10.36%
Global Resources Investment Trust plc	40,000,000	19.51%

PARTICULARS OF MATTERS TO BE ACTED ON

1. Financial Statements

The Corporation's financial statements for the 2013 Financial Year and the auditors' report thereon (together the **2013 Financial Statements**) have been mailed to the Corporation's registered and beneficial shareholders who requested to receive them. The 2013 Financial Statements are also available on the Corporation's website at www.portexminerals.com and under the Corporation's profile on SEDAR at www.sedar.com. Receipt at the Meeting of the Corporation's financial statements and the auditors' report for its most recently completed financial year will not constitute approval or disapproval of any matters referred to therein. No vote by the Shareholders is required in connection with the presentation of the 2013 Financial Statements.

2. Election of Directors

Six (6) directors are to be elected at the Meeting. Management has put forward the names of the six (6) nominees as outlined below. The term of each of the Corporation's present directors expires at the conclusion of the Corporation's annual general meeting of shareholders or until his successor is duly elected or appointed, unless he resigns, is removed or becomes disqualified in accordance with the Corporation's bylaws or governing legislation.

The persons named in the enclosed form of proxy intend to vote for the election of each of the below-named nominees unless otherwise instructed on a properly executed and validly deposited proxy. Management does not contemplate that any nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets out the name of each person proposed to be nominated by management for election as a director at the Meeting, all offices of the Corporation now held by such person, their principal occupation, the period of time for which they have been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by them, directly or indirectly, or over which they exercise control or direction, as at the date hereof. The information as to Common Shares owned or controlled has been provided by the person named. Biographical information for each director is also provided below.

Name and Municipality Of Residence	Present Principal Occupation⁽¹⁾ and positions with the Corporation	Director Since	Common Shares beneficially owned, directly or indirectly, or controlled or directed
Victor P. Wyprysky Toronto, Ontario, Canada	President, Chief Executive Officer and Director of Chieftain Metals Inc.; Chairman of the Corporation	September 25, 2006	1,222,180 ⁽²⁾
Peter F. Chodos Toronto, Ontario, Canada	Executive Vice President of Chieftain Metals Inc.; President, Chief Executive Officer and Director of the Corporation	December 3, 2010	1,153,334
Patrick J. Raleigh, P. Eng. ⁽³⁾⁽⁴⁾ Oakville, Ontario, Canada	Mining Consultant and Director of the Corporation	December 18, 2006	2,100 ⁽⁵⁾
Richard Bishop ⁽³⁾⁽⁴⁾⁽⁶⁾ Toronto, Ontario, Canada	Vice-President of Investments, Aberdeen International Inc.; Director of the Corporation	March 22, 2013	NIL
Geoffrey D. Stanley ⁽³⁾⁽⁴⁾⁽⁶⁾ New York, New York, United States	Corporate Director	March 22, 2013	NIL
Lawrence Segerstrom ⁽³⁾ Glendale, Arizona, United States	Director of the Corporation Director, Gainey Capital Corp.	April 1, 2014	271,877

Notes:

- (1) Please see biographies below for details of principal occupation for five preceding years.
- (2) 80,580 shares are indirectly held through Crescent Financial Corporation.
- (3) Serves as an independent director (as described in Multilateral Instrument 52-110 – Audit Committees) of the Corporation.
- (4) Member of the Audit Committee.
- (5) All securities are held by Collaughasi Inversiones Inc., a company directed by Mr. Raleigh.
- (6) Nominee of Aberdeen International Inc., holder of 21,249,315 common shares of the Corporation.

Biographical Information

Victor P. Wyprysky — Chairman and Director

Mr. Wyprysky is the President, CEO and a founder of Chieftain Metals Inc., a company with zinc properties in British Columbia. Mr. Wyprysky also founded the Corporation in 2006. He identified Portex's first project, the Gordonsville zinc mine in Tennessee and led the acquisition and financing and coordinated the development team that brought the project into production within 14 months of acquisition. He arranged approximately \$200 million of development financing and also negotiated key smelter contracts as well as preliminary by-product agreements on the Germanium and Gallium by-products of the mine. In addition, during a period of financial crisis, Mr. Wyprysky successfully restructured \$75 million in debt for Portex. Mr. Wyprysky brings experience and expertise from a career of over 25 years as a senior partner in major Canadian investment banks and brings extensive knowledge of global financial markets and resource financing to the acquisition and financing of development activities of the Corporation.

Peter F. Chodos — President and Chief Executive Officer

Peter F. Chodos is the President and Chief Executive Officer of Portex. Mr. Chodos also serves as Executive Vice President, Corporate Development for Chieftain Metals Inc. He has over 30 years' experience in the financial markets primarily in Canada but also in the United States and the United Kingdom. He has completed many merger and acquisition transactions as well as private and public financings and restructurings. In 2004, Mr. Chodos co-founded Mt. Auburn Capital Corp., a structured products firm. From July 2006 to February 2009, Mr. Chodos was a Managing Director of BluMont Capital Corporation, a provider of alternative investment products to retail investors in Canada. Most recently, he was the President and Chief Executive Officer of a publicly listed mining merchant bank. Mr. Chodos has a B.Comm from McGill University and a Masters of Business Administration from Harvard University. He is a Chartered Accountant and a Chartered Business Valuator.

Patrick J. Raleigh, P. Eng — Director

Prior to 1996, Mr. Raleigh held the position of the Chief Engineer of Falconbridge Limited and Technical Consultant to Falconbridge Chile S.A., a subsidiary of Falconbridge Limited. Since then, he has provided consulting services relating to various mining projects. In his position with Falconbridge, he contributed to the development of many mines, including the Collaghuasi copper mine in Chile and Raglan in Quebec and he has been involved in the operations of the Kidd Creek mine in Ontario. He has operated mines in Canada, Central and South America and Haiti.

Richard Bishop — Director

Mr. Bishop is the Vice President of Investments for Aberdeen International Inc., a global resource investment corporation and merchant bank. He was formerly a precious metals research analyst for RBC Capital Markets, covering exploration and development stage mining companies, aided by an industry background in mining operations and engineering. Mr. Bishop's industry experience includes gold, copper, molybdenum, titanium, tungsten, and phosphate, having worked as an engineer for Mosaic and Iluka Resources as well as a contract project manager for such companies as Freeport McMoRan and Barrick Gold. Mr. Bishop holds a Bachelor of Science degree in Mining Engineering from Virginia Tech and a graduate certificate in Mining Engineering from the European Mining Course in Finland, England, Germany and the Netherlands.

Geoffrey D. Stanley — Director

Mr. Stanley is a Managing Director with Forbes and Manhattan, based in New York. Mr. Stanley has over 25 years experience in the mining equities business with a number of major global institutions including UBS, Goldman Sachs and the Bank of Montreal. Throughout his career, his principal role has been in equities analysis, where he was a highly ranked in the Australian, US and Canadian markets. Formerly the number one ranked metals and mining analyst in the North American market (Wall Street Journal),

Mr. Stanley is now active as a corporate advisor and director of resource companies operating in the gold, base metals and energy industries.

Mr. Stanley is a Fellow of the Society of Economic Geologists, Fellow of the AusIMM, and a member of the CIM, and is also a former president of the Metals Analysts Group of New York. He is qualified with a triple major in geology, geophysics and physical geography, and a B.Sc (Hons) in geology from the University of Tasmania. He worked in the mining industry as an exploration geologist for six years prior to joining the capital markets.

Lawrence Segerstrom — Director

Lawrence Segerstrom is a professional geologist with more than 30 years of experience in exploration and mine operations. His past management positions include being COO of Paramount Gold and Silver Corp. and Manager of Geology of the Grasberg Mining District for Freeport-McMoRan. Mr. Segerstrom has been involved in several discoveries, including leading the teams that discovered and developed new resources of more than 750,000 ounces of gold and 60 million ounces of silver with Paramount, and new ore reserves totalling 3.4 billion pounds of copper and 3.6 million ounces of gold with Freeport. He holds a M.Sc. in Geology and an M.B.A.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director of the Corporation:

- (a) is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer;
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer, chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date hereof, or has been within ten (10) years before the date hereof, a director or executive officer of any issuer (including the Corporation), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Messrs. Wyprysky and Raleigh were directors of the Corporation when it filed for protection under (i) Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court of the Middle District of Tennessee; and (ii) Section 18.6 of the Companies' Creditors Arrangement Act (**CCAA**) in the Ontario Superior Court of Justice (the **Court**) on January 15, 2009. On May 12, 2009, the Corporation subsequently filed to obtain protection under Section 11 of the CCAA which permitted the Corporation to file with the Court a plan or plans of compromise or arrangement between the Corporation and its creditors. The Court approved the Corporation's Plan of Compromise and Arrangement on June 26, 2009.

Penalties or Sanctions

No proposed director of the Corporation has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

3. Appointment and Remuneration of Auditors

Management proposes the re-appointment of Collins Barrow Toronto LLP, Chartered Accountants, 11 King Street West, Suite 700, Box 27, Toronto, Ontario, M5H 4C7, as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration. **In the absence of a contrary specification made in the form of proxy, the persons named in the enclosed form of proxy intend to vote for the appointment of Collins Barrow Toronto LLP, as auditors of the Corporation and to authorize the Board to fix their remuneration.** Collins Barrow Toronto LLP was first appointed as auditors of the Corporation by the Board on August 15, 2011.

SPECIAL BUSINESS

4. Approval of the Stock Option Plan

The Corporation is proposing to ratify a stock option plan in the form attached as Schedule "1" to this Circular (the **Stock Option Plan**). The Stock Option Plan complies with the policies of the Canadian Stock Exchange and the TSX Venture Exchange and will provide the Corporation with the ability to grant options.

The Stock Option Plan has been established to advance the interests of the Corporation or any of its subsidiaries and affiliates by encouraging the directors, officers, employees and consultants of the Corporation or any of its subsidiaries or affiliates to acquire shares in the Corporation thereby increasing their proprietary interest in the Corporation, encouraging them to remain with the Corporation or its subsidiaries or affiliates and providing them with additional incentive in the conduct of their affairs for and on behalf of the Corporation, its subsidiaries and affiliates.

The pertinent terms and conditions of the Stock Option Plan are as follows:

- (a) The Stock Option Plan will be administered by the Board or a committee established by the Board for that purpose;
- (b) The maximum number of shares that may be reserved for issuance under the Stock Option Plan will be a rolling number not to exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of the stock option grant;
- (c) The exercise price of options granted under the Stock Option Plan will be set by the Board and will be at a minimum, the "market price" of the shares, being the volume weighted average trading price for the five trading days prior to the date of the grant and subject to regulatory approval;
- (d) The full purchase price of common shares purchased under the Stock Option Plan shall be paid by cash, cheque, bank draft or wire transfer upon the exercise thereof;
- (e) Options may be granted under the Stock Option Plan exercisable over a period not exceeding ten years;

- (f) Options covering not more than 5% of the issued shares of the Corporation may be granted to any one individual in any 12 month period;
- (g) No more than 2% of the issued and outstanding shares may be granted to any one consultant in any 12 month period and no more than an aggregate of 2% of the issued and outstanding shares may be granted to an employee conducting investor relations activities in any 12 month period;
- (h) Options may only be exercised while the optionee is a director, officer, employee or consultant to the Corporation, or within a period of 180 days after ceasing to be so if not for cause, unless the Board, in its discretion, extends such period;
- (i) Notwithstanding item (h), an optionee's heirs or administrators shall have one year from the death of the optionee in which to exercise any portion of options outstanding at the time of death of the optionee;
- (j) The options shall not be assignable or transferable by an optionee;
- (k) The obligation of the Corporation to issue and deliver common shares under the Stock Option Plan will be subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation; and
- (l) The Board or the committee may from time to time, subject to required regulatory approval, amend or terminate the Stock Option Plan.

Resolution to Approve the Stock Option Plan

Shareholders of the Corporation entitled to vote on the matter will be asked at the Meeting to consider, and if thought advisable, adopt the following resolution to approve the Stock Option Plan (the **Stock Option Plan Resolution**):

"BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) the stock option plan of the Corporation be and is approved; and
- (2) any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such deeds, documents, instruments and assurances and to do all such acts and things as such person may determine necessary or desirable to give effect to the foregoing and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such deed, document, instrument or assurance or the doing of any such act or thing."

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the approval of the Stock Option Plan Resolution.

5. Ratification and Confirmation of Amended By-law

Purpose and Effect of Amended By-Law

On August 27, 2014, the Board adopted By-Law No. 5 in the form attached as Schedule 5 to this Circular (the **Amended By-Law**).

The purpose of the Amended By-Law is to permit and facilitate the use by the Corporation of the Notice and Access Provisions, by deleting the provision of the Corporation's By-Law No. 1 which provides for the method of giving any notice, communication or other document to a shareholder, director, officer or auditor of the Corporation. As a result of the Amended By-Law, the Corporation is permitted to give any notice, communication or other document to a shareholder, director, officer or auditor of the Corporation by any method which is permitted under applicable corporate and securities laws, which includes, without limitation, the Notice and Access Provisions.

Shareholder Ratification and Confirmation

Shareholders of the Corporation entitled to vote on the matter will be asked at the Meeting to consider, and if thought advisable, adopt the following resolution to ratify and confirm the Amended By-Law (the **Amended By-Law Resolution**):

“BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) the Amended By-Law in the form attached as Schedule 5 to the information circular of the Corporation dated August 27, 2014, be and is hereby ratified and confirmed as a by-law of the Corporation; and
- (2) any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such deeds, documents, instruments and assurances and to do all such acts and things as such person may determine necessary or desirable to give effect to the foregoing and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such deed, document, instrument or assurance or the doing of any such act or thing.”

The Amended By-Law Resolution must be passed, with or without amendment, by not less than a majority of votes cast by shareholders who vote in person or by proxy in respect of the Amended By-Law Resolution at the Meeting.

The Board has concluded that the Amended By-Law is in the best interests of the Corporation and its shareholders. **Accordingly, the Board unanimously recommends that shareholders ratify and confirm the Amended By-Law by voting FOR the Amended By-Law Resolution.**

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the approval of the Amended By-Law Resolution.

6. Consolidation of Common Shares

The Shareholders will be asked to consider, and if thought fit, to pass, a special resolution giving the directors the discretion to approve a consolidation (the **Consolidation**) of Common Shares on the basis of 1 post-Consolidation Common Share for up to 10 pre-Consolidation Common Shares (or such lesser number as is determined by the Board,) with such discretion to be exercised prior to the Corporation's next annual meeting.

A sustained higher per share price of the Common Shares, which the Corporation would expect as a result of the Consolidation, may heighten the interest of the financial community in the Corporation and broaden the pool of investors that may consider investing in the Corporation, potentially increasing the trading volume and liquidity of the Common Shares. As a matter of policy, many institutional investors are prohibited from purchasing stocks below certain minimum price levels. For the reason, brokers often discourage their customers from purchasing such stocks.

To the extent that the price per share of the Common Shares remains at a higher per share price as a result of the Consolidation, some of these concerns may be alleviated. Shareholders are being asked to approve a Consolidation of 1 post-Consolidation Common Share for up to 10 pre-Consolidation Common Shares. If the Board concludes that less than up to 10 times Consolidation is appropriate, the resolution authorizes that lesser Consolidation.

Based on the assumption of up to 10 pre-Consolidation Common Shares, outstanding options and warrants to purchase Common Shares will become exercisable for post-Consolidation Common Shares on the basis of 1 post-Consolidation Common Share for up to 10 pre-Consolidation Common Shares subject to that option or warrant and the post-Consolidation exercise price per share of those options or warrants will be increased by a factor of up to 10. The Consolidation example used herein may change based on the actual exchange ratios.

No certificate representing fractional Common Shares will be issued as a result of the Consolidation. If the Consolidation results in a Shareholder becoming entitled to a fractional Share, such fraction shall be rounded up and the Shareholder will be entitled to receive one post-Consolidation Share for that fraction. In calculating a fractional interest, all of the Common Shares held beneficially by a Shareholder will be aggregated.

The special resolution, if approved by the Shareholders of two thirds or more of the Common Shares present in person or by proxy at the Meeting, will authorize the Corporation to file articles of amendment giving effect to the Consolidation. The special resolution authorizes the Board to revoke the special resolution without further approval of the Shareholders at any time prior to the issue of a certificate of amendment giving effect to the special resolution.

Letters of transmittal will be sent by mail to all Shareholders of record at a later date, instructing them to surrender the certificates evidencing their pre-Consolidation Common Shares for replacement certificates in new form representing the number of post-Consolidation Shares to which they will be entitled.

Shareholders of the Corporation entitled to vote on the matter will be asked at the Meeting to consider, and if thought advisable, adopt the following special resolution to approve the Consolidation of Common Shares (the **Consolidation Resolution**):

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the directors of the Corporation are hereby authorized in their sole discretion, for a period expiring on the date of the Corporation’s next annual general meeting, to amend the Corporation’s articles by consolidating the issued and outstanding Common Shares of the Corporation on the basis that up to 10 of such Common Shares (or such lesser number as is determined by the Board) will become 1 Common Share; in such case, no fractional Common Shares of the Corporation shall be issued in connection with the Consolidation and the number of Common Shares to be received by a Shareholder shall be rounded up to the nearest whole number of Common Shares in the event that such Shareholder would otherwise be entitled to receive fractional Common Shares upon such Consolidation;
2. any officer or director of the Corporation is authorized on behalf of the Corporation to execute and deliver articles of amendment, in duplicate, to the Director appointed under the Business Corporations Act (Ontario) and to do and perform all things, including the execution of documents, necessary or advisable in connection with the foregoing;
3. notwithstanding that this resolution has been duly passed by Shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, Shareholders.”

STATEMENT OF EXECUTIVE COMPENSATION

1. Compensation Discussion and Analysis

General

The compensation of executive officers of the Corporation has been, in the past, comprised primarily of cash compensation and the allocation of incentive stock options. For the fiscal year ended September 30, 2013, the compensation of executive officers of the Corporation was comprised of salary and allocation of stock options. In establishing levels of remuneration and, going forward, in granting stock options, an executive's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size and development within the industry are and will be taken into consideration. Interested executives do not participate in reviews, discussions or decisions of the Governance and Compensation Committee or the Board regarding this remuneration.

The general compensation philosophy of the Corporation for executive officers, including for the Chief Executive Officer, is to provide a level of compensation that is competitive with the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Corporation to be successful, and to provide long-term incentive compensation which aligns the interest of executives with those of shareholders and provides long-term incentives to members of senior management whose actions have a direct and identifiable impact on the performance of the Corporation and who have material responsibility for long-range strategy development and implementation.

The Governance and Compensation Committee is aware of the current financial constraints of the Corporation and will consider such constraints when reviewing the Corporation's compensation policies and practices.

The Corporation's Stock Option Plan will be administered by the Board of the Corporation and/or the Governance and Compensation Committee. The Stock Option Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. Stock option grants will be considered when reviewing executive officer compensation packages as a whole.

Composition of the Governance and Compensation Committee

The mandate of the Governance and Compensation Committee includes reviewing the compensation arrangements for employees of the Corporation, including executive officers and directors and making recommendations to the Board with respect to such compensation arrangements, as well as making recommendations to the Board with respect to compensation programs and equity-based compensation plans. The Governance and Compensation Committee is also responsible for preparing an annual report on executive compensation for purposes of disclosure to shareholders.

The current member of the Governance and Compensation Committee is Mr. Patrick Raleigh who is "independent" within the meaning of Canadian securities laws. Mr. Patrick Raleigh has held senior leadership positions in various organizations involved in mining exploration, and in those capacities obtained direct experience relevant to executive compensation, and has the skills and experience that enable the Governance and Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices

Option Based Awards

The Corporation's proposed stock-based compensation program will provide stock options that create a direct link between executive rewards and enhanced shareholder value since the full benefit of this compensation element cannot be realized unless stock appreciation occurs over a number of years. The Governance and Compensation Committee, at its discretion, may grant stock options annually to executive officers, directors, employees and consultants under the Corporation's proposed stock option plan based on the employee's position, annual compensation and prior grants. In addition, special grants of stock options may be approved to recognize singular achievements or to retain and motivate executives in order to further align executive and shareholder interests and to motivate employees.

2. Summary Compensation Table

The following table sets forth all compensation earned during the fiscal year ended September 30, 2013 by each of the Corporation's President and Chief Executive Officer, Chairman, Executive Vice President and Chief Financial Officer (collectively, the **Named Executive Officers**):

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Peter F. Chodos President and Chief Executive Officer	2013	110,415	NIL	NIL	NIL	NIL	NIL	NIL	110,415
	2012	150,000	NIL	NIL	NIL	NIL	NIL	NIL	150,000
	2011	125,000 ⁽¹⁾	NIL	77,400	NIL	NIL	NIL	NIL	202,400
Victor P. Wyprysky Chairman	2013	30,000	NIL	NIL	NIL	NIL	NIL	NIL	30,000
	2012	30,000	NIL	NIL	NIL	NIL	NIL	NIL	30,000
	2011	30,000	NIL	34,400	NIL	NIL	NIL	NIL	64,400
Terence Chandler Executive VP	2013	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2012	NIL	NIL	NIL	NIL	NIL	NIL	1,333	1,333
	2011	NIL	NIL	10,750	NIL	NIL	NIL	6,000	16,750
Carmelo Marrelli Chief Financial Officer	2013	NIL	NIL	NIL	NIL	NIL	NIL	40,135 ⁽¹⁾	40,135
	2012	NIL	NIL	NIL	NIL	NIL	NIL	58,871	58,871
	2011	NIL	NIL	NIL	NIL	NIL	NIL	36,191	36,191
Art Hampson Chief Financial Officer	2013	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Mr. Marrelli, resigned from the Corporation on August 26, 2013. Mr. Hampson was appointed as Chief Financial Officer of the Corporation on August 26, 2013 and was paid \$nil. Marrelli Support Services Inc. was paid \$1,000 for Mr. Hampson to be the Chief Financial Officer of the Corporation, which is included in the \$40,135 compensation for Mr. Marrelli in the above table.

Mr. Chandler's compensation is earned indirectly through a consulting agreement between the Corporation and Terrenex Consulting Inc., a consulting company of which Mr. Chandler is the President and sole Director.

Mr. Chandler resigned from the Corporation on January 31, 2013.

The fair value of the option-based awards has been calculated using the Black Scholes Option Pricing Model. The Corporation uses the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Corporation has chosen to use the Black-Scholes model because it is an accepted industry standard and is appropriate for the Corporation's financial reporting requirements to security regulatory authorities. The fair value of the stock options granted in 2011 was calculated using the Black-Scholes option pricing model based on an expected option life of five years, a dividend yield of 0%, a risk free interest rate of 2.44% and expected volatility of 134.84% and a share price of \$0.10, giving a per option fair value of \$0.086.

3. Incentive Plan Awards

Outstanding share-based awards and option-based awards as at September 30, 2013.

Name	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Peter F. Chodos President and CEO	900,000	\$0.135	March 30, 2016	NA ⁽¹⁾	NA	NA	NA
Victor P. Wyprysky Chairman	400,000	\$0.135	March 30, 2016	NA ⁽¹⁾	NA	NA	NA

(1) Based on Portex share price of \$0.08 as at September 30, 2012.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Peter F. Chodos President and CEO	NIL	NIL	NIL
Victor P. Wyprysky Chairman	NIL	NIL	NIL

Stock Option Plan

Please see section above entitled "Approval of the Stock Option Plan" and Schedule "1" for details on the Corporation's stock option plan.

The following table sets forth the number of Common Shares to be issued upon exercise of the outstanding options issued pursuant to compensation plans under which equity securities of the Corporation are authorized for issuance, the weighted average exercise price of such outstanding options and the number of Common Shares remaining available for future issuance for all compensation plans previously approved by Shareholders and all compensation plans not previously approved by Shareholders, as at September 30, 2013. There were 64,984,430 Common Shares of the Corporation issued and outstanding as at September 30, 2013.

Plan Category	A. Number of securities to be issued on exercise of outstanding options	B. Weighted-average exercise price of outstanding options	C. Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders	1,525,000	\$0.135	4,973,443
Equity compensation plans not approved by securityholders	NIL	NIL	NIL

Total	1,525,000	\$0.135	4,973,443
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4. Termination and Change of Control Benefits

Termination and change of control benefits

The employment agreements with Peter F. Chodos and Victor P. Wyprysky provide for an indefinite term of employment subject to termination for cause. If either is terminated for reasons other than for cause, the Corporation shall pay an amount of severance equal to two (2) years of base salary and two (2) years of bonus estimated to be \$300,000 for Peter F. Chodos and \$60,000 for Victor P. Wyprysky.

5. Director Compensation

Director compensation table

The following table shows the compensation paid or made payable to the non-executive directors for the fiscal year ended September 30, 2013.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Patrick J. Raleigh	12,000	NIL	NIL	NIL	NIL	12,000
Peter N. Calder	1,000	NIL	NIL	NIL	NIL	1,000
Geoffrey D. Stanley	6,000	NIL	NIL	NIL	NIL	6,000
Richard Bishop	6,000	NIL	NIL	NIL	NIL	6,000

Share-based awards, option-based awards and non-equity incentive plan compensation

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Patrick J. Raleigh	NIL	NIL	NIL
Peter N. Calder	NIL	NIL	NIL
Geoffrey D. Stanley	NIL	NIL	NIL
Richard Bishop	NIL	NIL	NIL

AUDIT COMMITTEE DISCLOSURE

The Corporation is required to have an audit committee. The following directors, each of whom is financially literate, are currently members of the Corporation's audit committee: Patrick J. Raleigh, Geoffrey D. Stanley and Richard Bishop.

Audit Committee Mandate

The mandate for the Audit Committee is attached at Schedule "2".

Pre-Approval Policies and Procedures for Audit Services

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

As described herein under the heading "Particulars of Matters to be Acted Upon — Appointment and Remuneration of Auditors", Collins Barrow Toronto LLP is the Corporation's external auditor.

(a) Audit Fees

"Audit fees" consist of fees for professional services for the audit of the Corporation's annual financial statements, assistance with interim financial statements, and related matters. Collins Barrow Toronto LLP billed the Corporation \$20,000 for the fiscal year ended September 30, 2013 for audit fees. For the fiscal year ended September 30, 2012, the Corporation paid \$18,367 for audit fees.

(b) Audit-Related Fees

"Audit-related fees" consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and which are not reported under "Audit Fees" above. Collins Barrow Toronto LLP did not bill the Corporation or its subsidiaries for the fiscal year ended September 30, 2013 for audit-related fees.

(c) Tax Fees

"Tax fees" consist of fees for professional services for tax compliance, tax advice and tax planning. Collins Barrow Toronto LLP billed the Corporation \$2,000 for tax fees in the fiscal year ended September 30, 2013.

(d) All Other Fees

Collins Barrow Toronto LLP billed the Corporation \$1,180 for fees in the fiscal year ended September 30, 2013 other than those described above.

Reliance on Exemption

The Corporation is relying on the exemption set out in section 6.1 of National Instrument 52-110, as the Corporation is a "Venture Issuer" and is exempt from requirements relating to the composition of the Audit Committee and certain reporting obligations.

CORPORATE GOVERNANCE DISCLOSURE STATEMENT

The Corporation's Board has ultimate responsibility to supervise the management of the business and affairs of the Corporation and its subsidiaries. The Board considers good corporate governance to be central to the effective and efficient operation of the Corporation and regularly reviews, evaluates and modifies its governance program to ensure it is of the highest standard. The Board is satisfied that the Corporation's governance plan meets and, in many cases, exceeds legal and stock exchange requirements.

Pursuant to National Policy 58-201 — *Corporate Governance Guidelines*, the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set out in Schedule "3" to this Circular. The Board has adopted a written mandate to formalize its responsibilities, a copy of which is attached to this Circular as Schedule "4".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof or at any time within thirty days prior to the date hereof, no executive officer, director, employee, or former executive officer, director or employee of the Corporation is or was indebted in respect of any purchase of securities or otherwise to the Corporation or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since the beginning of the most recently completed financial year has been indebted to the Corporation, or indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, in respect of any security purchase program or any other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, any proposed director of the Corporation or any Associate or Affiliate of any informed person or proposed director, has had any material interest in any transactions since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

OTHER INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis (**MD&A**) for the financial year ended September 30, 2013. Shareholders may contact the Corporation to request copies of these documents by mail to 2 Bloor Street W., Suite 2000, Toronto, Ontario, M4W 3E2.

CERTIFICATE

The contents and the distribution of this information circular have been approved by the Board of Directors of the Corporation.

August 27, 2014.

By Order of the Board

“Victor P. Wyprysky”

Victor P. Wyprysky
Chairman of the Board of Directors

SCHEDULE "1"

PORTEX MINERALS INC.

STOCK OPTION PLAN

1 PURPOSE

1.1 Purpose

The purpose of this stock option plan (as amended from time to time, the **Plan**) is to advance the interests of the Corporation by: (i) providing Eligible Persons with financial incentives; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and (v) attracting new Employees, Officers, Directors and Consultants to the Corporation or its Affiliates.

2 INTERPRETATION

2.1 Definitions

When used herein, the following terms have the following meanings, respectively:

- (a) **Act** means the *Securities Act* (Ontario);
- (b) **Affiliate** means any corporation that is an affiliate of the Corporation as defined in the Act;
- (c) **Blackout Period** means a period of time when, pursuant to any policies of the Corporation, securities of the Corporation may not be traded by certain persons as designated by the Corporation, including an Optionee;
- (d) **Board** means the board of directors of the Corporation;
- (e) **Change of Control** means the occurrence of any one or more of the following events:
 - (i) a consolidation, merger, amalgamation, arrangement or other reorganization, takeover bid or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding rights to vote in respect of the shares of the successor corporation after completion of the transaction;
 - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to an Affiliate of the assets, rights and properties of the Corporation in the course of a reorganization of the assets of the Corporation and its Affiliates;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or
 - (iv) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.
- (f) **Commitment Form** means the notice of grant of an Option delivered by the Corporation hereunder to an Optionee in the form of Schedule "A" attached hereto, or in such other form as the Governance and Governance and Compensation Committee may approve for any

one or more Optionees or for a group of Optionees, as same may be amended from time to time;

- (g) **Governance and Governance and Compensation Committee** means the governance and Governance and Compensation Committee of the Board;
- (h) **Consultant** means any individual consultant or Consulting Company or Partnership providing services to the Corporation or of an Affiliate;
- (i) **Consulting Company or Partnership** means a company or partnership providing consulting services to the Corporation or an Affiliate and, if applicable, for whom an individual consultant providing consulting services to the Corporation or an Affiliate may be an employee, shareholder or partner;
- (j) **Control** means:
 - (i) when applied to the relationship between a person and a corporation, the beneficial ownership by the person, at the relevant time, of shares of the corporation carrying either (A) more than 50% of the voting rights ordinarily exercisable at meetings of shareholders of the corporation or (B) the percentage of voting rights ordinarily exercisable at meetings of shareholders of the corporation sufficient in fact to elect a majority of the directors of the corporation; and
 - (ii) when applied to the relationship between a person and a partnership or joint venture, the beneficial ownership by the person, at the relevant time, of more than 50% of the ownership interests of the partnership or joint venture in circumstances where it can reasonably be expected that the person directs the affairs of the partnership or joint venture;
- (k) **Corporation** means Portex Minerals Inc., and includes any successor corporation thereto;
- (l) **Director** means a director of the Corporation or of an Affiliate;
- (m) **Effective Date** for an Option means the date on which the Option is granted;
- (n) **Eligible Person** means, subject to the administrative guidelines and other rules and regulations relating to the Plan and to all applicable law, any Employee, Officer, Director, or Consultant who is approved for participation in the Plan by the Governance and Governance and Compensation Committee; and who is a *bona fide* Employee, Consultant or Consulting Company or Partnership as the case may be;
- (o) **Employee** means an employee of the Corporation or of an Affiliate;
- (p) **Exchange** means any other stock exchange on which the Shares are then listed for trading;
- (q) **Exercise Form** means the notice of exercise of option in the form of Schedule "B" attached hereto;
- (r) **Exercise Period** means the period of time during which an Option granted under the Plan may be exercised (provided, however, that the Exercise Period may not exceed ten (10) years from the relevant Effective Date unless permitted under Section 4.4(b));
- (s) **Exercise Price** has the meaning ascribed thereto in Section 4.2;
- (t) **Incapacity** of an Optionee means his total or substantially total mental, physical, natural or legal inability to perform regularly his day-to-day functions for a period of six (6) months, the whole as evidenced and determined by an independent medical expert chosen by the

Governance and Governance and Compensation Committee or as determined by a final and definitive judgment rendered by a court of competent jurisdiction thereto;

- (u) **Insider** has the meaning given to such term in the Act;
- (v) **Merger and Acquisition Transaction** means (i) any merger; (ii) any acquisition; (iii) any amalgamation; (iv) any offer for Shares which if successful would entitle the offeror to acquire more than 50% of all Shares; (v) any arrangement or other scheme of reorganization; or (vi) any consolidation, that results in a Change of Control;
- (w) **Officer** means an officer of the Corporation or of an Affiliate;
- (x) **Option** means the right to purchase Shares granted to an Eligible Person in accordance with the terms of the Plan;
- (y) **Optioned Shares** means Shares subject to an Option;
- (z) **Optionee** means an Eligible Person to whom an Option is granted by the Corporation under the Plan, whether a Director, Officer, Employee, or Consultant (including, for greater certainty, an individual or a Consulting Company or Partnership);
- (aa) **person** or **persons** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (bb) **Plan** has the meaning ascribed thereto in Section 1.1;
- (cc) **Regulatory Approval** means the approval of any securities or other applicable regulatory agency (including the Exchange) which may have jurisdiction in the circumstances;
- (dd) **Shares** means the ordinary shares in the capital of the Corporation;
- (ee) **Subsidiary** means a corporation which is a subsidiary of the Corporation as defined in the Act;
- (ff) **Termination Date** means:
 - (i) in the case of an Optionee whose employment or term of office with the Corporation or an Affiliate terminates in the circumstances set out in Section 4.10(b) or 4.10(c)(ii), the date that is designated by the Corporation or the Affiliate, as the case may be, as the last day of such person's employment or term of office with the Corporation or the Affiliate, as the case may be;
 - (ii) in the case of an Optionee whose employment or term of office with the Corporation or an Affiliate terminates in the circumstances set out in Section 4.10(c)(ii), the date of the notice of termination of employment or term of office given by the Corporation or the Affiliate, as the case may be;
 - (iii) in the case of an Optionee whose employment or term of office with the Corporation or an Affiliate terminates in the circumstances set out in Section 4.10(c) (iii), the date of retirement;
 - (iv) in the case of an Optionee whose consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual) are terminated by the Corporation or an Affiliate in the circumstances set out in Section 4.10(d), the date that is designated by the Corporation or the Affiliate, as the case may be, as the

last day of the Optionee's consulting arrangements (or those of its Consulting Company or Partnership) with the Corporation or the Affiliate, as the case may be;

- (v) in the case of an Optionee whose consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual) are terminated in the circumstances set out in Section 4.10(e), the date of the notice of termination given to the Optionee (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual) or the expiry of the original term or any subsequent renewal term of the consulting arrangements, as the case may be;

and in each such case, **Termination Date** specifically does not mean the date on which any period of reasonable notice that the Corporation or the Affiliate, as the case may be, may be required at law to provide to the Optionee would expire.

2.2 Interpretation

- (a) A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.
- (b) Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

3 ADMINISTRATION

3.1 Administration of Plan

- (a) The Governance and Governance and Compensation Committee will, subject to any terms and conditions the Board may prescribe from time to time, in accordance with the Plan, be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. If a Governance and Governance and Compensation Committee does not exist, the Board will assume the responsibilities in this paragraph in particular and with respect to the administration and execution of the Stock Option Plan in general.
- (b) Subject to the limitations of the Plan, the Governance and Governance and Compensation Committee has the authority to: (i) grant Options to purchase Shares to Eligible Persons; (ii) determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it may from time to time deem advisable, subject to required Regulatory Approval; and (iv) make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.
- (c) Any decision, interpretation or other action made or taken in good faith by or at the direction of the Corporation, the Board or the Governance and Governance and Compensation Committee (or any of its members) arising out of or in connection with the Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Corporation and Optionees and their respective heirs, executors, administrators, successors and assigns and all other persons.
- (d) The day-to-day administration of the Plan may be delegated to such officers and employees of the Corporation or of an Affiliate as the Board or the Governance and Governance and Compensation Committee determines.
- (e) The Corporation is responsible for all costs of administration of the Plan.

3.2 Eligibility

Eligible Persons are eligible to participate in the Plan, provided that eligibility to participate does not confer upon any Eligible Person any right to be granted Options pursuant to the Plan. The extent to which any Eligible Person is entitled to be granted Options pursuant to the Plan will be determined in the sole and absolute discretion of the Governance and Governance and Compensation Committee.

3.3 Shares Reserved Under the Plan

- (a) The maximum number of Shares reserved for issuance under the Plan and all of the Corporation's other security based compensation arrangements at any given time is equal to 10% of the issued and outstanding Shares as at the date of grant of an Option under the Plan, subject to adjustment or increase of such number pursuant to Section 4.13. The Plan is an "evergreen" plan. Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Plan, and any exercises of Options will make new grants available under the Plan, effectively resulting in a re-loading of the number of Options available to grant under the Plan.
- (b) The aggregate number of Shares issued to Insiders of the Corporation within any twelve month period, or issuable to Insiders of the Corporation at any time, under the Plan and any other security based compensation arrangements of the Corporation may not exceed 10% of the total number of issued and outstanding Shares at such time.

3.4 Incorporation of Terms of Plan

Subject to specific variations approved by the Governance and Governance and Compensation Committee, all terms and conditions set out in the Plan will be deemed to be incorporated into and form part of each Option granted under the Plan.

4 GRANT OF OPTIONS

4.1 Grant of Options

The Governance and Governance and Compensation Committee may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board or Governance and Governance and Compensation Committee may prescribe, grant Options to any Eligible Person. Options covering not more than 5% of the issued and outstanding shares of the Corporation may be granted to any one individual in any twelve (12) month period. No more than 2% of the issued and outstanding shares may be granted to any one consultant in any twelve (12) month period and no more than an aggregate of 2% of the issued and outstanding shares may be granted to an employee conducting investor relations activities in any twelve (12) month period.

4.2 Exercise Price

The Governance and Governance and Compensation Committee will establish the exercise price of an Option (the **Exercise Price**) at the time each Option is granted. The Exercise Price shall not be less than the market price of the Shares which will be equal to the volume weighted average trading price of the Shares on the Exchange for the five (5) trading days immediately preceding the Effective Date subject to any minimum Exercise Price contained in the rules and regulations of the Exchange.

4.3 Number of Shares Subject to Option

The number of Shares subject to each Option shall be determined by the Governance and Governance and Compensation Committee, and such number shall be set out in the Commitment Form evidencing the grant of such Option.

4.4 Expiration of Options

- (a) Subject to any accelerated termination as set forth in the Plan, all Options granted pursuant to the Plan will expire on the date (the **Expiry Date**) as determined by the Governance and Governance and Compensation Committee at the date of grant provided that no Option may be exercised beyond ten (10) years from the Effective Date.
- (b) Notwithstanding the above, if the Expiry Date for any Option falls within a Blackout Period or within ten (10) business days from the expiration of a Blackout Period (such Options to be referred to as **Restricted Options**), the Expiry Date of such Restricted Options shall be automatically extended to the date that is the 10th business day following the end of the Blackout Period, such 10th Business Day to be considered the Expiry Date for such Restricted Options for all purposes under the Plan.

4.5 Non-Assignable and Non-Transferable

Options are non-assignable and non-transferable although they are assignable to and may be exercisable by an Optionee's legal heirs, personal representatives or guardians as provided in Section 4.9. Upon written notice from an Eligible Person under the Plan, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to a registered retirement savings plan (**RRSP**), tax free savings account (**TFSA**) or a holding company wholly-owned by the Eligible Person.

4.6 Vesting of Option Rights

The Governance and Governance and Compensation Committee may determine when any Option will become exercisable and may determine that the Option will be exercisable in instalments or pursuant to a vesting schedule. Such terms shall be set out in the Commitment Form evidencing the grant of such Option. Unless the Governance and Governance and Compensation Committee determines otherwise, and subject to the other provisions of the Plan, Options issued will be subject to a vesting schedule as follows:

- (a) one-third on the Effective Date;
- (b) one-third upon the first anniversary of the Effective Date; and
- (c) one-third upon the second anniversary of the Effective Date.

4.7 Amendment of Option

The Governance and Governance and Compensation Committee may amend the terms of an Option in accordance with the Plan provided that any amendment that extends the term or reduces the Exercise Price of an Option held by an Insider at the time of the proposed amendment shall be subject to disinterested shareholder approval.

4.8 Acceleration of Vesting Period

Subject to the Board or the Governance and Governance and Compensation Committee determining otherwise, in the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 4.6, if applicable. Notwithstanding the vesting schedule for an Option, the Governance and Governance and Compensation Committee shall have the right with respect to any one or more Optionees in the Plan to accelerate the time at which an Option may be exercised.

4.9 Death or Incapacity of Optionee

In the event of the death or Incapacity of an Optionee:

- (a) the executor or administrator of the Optionee's estate or the Optionee, as the case may be, may exercise any Options of the Optionee to the extent that the Options were exercisable at the date of such death or Incapacity and the right to exercise the Options terminates on the earlier of (i) the date that is twelve months from the date of the Optionee's death, if the Optionee has died, or 30 days after the six month period referred to in the definition of "Incapacity", in the event of Incapacity; and (ii) the date on which the Exercise Period of the particular Option expires. Any Options held by the Optionee that were not exercisable at the date of death or Incapacity immediately expire and are cancelled on such date; and
- (b) such Optionee's eligibility to receive further grants of Options under the Plan ceases as of the date of the Optionee's death or Incapacity, as the case may be.

4.10 Termination of Employment or Cease to Hold Office

- (a) In the event an Optionee's employment or consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Consultant who is an Optionee is an individual) or term of office with the Corporation or an Affiliate ceases by reason of the Optionee's death or Incapacity, then the provisions of Section 4.9 will apply.
- (b) In the event an Optionee's employment or term of office with the Corporation or an Affiliate is terminated by the Corporation or an Affiliate for lawful cause, then any Options held by such Optionee, whether or not such Options are exercisable at the applicable Termination Date, immediately expire and are cancelled on the Termination Date at a time determined by the Governance and Governance and Compensation Committee, at its discretion.
- (c) In the event an Optionee's employment or term of office terminates by reason of: (i) voluntary resignation by such Optionee; (ii) termination by the Corporation or an Affiliate without cause (whether such termination occurs with or without any or adequate reasonable notice or with or without any or adequate compensation in lieu of such reasonable notice); or (iii) the retirement of such Optionee in accordance with the then customary policies and practices of the Corporation in relation to retirement, then any Options held by such Optionee that are exercisable at the Termination Date continue to be exercisable by such Optionee until the earlier of (A) the date that is 180 days from the Termination Date; and (B) the date on which the Exercise Period of the particular Option expires. Any Options held by such Optionee that are not exercisable at the Termination Date immediately expire and are cancelled on the Termination Date.
- (d) In the event an Optionee's consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual) with the Corporation or an Affiliate are terminated by the Corporation or an Affiliate for breach of agreement prior to the expiry of the original term or any subsequent renewal term of such arrangements, then any Options held by the Optionee (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual), whether or not such Options are exercisable at the applicable Termination Date, immediately expire and are cancelled on the Termination Date at a time determined by the Governance and Governance and Compensation Committee, at its discretion.
- (e) In the event an Optionee's consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual) with the Corporation or an Affiliate are terminated in circumstances other than those referred to in Section 4.10(d), any Options held by the Optionee that are exercisable at the Termination Date continue to be exercisable by the Optionee until the earlier of: (i) the date that is 180 days from the Termination Date; and (ii) the date on which the Exercise Period of the particular Option expires. Any Options held by the Optionee that are not exercisable at the Termination Date immediately expire and are cancelled upon the Termination Date.
- (f) An Optionee's eligibility to receive further grants of Options under the Plan ceases as of the applicable Termination Date.

4.11 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 4.9 and 4.10, the Board may, in its discretion, at any time prior to or following the events contemplated in such sections and in any Commitment Form, permit the exercise of any or all Options held by the Optionee in the manner and on terms authorized by the Board, provided that, subject to an extension pursuant to Section 4.4(b), the Board will not, in any case, authorize the exercise of an Option pursuant to this section beyond the earlier of the Expiry Date of the particular Option and one year after the Termination Date.

4.12 General

The existence of any Options does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this section would have an adverse effect on the Plan or any Option granted hereunder, subject to Sections 4.13(a) and 4.13(b).

4.13 Adjustment

(a) In the event of a subdivision, consolidation or reclassification of Shares or any similar capital reorganization, or any other change to be made in the capitalization of the Corporation including an exchange of Shares for another security of the Corporation that, in the opinion of the Governance and Governance and Compensation Committee, acting reasonably and in good faith, would warrant the replacement or amendment of any existing Options in order to adjust:

- (i) the number of Shares or other securities that may be acquired on the exercise of any outstanding Options; or
- (ii) the Exercise Price of any outstanding Options,

in order to preserve proportionately the rights and obligations of the Optionees, the Governance and Governance and Compensation Committee will authorize such steps, subject to Regulatory Approval, if required, to be taken as are equitable and appropriate to that end.

(b) In the event of an amalgamation, combination, merger or other reorganization involving the Corporation, by exchange of shares, by sale or lease of assets, or otherwise, that, in the opinion of the Governance and Governance and Compensation Committee, acting reasonably and in good faith, warrants the replacement or amendment of any existing Options in order to adjust:

- (i) the number of Shares or other securities that may be acquired on the exercise of any outstanding Options; or
- (ii) the Exercise Price of any outstanding Options,

in order to preserve proportionately the rights and obligations of the Optionees, the Governance and Governance and Compensation Committee will authorize such steps, subject to Regulatory Approval, if required, to be taken as are equitable and appropriate to that end.

(c) Except as expressly provided in Sections 4.13(a) and 4.13(b), neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Shares that

may be acquired on the exercise of any outstanding Options; or (ii) the Exercise Price of any outstanding Options.

- (d) The Corporation will not be required to issue fractional Shares in satisfaction of its obligations hereunder and any fractional interest in a Share that would, except for the provisions of this Section 4.13(d), be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation.

4.14 Disputes

If any questions arise at any time with respect to the Exercise Price or number of Optioned Shares or other securities deliverable upon exercise of an Option in any of the events set out in Section 4.13(a) and 4.13(b), such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of chartered accountants that the Corporation may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

4.15 Compliance with Law and Tax Withholding

- (a) The Corporation is not obligated to grant any Options, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Governance and Governance and Compensation Committee, in its sole discretion, such action would constitute a violation by an Optionee or the Corporation of any provision of any applicable law, including any statutory or regulatory enactment of any government or government agency. Optioned Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such Optioned Shares shall comply with all relevant provisions of law, including, without limitation, any applicable securities laws, and the requirements of the Exchange, and such issuance shall be further subject to the approval of counsel for the Corporation with respect to such compliance. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Optioned Shares under the Plan, or the inability of the Corporation to lawfully issue, sell, or deliver any Optioned Shares, shall relieve the Corporation of any liability with respect to the non-issuance, sale or delivery of such Optioned Shares.
- (b) Notwithstanding anything to the contrary herein, delivery of the Shares to an Optionee upon exercise of Options is subject to the satisfaction of all applicable federal, state, provincial, local and foreign tax obligations as may be required by applicable law, including, but not limited to, an obligation to make withholdings, deductions or remittances in respect of any taxable benefits of an Optionee arising under the Plan or any Option (a **tax withholding obligation**). In order to satisfy a tax withholding obligation in respect of an Optionee, the Company may (i) deduct or withhold from any amounts payable to an Optionee pursuant to the Plan, any Option, or otherwise in the course of an Optionee's employment with the Corporation, and (ii) require the Optionee to remit to the Corporation an amount sufficient to satisfy in full any tax withholding obligations as may be imposed on the Corporation by applicable law. Further, the Corporation may permit or require the Optionee to satisfy, in whole or in part any tax withholding obligation by instructing the Corporation to withhold Shares that would otherwise be received by the Optionee upon exercise of any Options, sell such Shares on behalf of the Optionee, and remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax withholding obligation.

4.16 Sale of Corporation, etc.

If the Board at any time by resolution declares it advisable to do so in connection with a Merger and Acquisition Transaction, the Board has the right to provide for the conversion, exchange, replacement or substitution of any outstanding Options into or for options, rights or other securities of similar value of, or the assumption of outstanding Options by, any entity or affiliate participating in or resulting from a Merger and Acquisition Transaction. Any such conversion, exchange, replacement, substitution or assumption shall be on such terms as the Board in good faith may consider fair and appropriate in the circumstances.

In addition, and notwithstanding this Section 4.16, the Board has the right to determine, at its sole discretion, that (i) any or all Options shall thereupon terminate; provided that only such outstanding Options that have vested shall remain exercisable until consummation of the Merger and Acquisition Transaction; or (ii) Options not exercisable may be exercisable in full.

5 PROCEDURE

5.1 Option Commitment

- (a) Upon grant of an Option hereunder to an Optionee, a senior officer of the Corporation designated by the Governance and Governance and Compensation Committee will deliver to the Optionee a Commitment Form detailing the terms of the Option.
- (b) Upon the occurrence of an event to which Section 4.13(a) or 4.13(b) applies, a senior officer of the Corporation designated by the Governance and Governance and Compensation Committee may deliver to any Optionee with respect to any Option, a revised Commitment Form identified as such, with respect to Shares as to which the Option has not been exercised, reflecting the application of Section 4.13(a) or 4.13(b), as applicable, by reason of that event.

5.2 Manner of Exercise

- (a) Subject to the provisions of the Plan and the provisions of the Commitment Form issued to an Optionee, Options which are exercisable may be exercised by means of a fully completed Exercise Form delivered to the Corporation. The Exercise Form must be accompanied by the payment in full of the Exercise Price for the Shares to be purchased. The Exercise Price must be fully paid in cash, by wire transfer or by certified cheque or bank draft payable to the Corporation or by such other means as might be specified from time to time by the Governance and Governance and Compensation Committee with the consent of the Exchange. No Shares will be issued until full payment therefor has been received by the Corporation. As soon as practicable after receipt of any Exercise Form and full payment, the Corporation will forthwith cause the transfer agent and registrar of the Shares to deliver to the Optionee a certificate or certificates or a statement of account, representing in the aggregate the acquired Shares.
- (b) Notwithstanding any other provision of the Plan, the Corporation will not be obligated to issue Optioned Shares on the exercise of an Option granted under the Plan until the Corporation has received the deliveries specified in Section 5.2(a).

5.3 Use of an Administrative Agent and Trustee

- (a) The Governance and Governance and Compensation Committee may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under the Plan, the whole in accordance with the terms and conditions determined by the Governance and Governance and Compensation Committee in its sole discretion. In such case, the Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under the Plan.

6 GENERAL

6.1 Optionee has no Rights as a Shareholder

An Optionee has no rights whatsoever as a shareholder in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom or thereon)

other than in respect of Optioned Shares purchased by and fully paid for and issued to the Optionee on exercise of the Option.

6.2 Accounts and Statements

The Corporation will maintain, or cause to be maintained, records indicating the number of Options granted to each Optionee and the number of Optioned Shares issued under the Plan.

6.3 Employment and Services

Nothing contained in the Plan will confer upon any Optionee (or his Consulting Company or Partnership) any right with respect to employment, term of office or consulting with the Corporation or an Affiliate, or interfere in any way with the right of the Corporation to terminate the Optionee's employment, term of office or consulting arrangements (or those of his Consulting Company or Partnership) at any time. If an Optionee's employment, term of office or consulting arrangements (or those of his Consulting Company or Partnership) with the Corporation or an Affiliate is terminated for any reason, no value will be ascribed to any unvested Options for the purposes of any severance entitlement. Participation in the Plan by an Optionee will be voluntary.

6.4 Notice

Each notice, demand or communication required or permitted to be given under the Plan (each, a **Notice**) will be in writing and shall be given by personal delivery or by registered mail, postage prepaid, if to the Corporation, at the Corporation's address set out in the Commitment Form, to the attention of the Corporate Secretary, or at such other address as the Corporation may advise an Optionee of, in writing, as being the address for delivery of a Notice to the Corporation, and if to an Optionee, at the most recent residential address for the Optionee shown in the records of the Corporation. All such Notices given as aforesaid shall be deemed to have been received by the recipient when delivered or, if mailed, five days after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received ten (10) days after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery.

6.5 Amendment or Termination of Plan

The Board reserves the right, in its absolute discretion but subject to Exchange approval, to amend, suspend or terminate the Plan, or any portion thereof, at any time without obtaining the approval of shareholders of the Corporation, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the Exchange), if any, that require the approval of shareholders. Such amendments may include, without limitation:

- (a) minor changes of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan, or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (b) amending Options under the Plan, including with respect to the Exercise Period (provided, however, that the Exercise Period may not exceed ten (10) years from the relevant Effective Date unless permitted under Section 4.4(b)), vesting period, exercise method and frequency, exercise price and method of determining the Exercise Price, assignability and the effect of termination of an Optionee's employment or consulting arrangements (or, if applicable, those of its Consulting Company or Partnership if the Optionee is an individual), or cessation of an Optionee's directorship, as applicable; provided that such amendment does not adversely alter or impair any Option previously granted to an Optionee without the consent of such Optionee;
- (c) advancing the date on which any Option may be exercised or extending the Expiry Date of any Option (provided, however, that the Exercise Period may not exceed ten (10) years from the relevant Effective Date unless permitted under Section 4.4(b));

- (d) amendments necessary to comply with the provisions of applicable law or the applicable rules of the Exchange, including with respect to the treatment of Options granted under the Plan;
- (e) amendments respecting the administration of the Plan;
- (f) amendments necessary to suspend or terminate the Plan;
- (g) a change relating to the eligibility of any Optionee or Eligible Person in the Plan; and
- (h) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the applicable rules of the Exchange.

Notwithstanding the foregoing, the Corporation will be required to obtain the approval of disinterested shareholders of the Corporation for any amendment related to:

- (i) amending the provisions relating to the transferability of an Option, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts;
- (j) reducing the Exercise Price of an Option held by an Insider;
- (k) extending the term of an Option held by an Insider;
- (l) amending to remove or exceed the limits on Insider participation in the Plan under Section 3.3(b);
- (m) increasing the maximum number of Shares which may be issued under the Plan; and
- (n) granting additional powers to the Board to amend the Plan without shareholder approval.

Any amendment to any provision of the Plan will be subject to any required regulatory or governmental approvals.

The Board may terminate the Plan at any time in its absolute discretion. If the Plan is so terminated, no further Options shall be granted, but the Options then outstanding shall continue in full force and effect in accordance with the provisions of the Plan.

6.6 Governing Law

The Plan will be governed and construed in accordance with the laws of the Province of Ontario.

6.7 Effective Date

The Plan shall be effective on January 24, 2011.

6.8 Subject to Approval

To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in full force and effect. Unallocated Options under the Plan require the approval of shareholders every year.

SCHEDULE "A"

COMMITMENT FORM

All capitalized terms used herein and not otherwise defined have the same meaning as in the Portex Minerals Inc. (the **Corporation**) Stock Option Plan, as amended from time to time (the **Plan**).

Notice is hereby given and the Corporation confirms that:

on this _____ day of _____ (the **Grant Date**);

(a) _____ (the **Optionee**);

(b) was granted options (the **Options**) to purchase _____ Shares (the **Option Shares**) of the Corporation;

(c) for the price (the **Exercise Price**) of \$_____ per Option Share;

(d) which will become exercisable up to, but not after _____ (the **Expiry Date**), as follows;

(i) up to _____ Option Shares after _____;

(ii) up to _____ Option Shares after _____;

(iii) up to _____ Option Shares after _____; and

(iv) up to _____ Option Shares after _____

all on terms and subject to the conditions set out in the Plan, and such terms and conditions are incorporated herein.

The Options may be exercised by the Optionee by the delivery of a duly completed and executed Notice of Exercise in the form attached to the Plan as Schedule "B", together with payment in full of the purchase price of the Option Shares purchased pursuant to the exercise of the Options, to the Corporate Secretary of the Corporation at the registered address of the Corporation.

The exercise of the Options is subject to the acceptance by the Corporation of these items.

DATED this _____ day of _____, _____.

PORTEX MINERALS INC.

Per: _____

Name:

Title:

SCHEDULE "B"

NOTICE OF EXERCISE

The undersigned, _____, hereby exercises options to purchase _____ common shares (collectively, the **Shares**) of Portex Minerals Inc. (the **Corporation**) at a purchase price of \$_____ per Share.

This Notice of Exercise is delivered in respect of the options to purchase Shares that were granted to the undersigned on _____ as evidenced by the Commitment Form delivered by the Corporation to the undersigned. In connection with the foregoing, the undersigned delivers cash totalling, or a certified cheque or bank draft payable to the Corporation in the amount of, \$_____ as full payment for the Shares in respect of which the options are hereby being exercised.

The undersigned acknowledges that delivery of the Shares is subject to the satisfaction of all applicable federal, state, provincial, local and foreign tax obligations, including obligations to make withholdings or deductions in respect of the benefits arising hereunder. The Corporation has the power and right to require the undersigned to remit to the Corporation an amount sufficient to satisfy any applicable tax or withholding obligations required by law. Further, the Corporation may require the undersigned to satisfy, in whole or in part, such tax or withholding obligations by instructing the Corporation to withhold Shares that would otherwise be received by the undersigned, sell such Shares on behalf of the undersigned and remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax or withholding obligations.

DATED this _____ day of _____

Print or Type Name

SIGNATURE

SCHEDULE "2"

PORTEX MINERALS INC.

AUDIT COMMITTEE **Terms of Reference and Mandate**

1. General

The board of directors (the **Board**) of Portex Minerals Inc. (the **Corporation**) has delegated the responsibilities, authorities and duties described below to the audit committee (the **Audit Committee**). For the purpose of these terms of reference, the term "Corporation" shall include the Corporation and its subsidiaries.

The Audit Committee shall be directly responsible for overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation, and the Audit Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Corporation (including resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. In so doing, the Audit Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

2. Members

The Audit Committee shall be composed of a minimum of three members. The quorum at any meeting of the Audit Committee is a majority of its members. Members of the Audit Committee shall be appointed by the Board. Each member shall serve until such member's successor is appointed, unless that member resigns or is removed by the Board or otherwise ceases to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair shall not have a second, or casting, vote. The Chair of the Committee shall be responsible for overseeing the performance by the Committee of its duties, for assessing the effectiveness of the Committee and individual Committee members and for reporting periodically to the Board.

All members of the Audit Committee must satisfy the financial literacy and experience requirements of applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, the majority of members shall be "independent" and all members must be "financially literate" within the meaning of National Instrument 52-110 *Audit Committees*.

3. Meetings

The Audit Committee shall meet at least quarterly at such times and at such locations as the Chair of the Audit Committee shall determine, provided that meetings shall be scheduled so as to permit the timely review of the Corporation's quarterly and annual financial statements and related management discussion and analysis. Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat. The external auditor or any member of the Audit Committee may also request a meeting of the Audit Committee.

The Chair of the Audit Committee shall hold *in camera* sessions of the Audit Committee, without management present, at every meeting.

The external auditor and management employees of the Corporation shall, when required by the Audit Committee, attend any meeting of the Audit Committee.

The Audit Committee shall submit the minutes of all meetings to the Board, and when requested to, shall discuss the matters discussed at each Audit Committee meeting with the Board.

4. Committee Charter

The Committee shall have a written charter that sets out its mandate and responsibilities and the Committee shall review and assess the adequacy of such charter and the effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board for its approval. Unless and until replaced or amended, this mandate constitutes that charter.

5. Duties of the Audit Committee:

(a) General

The overall duties of the Committee shall be to:

- (i) assist the Board in the discharge of its duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls;
- (ii) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance;
- (iii) oversee the work of the external auditor, which shall be responsible to report directly to the Audit Committee, including resolution of disagreements between management and the external auditor regarding financial reporting;
- (iv) ensure that management has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
- (v) monitor the credibility and objectivity of the Corporation's financial reports;
- (vi) report regularly to the Board on the fulfillment of the Audit Committee's duties;
- (vii) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (viii) assist the Board in the discharge of its duties relating to risk assessment and risk management.

(b) External Auditor

The duties of the Audit Committee as they relate to the external auditor shall be to:

- (i) review management's recommendations for the appointment of the external auditor, and in particular their qualifications and independence, and to recommend to the Board a firm of external auditors to be engaged;
- (ii) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (iii) review and approve, in advance, the engagement letters of the external auditor, for any permissible non-audit services, including fees to be paid for such services;

- (iv) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 *Continuous Disclosure Obligations* or any successor legislation (**NI 51-102**), and the planned steps for an orderly transition;
- (v) review all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102, on a routine basis, whether or not there is to be a change of external auditor;
- (vi) ensure the rotation of partners on the audit engagement team of the external auditor in accordance with applicable law;
- (vii) review and approve the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (viii) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- (ix) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the external auditor's independence in carrying out the audit function.

(c) Audits and Financial Reporting

The duties of the Audit Committee as they relate to audits and financial reporting shall be to:

- (i) review the audit plan with the external auditor and management;
- (ii) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (iii) review the contents of the audit report;
- (iv) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (v) review the scope and quality of the audit work performed;
- (vi) review the adequacy of the Corporation's financial and auditing personnel;
- (vii) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (viii) review the evaluation of internal controls by the persons performing the internal audit function and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (ix) review the appointments of the Chief Financial Officer, persons performing the internal audit function and any key financial executives involved in the financial reporting process;
- (x) review with management and the external auditor the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and

obtain an explanation from management of all significant variances between comparative reporting periods before recommending approval by the Board and the release thereof to the public;

- (xi) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before recommending approval by the Board and the release thereof to the public; and
- (xii) review the terms of reference for an internal auditor or internal audit function.

(d) Accounting and Disclosure Policies

The duties of the Audit Committee as they relate to accounting and disclosure policies and practices shall be to:

- (i) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants or, if it should cease to exist, the entity which is the successor thereto, which would have a significant impact on the Corporation's financial reporting as reported to the Audit Committee by management and the external auditor;
- (ii) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (iii) review the status of material contingent liabilities as reported to the Audit Committee by management;
- (iv) review the status of income tax returns and potentially significant tax problems as reported to the Audit Committee by management;
- (v) review any errors or omissions in the current or prior years' financial statements; and
- (vi) review and approve before their release all public disclosure documents containing audited or unaudited financial results, including all press releases, offering documents, annual reports, annual information forms and management's discussion and analysis containing such results.

(e) Other

The other duties of the Audit Committee shall include:

- (i) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (ii) reviewing annual operating and capital budgets;
- (iii) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (iv) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (v) inquiring of management and the external auditor as to any activities that may be illegal or unethical; and

(vi) any other questions or matters referred to it by the Board.

6. Authority to engage independent counsel and advisors

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the audit committee, and to communicate directly with the internal and external auditors.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the board of directors, for payment of compensation (a) to the external auditors employed by the issuer for the purpose of rendering or issuing an audit report, and (b) to any advisers employed by the Audit Committee.

SCHEDULE "3"

PORTEX MINERALS INC. Disclosure of Corporate Governance Practices

NATIONAL INSTRUMENT 58-101 DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

1. Board of Directors

Of the six current members of the Board of Directors, three members are considered by the Board to be an independent director according to the definition of independence set out in Multilateral Instrument 52-110 *Audit Committees*. In reaching this conclusion, the Board of Directors took the view that Patrick J. Raleigh, Geoffrey D. Stanley, Richard Bishop and Lawrence Segerstrom are independent directors.

Victor P. Wyprysky, Chairman, and Peter F. Chodos, the President and Chief Executive Officer of the Corporation, are not considered to be independent of the Corporation.

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer(s)
Victor P. Wyprysky	Chieftain Metals Inc.
Peter F. Chodos	Route 1 Inc.
Patrick J. Raleigh	Chieftain Metals Inc.
Geoffrey D. Stanley	Northern Sun Mining Corp. Amara Mining plc
Richard Bishop	N/A
Lawrence Segerstrom	Gainey Capital Corp. Cougar Minerals Corp. Gold Finder Explorations Ltd. Andover Mining Corp.

Each Board Meeting (six meetings during the fiscal year ended September 30, 2013) includes a session where independent members meet in the absence of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions. Additionally, the Audit Committee and Governance and Compensation Committee are each currently composed entirely of independent directors and may meet as often as they deem necessary.

The role of the Chairman is to effectively manage and provide leadership to the Board. The role of Chairman is separate from that of the President and CEO. The Board has not appointed an independent lead director. The Board promotes leadership for its independent directors by its committee chairman appointments and providing directors with an opportunity to recommend agenda items for consideration at Board meetings.

During the fiscal year ended September 30, 2013, the Board of Directors held four (4) meetings. Attendance of the Board members at each Board meeting was as follows:

Name of Director	Meetings Attended
Victor P. Wyprysky	4
Patrick J. Raleigh	4

Peter F. Chodos	4
Geoffrey D. Stanley ⁽¹⁾	2
Richard Bishop ⁽¹⁾	2

Note: (1) Each joined the board of directors mid year in March 2013 and were only permitted to attend 2 of the 4 meetings held for that fiscal year period.

2. Board Mandate

The Board has adopted a written mandate to formalize its responsibilities, a copy of which is attached to this Circular as Schedule "4".

3. Position Descriptions

The Chairman of the Board is responsible for chairing meetings of the Board and shareholders and to supervise the corporate governance and all legal matters relating to the Corporation. The President and CEO is responsible for development and implementation of the corporate strategy of the Corporation.

The Board has written charters for each committee. The Chairman of each committee presides at all meetings of the committee, is responsible for ensuring that the work of the committee is well organized and proceeds on a timely fashion and reports on the activities of the committee to the Board.

4. Orientation and Continuing Education

New directors are provided with a comprehensive information package on the Corporation and its management and are fully briefed by senior management on the corporate organization and key current issues. The information package also includes copies of all the Corporation's codes and policies. Visits to key operations are also arranged for new directors.

Ongoing training and development of directors consists of similar components, *i.e.* updated written corporate information, site visits and presentations by experts in numerous fields that are important to the Corporation's interests. Individual directors may engage outside advisors at the Corporation's expense with the authorization of the Board. The Board is responsible for overseeing and implementing continuing education programs to assist directors in maintaining the skill and knowledge necessary to meet their obligations as directors, to ensure that their knowledge and understanding of the Corporation's business remains current, and to ensure their knowledge of legal, regulatory and ethical responsibilities remains up to date. Directors are also encouraged to attend relevant external continuing education programs and it is the Corporation's policy to pay for such programs.

5. Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics. Shareholders may request a copy of the code by mail to the Corporation's head office at 2 Bloor Street W., Suite 2000, Toronto, Ontario, M4W 3E2.

The Board is ultimately responsible for the implementation and administration of the Code of Business Conduct and Ethics and given the nature and size of the Corporation, the Board is of the view that it can effectively monitor the day-to-day implementation and administration of the Code.

Under the *Business Corporations Act* (Ontario), to which the Corporation is subject, a director or officer of the Corporation must declare the nature of any interest that he or she has in a material contract, whether made or proposed, with the Corporation. Following such a declaration, Board members will abstain from participating or voting on any resolution in which they may have a potential conflict of interest.

The Board monitors management on a regular basis. The Corporation is dedicated to the maintenance of good corporate governance and ethical business conduct. In particular, the Board takes special efforts, and engages outside counsel where necessary, to ensure that all legal and stock exchange requirements are addressed in a timely and effective manner. The Board is responsible for ensuring the independent functioning of the Board and ensuring the integrity of the Corporation's internal control and management function.

6. Nomination of Directors

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation as a whole must be paramount at all times.

The Board does not have a nominating committee. When a vacancy on the Board occurs or is anticipated the Directors are encouraged to propose new candidates for Board nomination based on their education and experience relevant to the Corporation's needs at that time.

7. Compensation

The Board of Directors determines compensation based on recommendations from the Governance and Compensation Committee. The composition and mandate of the Governance and Compensation Committee are described below.

The current member of the Governance and Compensation Committee is Mr. Patrick Raleigh who is "independent" within the meaning of Canadian securities laws.

The mandate of the Governance and Compensation Committee includes reviewing the compensation arrangements for employees of the Corporation, including executive officers and directors and making recommendations to the Board of Directors with respect to such compensation arrangements, as well as making recommendations to the Board of Directors with respect to compensation programs and equity-based compensation plans. The Governance and Compensation Committee is also responsible for preparing an annual report on executive compensation for purposes of disclosure to shareholders.

No compensation consultant or advisor has been retained to assist in determining compensation.

8. Other Board Committees

The Board has two committees: the Audit Committee and the Governance and Compensation Committee.

The Audit Committee is directly responsible for overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation, and the Audit Committee is directly responsible for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Corporation for the purpose of preparing or issuing an audit report or related work.

The purpose of the Governance and Compensation Committee is to develop, monitor and assess the Corporation's approach to governance and to the compensation of its directors, senior officers and employees.

9. Assessments

The Board assesses its members and its committees with respect to effectiveness and contribution on an ongoing basis. This assessment process is informal. If an individual Board member finds that he is unable

to contribute due to ability, lack of time or commitment, the individual would either resign or request not to be nominated for re-election.

SCHEDULE "4"

PORTEX MINERALS INC.

MANDATE OF THE BOARD OF DIRECTORS

1. Introduction

The term **Corporation** or **Portex** herein shall refer to Portex Minerals Inc. and the term **Board** shall refer to the board of directors of the Corporation. The Board is elected by the shareholders and is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Corporation's strategic planning and organizational structure and supervising management to oversee that the foregoing enhance and preserve the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation as a whole must be paramount at all times.

2. Chairman, Composition and Quorum

The chairman of the Board will chair Board meetings and shall be responsible for overseeing the performance by the Board of its duties, for setting the agenda of each Board meeting (in consultation with the Chief Executive Officer), for communicating periodically with Committee chairs regarding the activities of their respective Committees, for assessing the effectiveness of the Board as a whole as well as individual Board members and for ensuring the Board works as a cohesive team and providing the leadership essential to achieve this.

The Board is composed of a minimum of three and a maximum of 15 members, and shall be constituted with a majority of individuals who qualify as independent directors, as determined by the Board. The quorum at any meeting of the Board is a majority of directors in office.

3. Duties of Directors

The Board discharges its responsibility for overseeing the management of the Corporation's business by delegating to the Corporation's senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its committees, the Audit Committee and the Governance and Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Corporation's strategic objectives, principal duties include the following:

Appointment of Management

- (a) The Board has the responsibility for approving the appointment of Chief Executive Officer (**CEO**) and all other senior management, and approving their compensation, following a review of the recommendations of the Governance and Compensation Committee. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
- (b) The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.

- (c) The Board oversees that succession planning programs are in place, including programs to appoint, train, develop and monitor management.

Board Organization

- (d) The Board will respond to recommendations received from the Governance and Compensation Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
- (e) The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

- (f) The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the business and its objectives and goals.
- (g) The Board is responsible for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the business, financial and strategic plans by which it is proposed that the Corporation may reach those goals, and such strategic plans will take into account, among other things, the opportunities and risks of the business.
- (h) The Board has the responsibility to provide input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

Monitoring of Financial Performance and Other Financial Reporting Matters

- (i) The Board is responsible for enhancing congruence between shareholder expectations, corporate plans and management performance.
- (j) The Board is responsible for:
 - (i) adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and to revise and alter its direction to management in light of changing circumstances affecting the Corporation; and
 - (ii) taking action when Corporation performance falls short of its goals or other special circumstances warrant.
- (k) The Board shall be responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.
- (l) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.

Risk Management

- (m) The Board has responsibility for the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to the Corporation's shareholders.
- (n) The Board is responsible for the Corporation's internal control and management information systems.

Policies and Procedures

- (o) The Board is responsible for:
 - (i) developing the Corporation's approach to corporate governance, including developing a set of corporate governance guidelines for the Corporation and approving and monitoring compliance with all significant policies and procedures related to corporate governance; and
 - (ii) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards and, in particular, adopting a written code of business conduct and ethics which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- (p) The Board enforces its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations.
- (q) The Board is responsible for monitoring compliance with the Corporation's Code of Business Conduct and Ethics.

Communications and Reporting

- (r) The Board has approved and will revise from time to time as circumstances warrant a Disclosure Policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.
- (s) The Board is responsible for:
 - (i) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
 - (ii) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
 - (iii) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - (iv) reporting annually to shareholders on its stewardship for the preceding year; and
 - (v) overseeing the Corporation's implementation of systems which accommodate feedback from stakeholders.

Position Descriptions

- (t) The Board is responsible for:
 - (i) developing position descriptions for the Chair of the Board, the chair of each Board committee and the CEO (which will include delineating management's responsibilities);
 - (ii) approving the corporate goals and objectives that the CEO is responsible for meeting; and
 - (iii) developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Orientation and Continuing Education

- (u) The Board is responsible for:
 - (i) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature and operation of the Corporation's business; and
 - (ii) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

Nomination of Directors

- (v) In connection with the nomination or appointment of individuals as directors, the Board is responsible for:
 - (i) considering what competencies and skills the Board, as a whole, should possess;
 - (ii) assessing what competencies and skills each existing director possesses; and
 - (iii) considering the appropriate size of the Board, with a view to facilitating effective decision making.
- (w) In carrying out each of these responsibilities, the Board will consider the advice and input of the Nominating Committee.
- (x) Director nominees shall be selected by a majority of the independent directors.

Board Evaluation

- (y) The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution. An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

Annual Review

- (z) The Board shall review and reassess the adequacy of this Mandate at least annually and otherwise as it deems appropriate. The Board will ensure that this Mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management information circular or such other annual filing as may be permitted or required by applicable securities regulatory authorities.

SCHEDULE "5"

PORTEX MINERALS INC.

BY-LAW NO. 2

A by-law amending By-Law No. 1

BE IT ENACTED and it is hereby enacted as By-law No. 2 of Portex Minerals Inc.. (herein called the "Corporation") as follows:

(a) Paragraph No. 11.01 of By-Law No. 1 which presently reads as follows:

"11.01. METHOD OF GIVING NOTICES - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered, or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given; or if delivered to such person's recorded address; or if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or if sent to such person at such person's recorded address by means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and deemed to have been received on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of committee of the board in accordance with any information believed by such person to be reliable."

is deleted in its entirety.