



ADEX MINING INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS**

AND

MANAGEMENT INFORMATION CIRCULAR

May 18, 2011

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of shareholders of Adex Mining Inc. (the “**Corporation**”) will be held at The Crowne Plaza – Lord Beaverbrook, 659 Queen Street, Fredericton, New Brunswick E3B 5A6 on Friday, the 17th day of June, 2011 at 10:00 a.m. (Fredericton time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2010, together with the auditors’ report thereon;
2. to appoint Sievert & Sawrantschuk LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix the remuneration of the auditors;
3. to elect directors;
4. to consider and, if thought fit, approve a resolution re-approving the Corporation’s rolling stock option plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Copies of the management information circular (the “**Circular**”) and form of proxy accompany and form part of this Notice. The specific details of the matters proposed to be put before shareholders at the Meeting are set forth in the Circular accompanying and forming part of this Notice. Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

Only shareholders of record as at May 18, 2011 are entitled to vote their shares at the Meeting, or at any adjournment thereof, either in person or by proxy.

Shareholders who are unable to attend the Meeting in person are requested to complete, sign and date the accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in the envelope provided for that purpose in accordance with the instructions and timelines set forth in the Circular.

DATED this 18th day of May, 2011.

By order of the Board,

(Signed) Alan T. Marshall
Chairman of the Board

PROXY RELATED INFORMATION

SOLICITATION OF PROXIES

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Adex Mining Inc. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of shareholders (the “Shareholders”) of the Corporation to be held at The Crowne Plaza – Lord Beaverbrook, 659 Queen Street, Fredericton, New Brunswick E3B 5A6, at the hour of 10:00 a.m. (Fredericton time), on Friday, the 17th day of June, 2011 (the “Meeting”), and at all postponements or adjournments thereof, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (the “Common Shares”) of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy (the “Management Designees”) are officers and/or directors of the Corporation. **A Shareholder has the right to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting and may do so by crossing out the persons named in the enclosed proxy and inserting such other person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.**

In order to be valid, proxies must be deposited with the transfer agent of the Corporation, Equity Financial Trust Company, at 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 not later than the close of business on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

The document appointing a proxy must be in writing and completed and signed by the Shareholder or his 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 officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of authority.

A Shareholder who has given a proxy has the power to revoke it with respect to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (i) by completing and signing a proxy bearing a later date and depositing it as described above; (ii) by depositing an instrument in writing revoking the proxy executed by him or his attorney authorized in writing: (a) with the Corporation at its registered office located at 67 Yonge Street, Suite 1402, Toronto, Ontario, M5E 1J8 at any time prior to the close of business on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used; (b) with Equity Financial Trust Company at any time prior to the close of business on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used; or (c) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

Please note that Shareholders who receive their meeting materials from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) must return the completed proxy forms to Broadridge in order for the proxy to be dealt with.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person (a “**Non-Registered Holder**”) 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 registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders of Common Shares. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often 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 and class of securities beneficially owned by the Non-Registered Holder, but which is not otherwise 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 vote by proxy should otherwise properly complete the form of proxy and deposit it as described above; or
- (b) be given a form of proxy 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 “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Non-Registered Holder will also be given 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 Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit 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 they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

In addition, Canadian securities legislation permits the Corporation to forward Meeting Materials directly to “non-objecting beneficial owners”. If the Corporation or its agents have sent these materials directly to

you (instead of through an Intermediary), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Circular and the accompanying proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

Common Shares represented by properly executed proxies will be voted or withheld from voting by the Management Designees on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such instructions, such Common Shares shall be voted:

- (a) FOR the approval of the resolution re-appointing Sievert & Sawrantschuk LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;**
- (b) FOR the election as directors of the persons nominated by Management and specified under the heading “Matters to Be Acted Upon at the Meeting – Election of Directors”; and**
- (c) FOR the approval of the resolution re-approving the Corporation’s rolling stock option plan.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendments to or variations of matters identified in the form of proxy and Notice of Meeting and with respect to any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting or other matters are properly brought before the Meeting, it is the intention of the Management Designees to vote in accordance with their best judgment on such matters or business. As of the date of this Circular, the directors and senior officers of the Corporation knew of no such amendments, variations or other matters.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of First Preference Shares (the “**Preferred Shares**”), issuable in series, of which 177,211,441 Common Shares and no Preferred Shares are currently issued and outstanding.

Each Shareholder of record will be entitled to one vote for each Common Share held at the Meeting.

The Corporation will prepare a list of all persons who are registered holders of Common Shares as of the close of business on May 18, 2011 (the “**Record Date**”) and the number of Common Shares registered in the name of each person at such time. Each Shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list.

To the knowledge of the directors and officers of the Corporation, the only person who beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting is Great Harvest Canadian Investment Company Limited (“**Great Harvest**”) which

beneficially owns, directly or indirectly, or exercises control or direction over, 80,000,000 Common Shares representing approximately 45.14% of the issued and outstanding Common Shares. Great Harvest is controlled by Yan Kim Po and his wife, Linda Lam Kwan. The information as to number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by Great Harvest, and the identity of the controlling shareholders of Great Harvest, not being within the knowledge of the Corporation, has been provided by Great Harvest.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AND OTHER MATERIAL TRANSACTIONS

Except as disclosed below or elsewhere in this Circular, to the knowledge of the directors and officers of the Corporation, none of the directors or officers of the Corporation or the directors or officers of any subsidiary of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or officers of the Corporation since the commencement of the Corporation's last completed financial year, no person who beneficially owns, directly or indirectly, voting securities of the Corporation, or who exercises control or direction over voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all voting securities of the Corporation, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, or in any transaction since January 1, 2010 or in any proposed transaction which has materially affected or will materially affect the Corporation or any subsidiary of the Corporation.

Subscription Agreement Between the Corporation and Great Harvest Canadian Investment Company Limited and Related Transactions Between the Corporation and CWN Capital Inc.

On August 18, 2010, the Corporation entered into a definitive subscription agreement (the "**Subscription Agreement**") with Great Harvest Canadian Investment Company Limited ("**Great Harvest**") providing for a private placement (the "**Private Placement**") of units (the "**Units**") to Great Harvest.

Pursuant to the Subscription Agreement, on October 19, 2010, Great Harvest purchased 40,000,000 Units from the Corporation at a price of \$0.12 per Unit for an aggregate subscription price of \$4,800,000. Each Unit was comprised of one Common Share and one Series A Common Share purchase warrant of the Corporation (a "**Series A Warrant**"). Each Series A Warrant entitled the holder thereof to acquire one Common Share at an exercise price of \$0.18 per Common Share at any time at or prior to 5:00 p.m. (Toronto time) on the earlier of (i) October 19, 2011, and (ii) the 30th day following the delivery by the Corporation to Great Harvest of the report of the results of a definitive feasibility study (the "**Feasibility Study**") on the commencement of mining operations at either or both of the North Zone or the Fire Tower Zone of the Mount Pleasant Mine property (the "**Property**") of the Corporation.

The Corporation agreed in the Subscription Agreement to use the net proceeds from the Private Placement, after deducting all expenses of the Private Placement, to conduct the Feasibility Study.

As part of the Private Placement, Great Harvest was also issued a right (the "**Share Purchase Right**") which will become exercisable in certain circumstances to purchase up to 60,000,000 additional Common Shares, exercisable within 40 days of the Share Purchase Right becoming exercisable in respect of any Common Shares.

Pursuant to the Subscription Agreement, subject to (i) the results of the Feasibility Study being satisfactory to Great Harvest, and (ii) the then capital requirements of the Corporation as determined at the relevant time by the board of directors of the Corporation, Great Harvest shall provide for or arrange for the provision to the Corporation of loan financing in an aggregate amount of up to \$50,000,000 whether by way of a single loan facility or multiple loan facilities and whether the loan(s) will be made

available by a lump sum or in multiple tranches, to be used for the commercial development of the Property, on such terms and conditions as may be agreed upon between the Corporation and the relevant financier(s) as set out in the formal financing documentation to be entered into between them. Great Harvest has the Share Purchase Right, to the extent that the aforesaid loan(s) in an aggregate minimum amount of \$10 million are made available by Great Harvest or a third party financier(s) arranged for by Great Harvest to be drawn down by the Corporation on or before the date which is 180 days following the delivery to Great Harvest by the Corporation of the report of the results of the Feasibility Study, to purchase 1.2 fully paid and non-assessable Common Shares for each dollar made available for drawdown under such loan(s) on the relevant Drawdown Date (as defined below) to the extent that the Drawdown Date is on or before the date which is one year following the delivery to Great Harvest by the Corporation of the report of the results of the Feasibility Study.

The Share Purchase Right shall be exercisable by Great Harvest giving notice in writing to the Corporation within 40 calendar days of the date on which any of the aforesaid debt financing is made available to be drawn down by the Corporation (each a “**Drawdown Date**”). The Common Shares issuable pursuant to the Share Purchase Right shall be issuable at a price per Common Share (the “**Discounted Exercise Price**”) equal to the weighted average trading price of the Common Shares on the TSX Venture Exchange (the “**Exchange**”) for the five consecutive trading days ending on the last trading day immediately prior to the relevant Drawdown Date, calculated by dividing the total value of the Common Shares traded during the relevant five day period by the total volume of Common Shares traded during the relevant five day period (in the event that no Common Shares are traded on the Exchange during such five day period, the exercise price per Common Share pursuant to the exercise of the Share Purchase Right will be determined based on the average of the closing bid and ask prices for the Common Shares on the Exchange for each day in such five day period), less the maximum discount therefrom permitted by the definition of Discounted Market Price as set forth in Policy 1.1 of the Exchange (or such provision of the Policies of the Exchange which is enacted from time to time in replacement or amendment of such definition). If the Exchange will not accept the listing thereon of the Common Shares underlying the Share Purchase Right if such Common Shares are to be issued at such discount to the said weighted average trading price, the Common Shares issuable pursuant to the exercise of the Share Purchase Right shall be issuable at such higher price which represents the lowest price permitted by the Exchange (the “**Lowest Permitted Exercise Price**”). For this purpose, the “closing price” referred to in the definition of Discounted Market Price shall be deemed to be the weighted average trading price of the Common Shares on the Exchange for the five consecutive trading days referred to above. Any issuance of Common Shares pursuant to the exercise of the Share Purchase Right shall be subject to the prior approval of the Exchange. The Corporation has agreed to use its reasonable commercial efforts to obtain such approval, including approval of the Discounted Exercise Price, in respect of any portion of the Share Purchase Right forthwith following such portion of the Share Purchase Right becoming exercisable.

On May 17, 2011, Great Harvest exercised in full its Series A Warrants and was issued an additional 40,000,000 Common Shares for an aggregate subscription price of \$7,200,000.

The Corporation agreed pursuant to the Subscription Agreement to, as soon as practicable after the exercise in full by Great Harvest of the Series A Warrants, to use its reasonable commercial efforts to (i) cause one existing director of the Corporation (other than Yan Kim Po and Linda Lam Kwan) to resign as a director of the Corporation, and (ii) cause to be appointed as a director to fill the vacancy created by such resignation one person nominated by Great Harvest, such that the board of directors of the Corporation shall consist of seven directors immediately after such resignation and appointment, subject to the Purchaser providing the Corporation with a written consent of such nominee to act as a director as required by the Act and such director being approved by the Exchange. It is intended that if Joseph Lau Ying Kit is elected as a director of the Corporation at the Meeting that this covenant of the Corporation will have been complied with.

Great Harvest is controlled by Yan Kim Po and his wife, Linda Lam Kwan, each of whom is a director of the Corporation. Linda Lam Kwan is also the Interim President and Chief Executive Officer of the Corporation.

In connection with the Private Placement, CWN Capital Inc. (“CWN”), a Hong Kong-based advisor to the Corporation, was (i) paid a cash finder’s fee of \$336,000 (equal to seven percent of the gross proceeds of the Private Placement), (ii) issued by the Corporation as an additional finder’s fee 2,800,000 Series A Warrants (seven percent of the Series A Warrants comprising part of the Private Placement), and (iii) issued by the Corporation as an additional finder’s fee 2,800,000 Common Share purchase warrants (“**Series B Warrants**”) (seven percent of the number of Series A Warrants comprising part of the Private Placement). Each Series B Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.20 per Common Share at any time at or prior to 5:00 p.m. (Toronto time) on October 19, 2011. In addition, CWN is entitled (i) to be paid by the Corporation a retainer of \$144,000 payable in 12 equal monthly instalments of \$12,000, the first of which was paid on the closing of the Private Placement, (ii) to paid an additional cash finder’s fee equal to 7% of the gross proceeds realized by the Corporation on the exercise of the Series A Warrants comprising part of the Units issued pursuant to the Private Placement (a maximum of \$504,000), and (iii) to be paid by the Corporation an additional cash finder’s fee equal to 1.5% of the principal amount of each loan made available by Great Harvest or a third party financier arranged for by Great Harvest to be drawn down by the Corporation, to a maximum of \$750,000. As a result of the exercise by Great Harvest of its Series A Warrants on May 17, 2011 as described above, CWN is entitled to be paid a finder’s fee of \$504,000.

Joe Tai is the Managing Director of CWN.

Stock Option Plan

Certain of the directors and executive officers of the Corporation have been granted stock options under the Stock Option Plan (as hereinafter defined) and all directors and executive officers will be eligible to be granted stock options under the Stock Option Plan in the future. See “Matters to Be Acted Upon at the Meeting – Re-Approval of Stock Option Plan”.

DATE OF INFORMATION

Unless otherwise specified, the information contained in this Circular is given as of May 18, 2011.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The financial statements of the Corporation for the year ended December 31, 2010, together with the auditors report thereon, will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements, the requirements of the *Business Corporations Act* (Ontario) having been satisfied by their advance circulation to Shareholders who have requested to receive same. If any Shareholder has questions regarding the financial statements, such questions may be brought forward at the Meeting.

APPOINTMENT OF AUDITORS

It is proposed that Sievert & Sawrantschuk LLP, Chartered Accountants, be re-appointed as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed, and that the board of directors of the Corporation (the “**Board**”) be authorized to fix the remuneration of the auditors.

Effective January 12, 2009, the practice of Bolton & Bolton, Chartered Accountants, the Corporation’s former auditors, who were first appointed as auditors of the Corporation on May 31, 1994, was combined with the practice of Sievert & Sawrantschuk LLP, Chartered Accountants, with Sievert & Sawrantschuk LLP, Chartered Accountants being the continuing firm.

The Management Nominees, if not expressly directed to the contrary in the form of proxy, will vote such proxies in favour of the resolution re-appointing Sievert & Sawrantschuk LLP, Chartered Accountants, as auditors of the Corporation and authorizing the Board to fix their remuneration.

Based on the representations of Sievert & Sawrantschuk LLP, Chartered Accountants, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has Sievert & Sawrantschuk LLP, Chartered Accountants or Bolton & Bolton, Chartered Accountants had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

ELECTION OF DIRECTORS

In accordance with the articles of incorporation of the Corporation, the Board consists of a minimum of three and a maximum of 10 directors. The directors have been authorized by a special resolution passed by the Shareholders to set the number of directors within such minimum and maximum. The directors have determined that the number of directors to be elected at the Meeting is six.

The Management Designees, if not expressly directed to the contrary in the form of proxy, will vote such proxies for the election as directors of the Corporation of the six persons nominated by Management whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the name and municipality of residence of each of the persons proposed to be nominated for election as director, all of the positions and offices with the Corporation now held by

him or her, his or her present principal occupation, the date that he or she was elected as a director and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by him or her.

Name and Municipality of Residence	Position with Corporation	Principal Occupation	Date Elected as a Director	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly⁽¹⁾
Norman M. Betts ⁽²⁾⁽³⁾⁽⁴⁾ Storeytown, New Brunswick	Director	Associate Professor, Faculty of Business Administration, University of New Brunswick	August 2, 2007	Nil ⁽⁵⁾
William B. Burton ⁽⁶⁾⁽⁷⁾⁽⁸⁾ Toronto, Ontario	Director	Retired and a director of Erdene Resource Development Corporation (a mineral exploration company)	January 9, 2007 ⁽⁹⁾	2,346,596 ⁽⁹⁾
Joseph Ying Kit Lau	Director	Chief Financial Officer and Company Secretary, Great Harvest Maeta Group Holdings Limited (holding company of a group of companies engaged in marine transportation services businesses)	-	Nil
Linda Lam Kwan ⁽²⁾⁽³⁾⁽⁴⁾ Hong Kong, China	Interim President and Chief Executive Officer and Director	Chief Executive Officer, Great Harvest Maeta Group Holdings Limited (holding company of a group of companies engaged in marine transportation services businesses); Interim President and Chief Executive Officer of the Corporation; and director of various private companies principally engaged in (i) the trading and	October 14, 2010	80,000,000 ⁽¹⁰⁾

Name and Municipality of Residence	Position with Corporation	Principal Occupation	Date Elected as a Director	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Yan Kim Po ⁽²⁾⁽³⁾⁽⁴⁾ Hong Kong, China	Director	<p>processing of mineral resources, (ii) investing in mineral resource companies, and (iii) property investments</p> <p>Chairman, Great Harvest Maeta Group Holdings Limited (holding company of a group of companies engaged in marine transportation services businesses); and director of various private companies principally engaged in (i) the trading and processing of mineral resources, (ii) investing in mineral resource companies, and (iii) property investments</p>	October 14, 2010	80,000,000 ⁽¹⁰⁾
Joe Kin Foo Tai	Director	<p>Executive Director, Goldpac Investments Ltd. (consulting company); President and Chief Executive Officer, ChineseWorldNet.com Inc. (financial information company, focused on connecting companies, financial service providers and institutions in North America to investors, strategic partners and buyers from the</p>	-	Nil ⁽¹¹⁾

Name and Municipality of Residence	Position with Corporation	Principal Occupation	Date Elected as a Director	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
		Greater China region and Chinese speaking communities); Managing Director, CWN Capital Inc. (a capital market consulting company with expertise in facilitating cross-border transactions between Greater China and North America)		

Notes:

- (1) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the current directors, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) Member of the Audit Committee.
- (3) Member of the Nomination and Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Mr. Betts has been issued an aggregate of 800,000 options to purchase Common Shares pursuant to the Corporation's Stock Option Plan, 250,000 of which are exercisable at a price of \$0.40 per Common Share and expire on August 2, 2012, 150,000 of which are exercisable at a price of \$0.30 per Common Share and expire on June 11, 2013, 200,000 of which are exercisable at a price of \$0.12 per Common Share and expire on April 24, 2014 and 200,000 of which are exercisable at a price of \$0.15 per Common Share and expire on February 3, 2015. Of the options exercisable at a price of \$0.40 per Common Share, 62,500 vested and became exercisable on each of November 2, 2007, February 2, 2008, May 2, 2008 and August 2, 2008. Of the options exercisable at a price of \$0.30 per Common Share, 37,500 vested and became exercisable on each of September 11, 2008, December 11, 2008, March 11, 2009 and June 11, 2009. Of the options exercisable at a price of \$0.12 per Common Share, 50,000 vested and became exercisable on each of July 24, 2009, November 24, 2009, February 24, 2010 and April 24, 2010. Of the options exercisable at a price of \$0.15 per Common Share, 50,000 vested and became exercisable on each of May 4, 2010, August 4, 2010, November 4, 2010 and February 4, 2011.
- (6) Member of the Environmental/Health and Safety Committee.
- (7) The securities of the Corporation were the subject of a temporary cease trade order issued by the Ontario Securities Commission (the "OSC") on May 27, 1998 as extended by a further order dated June 8, 1998 (collectively, the "Ontario Cease Trade Order") and were also the subject of a cease trade order issued by the British Columbia Securities Commission (the "BCSC") on July 16, 1998 (the "BC Cease Trade Order" and, collectively with the Ontario Cease Trade Order, the "CTOs"). The CTOs were issued due to the failure of the Corporation to prepare, file and mail to its shareholders certain required financial statements. In addition, the Common Shares of the Corporation were de-listed from the Toronto Stock Exchange effective July 1998. The OSC subsequently issued an order dated May 27, 2005 varying the Ontario Cease Trade Order to permit the Corporation to proceed with a private placement of debentures and share purchase warrants and to complete a debt settlement with an officer and director and former officer of the Corporation through the issuance of debentures and share purchase warrants. On February 27, 2007, the

OSC granted a further variation of the Ontario Cease Trade Order to permit the Corporation to proceed with a further private placement of debentures and share purchase warrants. In early 2007, the Corporation remedied the defaults under the continuous disclosure requirements of applicable securities laws which gave rise to the issuance of the CTOs and other defaults under such requirements which arose subsequent to the dates of the issuance of the CTOs. On March 23, 2007, the OSC issued an order revoking the Ontario Cease Trade Order and the BCSC issued an order revoking the BC Cease Trade Order. On July 13, 2007, the Common Shares of the Corporation were listed for trading on the Exchange. William B. Burton was a director and officer of the Corporation at the time the CTOs were issued.

- (8) Mr. Burton previously served as a director of the Corporation from December 31, 1992 until March 30, 2000.
- (9) The 2,346,596 Common Shares owned, directly or indirectly, or over which control or direction is exercised, by Mr. Burton represent approximately 1.32% of the issued and outstanding Common Shares. In addition, Mr. Burton has been issued an aggregate of 1,440,000 options to purchase Common Shares pursuant to the Corporation's Stock Option Plan, 890,000 of which are exercisable at a price of \$0.30 per Common Share, 200,000 of which are exercisable at a price of \$0.12 per Common Share and 350,000 of which are exercisable at a price of \$0.15 per Common Share. Of the 890,000 options exercisable at a price of \$0.30 per Common Share, 740,000 expire on June 29, 2012 and the remaining 150,000 expire on June 11, 2013. The 200,000 options exercisable at a price of \$0.12 per Common Share expire on April 24, 2014. The 350,000 options exercisable at a price of \$0.15 per Common Share expire on February 3, 2015. Of the 890,000 options exercisable at a price of \$0.30 per Common Share, 400,000 vested immediately upon the granting thereof on June 29, 2007, 85,000 vested and became exercisable on each of September 29, 2007, December 29, 2007, March 29, 2008 and June 29, 2008, and 37,500 vested and became exercisable on each of September 11, 2008, December 11, 2008, March 11, 2009 and June 11, 2009. Of the 200,000 options exercisable at a price of \$0.12 per Common Share, 50,000 vested and became exercisable on each of July 24, 2009, November 24, 2009, February 24, 2010 and April 24, 2010. Of the 350,000 options exercisable at a price of \$0.15 per Common Share, 87,500 vested and became exercisable on each of May 4, 2010, August 4, 2010, November 4, 2010 and February 4, 2011.
- (10) These Common Shares are held by Great Harvest which, in addition, holds a Share Purchase Right entitling it to acquire up to 60,000,000 additional Common Shares in certain circumstances. Mr. Yan Kim Po and Ms. Linda Lam Kwan are the controlling shareholders of Great Harvest. The 80,000,000 Common Shares held by Great Harvest represent approximately 45.14% of the issued and outstanding Common Shares. Assuming the exercise in full of the Share Purchase Right, Great Harvest will hold 140,000,000 Common Shares representing approximately 59.02% of the issued and outstanding Common Shares. See "Interests of Certain Persons in Matters to be Acted Upon and Other Material Transactions".
- (11) Joseph Tai is the Managing Director of CWN Capital Inc. which holds 2,800,000 Series A Warrants and 2,800,000 Series B Warrants. Each Series A Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.18 per Common Share at any time at or prior to 5:00 p.m. (Toronto time) on the earlier of (i) October 19, 2011, and (ii) the 30th day following the delivery by the Corporation to Great Harvest of the report of the results of a definitive feasibility study on the commencement of mining operations at either or both of the North Zone or the Fire Tower Zone of the Mount Pleasant Mine property of the Corporation. Each Series B Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.20 per Common Share at any time at or prior to 5:00 p.m. (Toronto time) on October 19, 2011,

Mr. Lau has been the Chief Financial Officer and Company Secretary of Great Harvest Maeta Group Holdings Limited since August, 2010. From December, 2008 until July, 2010, Mr. Lau was the Chief Financial Officer and Company Secretary of C Y Foundation Group Limited, an interactive media entertainment company and manufacturer of packaging products. From December, 2004 until November, 2008, Mr. Lau was the Chief Financial Officer and Company Secretary of China Glass Holdings Limited, a company in the business of producing, marketing and distributing glass and glass products, and developing glass production technology.

Mr. Tai has held the principal occupations set forth opposite his name in the table above for the past five years, except that he became the Managing Director of CWN Capital Inc. in August, 2009.

The current directors and officers of the Corporation as a group own, directly or indirectly, or exercise control or direction over an aggregate of 84,370,290 Common Shares, representing approximately 47.61% of the issued and outstanding Common Shares.

RE-APPROVAL OF STOCK OPTION PLAN

At the annual and special meeting of Shareholders held on April 20, 2007, the Shareholders approved a rolling stock option plan (the “**Stock Option Plan**”) for the Corporation. The Stock Option Plan was re-approved by the Shareholders at each of the annual and special meetings of Shareholders held on April 25, 2008, April 24, 2009 and July 29, 2010. Options to purchase up to 10% of the total number of Common Shares issued and outstanding from time to time are issuable pursuant to the Stock Option Plan. This is a “rolling” plan ceiling as the number of options which may be granted pursuant to the Stock Option Plan will increase as the number of Common Shares which are issued and outstanding increases. If an option expires or is otherwise terminated for any reason, the number of Common Shares in respect of that expired or terminated option shall again be available for the purposes of the Stock Option Plan. Pursuant to the policies of the Exchange, the Shareholders are required to approve on a yearly basis stock option plans which have a “rolling” plan ceiling.

A copy of the Stock Option Plan may be obtained upon request from the Corporation at 67 Yonge Street, Suite 1402, Toronto, Ontario, M5E 1J8. In addition, a copy of the Stock Option Plan will be available for inspection at the Meeting.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Corporation and benefit from the growth of the Corporation. Options issued under the Stock Option Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years.

The Stock Option Plan is administered by the Board or a committee established by the Board for that purpose (the “**Committee**”). The Stock Option Plan may be amended, subject to regulatory approval, or terminated by the Board or the Committee at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the Stock Option Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Board or the Committee, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to consultants which provide investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three month period. All option grants are to be evidenced by the execution of a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan only to directors, senior officers, employees and other service providers of the Corporation subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issuance to any one individual pursuant to the Stock Option Plan within any one year may not exceed 5% of the issued and outstanding Common Shares at the date of such grant.

The maximum number of Common Shares which may be reserved for issuance to insiders of the Corporation under the Stock Option Plan, any other employee stock option plans or options for services, shall be 10% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis).

Further, the maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan, any other employee stock option plans or options for services within a one-year period:

- (a) to insiders shall be 10% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis);
- (b) to any insider shall be 5% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis);
- (c) to any consultant to the Corporation shall be 2% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis); and
- (d) to all employees or consultants who provide investor relations activities shall be 2% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis).

Options granted under the Stock Option Plan will be for a term not to exceed ten years from the date of their grant. In the event an optionee ceases to be a service provider of the Corporation (other than by reason of death), the stock option will expire on the earlier of the expiry date stated in the option agreement executed in respect to such grant (the “**Fixed Expiry Date**”) and 90 days following the date of termination (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade), unless the optionee is an employee or consultant of the Corporation providing investor relations activities, in which case the option will expire on the earlier of the Fixed Expiry Date and 30 days following the date of termination (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade).

In the event of death of an optionee, the option will be exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee’s death (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade).

The price at which an optionee may purchase a Common Share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the market price of the Common Shares as of the date of the grant of the stock option (the “**Grant Date**”) less any discounts from the market price allowed by the Exchange, subject to a minimum exercise price of \$0.10. The market price of the Common Shares means the closing price on the last trading day immediately preceding the Grant Date or as otherwise determined in accordance with the terms of the Stock Option Plan.

Common Shares will not be issued pursuant to options granted under the Stock Option Plan until they have been fully paid for.

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve a resolution (the “**Stock Option Plan Resolution**”) substantially in the form attached hereto as Schedule “A” to re-approve the Stock Option Plan and authorize the issuance under the Stock Option Plan of options to acquire up to 10% of the number of Common Shares issued and outstanding from time to time. In order to be approved by Shareholders, the Stock Option Plan Resolution must be approved by a majority of the votes cast at the Meeting.

Management is of the opinion that the Stock Option Plan will continue to be beneficial to the Corporation as it provides the Corporation with flexibility to grant options and permits the Corporation to continue to attract, retain and motivate directors, senior officers, employees and other service providers.

The Management Designees, if not expressly directed to the contrary in the form of proxy, will vote such proxies in favour of the Stock Option Plan Resolution.

REQUIRED ANNUAL DISCLOSURE CONCERNING THE CORPORATION

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for “venture issuers”, as defined in National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

Summary Compensation Table

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation’s “Named Executive Officers”, being its former President and Chief Executive Officer, Errol Farr, and its Chief Financial Officer, William C. Burton, for the fiscal years ended December 31, 2010, 2009 and 2008. The Corporation does not have any other “Named Executive Officers” given that no executive officer of the Corporation or individual serving in a similar capacity, other than Messrs. Farr and Burton, received total compensation for acting in such capacity in excess of \$150,000 during the year ended December 31, 2010. Mr. Burton is not an employee of the Corporation and Mr. Farr was not an employee of the Corporation prior to his termination as President and Chief Executive Officer of the Corporation. They provide or provided, as the case may be, their services as officers of the Corporation as consultants.

Summary Compensation Table

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		
J. Errol Farr, Former President and Chief Executive Officer ⁽¹⁾	2010	150,000	Nil	39,550 ⁽²⁾	75,000	Nil	Nil	264,550
	2009	116,000	Nil	30,800 ⁽³⁾	Nil	Nil	Nil	146,800
	2008	48,000	Nil	43,200 ⁽⁴⁾	25,000	Nil	Nil	116,200
William C. Burton, Chief Financial Officer ⁽⁵⁾	2010	24,000	Nil	5,650 ⁽²⁾	Nil	Nil	25,000	54,650
	2009	22,500	Nil	4,400 ⁽³⁾	Nil	Nil	Nil	26,900
	2008	24,000	Nil	21,600 ⁽⁴⁾	10,000	Nil	Nil	55,600

Notes:

- (1) J. Errol Farr was appointed as the interim President and Chief Executive Officer of the Corporation effective May 1, 2009. On May 29, 2009, Mr. Farr's appointment as the President and Chief Executive Officer of the Corporation was made permanent at which time he resigned as the Chief Financial Officer of the Corporation. On May 18, 2011, Mr. Farr departed from his position as the President and Chief Executive Officer of the Corporation.
- (2) Based on the fair value estimated at the date of grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate of 2.43%; (ii) expected dividend yield of nil; (iii) average expected volatility of 169.35%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (3) Based on the fair value estimated at the date of grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate of 2.01%; (ii) expected dividend yield of nil; (iii) average expected volatility of 96.53%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (4) Based on the fair value estimated at the date of grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate ranging from 3.45% to 3.50%; (ii) expected dividend yield of nil; (iii) average expected volatility ranging from 91.8% to 115%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (5) Mr. Burton was appointed as the Chief Financial Officer of the Corporation effective May 29, 2009. Prior to May 29, 2009, Mr. Burton was the Controller of the Corporation.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of December 31, 2010

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which were outstanding as of December 31, 2010.

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 ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested (\$)
J. Errol Farr	680,000	\$0.30	June 29, 2012	Nil	Nil	Nil
	200,000	\$0.30	June 11, 2013	Nil	Nil	Nil
	350,000	\$0.12	April 24, 2014	\$28,000	Nil	Nil
	350,000	\$0.15	February 3, 2015	\$17,500	Nil	Nil
William C. Burton	340,000	\$0.30	June 29, 2012	Nil	Nil	Nil
	100,000	\$0.30	June 11, 2013	Nil	Nil	Nil
	50,000	\$0.12	April 24, 2014	\$4,000	Nil	Nil
	50,000	\$0.15	February 3, 2015	\$2,500	Nil	Nil

Note:

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2010 of \$0.20 per Common Share.

Value Vested or Earned by Named Executive Officers During the Year Ended December 31, 2010 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended December 31, 2010.

Name	Option-Based Awards-Value Vested During the Year ⁽¹⁾ (\$)	Share-Based Awards-Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation-Value Earned During the Year (\$)
J. Errol Farr	3,500	Nil	75,000
William C. Burton	500	Nil	Nil

Note:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Termination and Change of Control Benefits

Errol Farr departed from his position as the President and Chief Executive Officer of the Corporation effective May 18, 2011. While the Corporation has reached an agreement in principle with Mr. Farr concerning his departure, the final terms have not been finalized. It is, however, expected that Mr. Farr

will act as a consultant to Adex for a period of one year and will be entitled to receive a one time payment from the Corporation.

The Corporation is a party to a consulting agreement with William C. Burton, the Chief Financial Officer of the Corporation, amended effective December 17, 2010, pursuant to which Mr. Burton is entitled, commencing on January 1, 2011, to be paid a consulting fee for acting as the Chief Financial Officer of the Corporation of \$100 per hour or \$600 per diem (whichever is less). Prior to such amendment, the consulting agreement provided for Mr. Burton to be paid a consulting fee of \$2,000 per month (which continued until December 31, 2010) and also provided that, in the event of a “change of control” of the Corporation, Mr. Burton would have the right within 60 days thereof to terminate his consulting agreement and to receive a lump sum payment of \$25,000 on such termination.

The completion of the Private Placement on October 19, 2010 resulted in a “change of control” of the Corporation as defined in the consulting agreement between William C. Burton and the Corporation. See “Interests of Certain Persons in Matters to be Acted Upon and Other Material Transactions”. Mr. Burton subsequently notified the Corporation that he was exercising his right to terminate his consulting agreement and was paid a lump sum of \$25,000 by the Corporation on December 20, 2010.

Notwithstanding the exercise by Mr. Burton of his right to terminate his consulting agreement and be paid the “change of control” payment, the Corporation wished to continue to retain Mr. Burton as its Chief Financial Officer and, consequently, the amendment referred to above to Mr. Burton’s consulting agreement was entered into between him and the Corporation.

Except as otherwise disclosed herein, the Corporation does not have any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive a payment from the Corporation or its subsidiaries, including periodic payments or instalments in the event of (i) the resignation, retirement or any other termination of any such Named Executive Officer’s employment with the Corporation and its subsidiaries, (ii) a change of control of the Corporation or any of its subsidiaries or (iii) a change in the responsibilities of such Named Executive Officer following a change in control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation’s directors, other than its Named Executive Officers, the compensation of whom is detailed above under “Summary Compensation Table”, for the fiscal year ended December 31, 2010.

Director Compensation Table

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Kabir Ahmed ⁽¹⁾	11,467	Nil	Nil	Nil	Nil	Nil	Nil	11,467
Norman M. Betts	24,000	Nil	22,600 ⁽²⁾	Nil	Nil	Nil	Nil	46,600
Michael M. Boyd ⁽³⁾	12,600	Nil	18,600 ⁽⁴⁾	Nil	Nil	Nil	Nil	31,200
William B. Burton	24,000	Nil	39,550 ⁽²⁾	75,000	Nil	Nil	7,352	145,902
Linda Lam Kwan ⁽⁵⁾	4,000	Nil	Nil	Nil	Nil	Nil	Nil	4,000
Alan T. Marshall	29,500	Nil	28,250 ⁽²⁾	Nil	Nil	Nil	Nil	57,750
Yan Kim Po ⁽⁵⁾	4,000	Nil	Nil	Nil	Nil	Nil	Nil	4,000

Notes:

- (1) Mr. Ahmed resigned as a director of the Corporation on June 22, 2010.
- (2) Based on the fair value estimated at the date of grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate of 2.43%; (ii) expected dividend yield of nil; (iii) average expected volatility of 169.35%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (3) Mr. Boyd was appointed as a director of the Corporation on June 22, 2010.
- (4) Based on the fair value estimated at the date of grant using the Black-Scholes pricing model under the following assumptions: (i) risk free weighted average interest rate of 2.65%; (ii) expected dividend yield of nil; (iii) average expected volatility of 161.02%; and (iv) an expected term of five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (5) Linda Lam Kwan and Yan Kim Po were elected as directors of the Corporation on October 14, 2010.

The independent directors of the Corporation are entitled to receive directors fees in the amount of \$2,000 per month for their services as directors and the Chairman of the Board, in recognition of his additional responsibilities, is entitled to receive, commencing in February 2010, an additional fee of \$500 per month for acting as Chairman. Non-independent directors are not entitled to receive directors fees from the Corporation. No additional fees are payable to the directors of the Corporation for serving on Board committees. All directors are reimbursed by the Corporation for travel and other out-of-pocket expenses

incurred in attending directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. The directors of the Corporation participate in the insurance and indemnification arrangements described below. See "Required Annual Disclosure Concerning the Corporation - Directors' and Officers' Insurance".

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of December 31, 2010

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of December 31, 2010 are detailed above) which were outstanding as of December 31, 2010.

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 (\$)
Kabir Ahmed ⁽²⁾	680,000	0.30	June 29, 2012	Nil	Nil	Nil
	200,000	0.30	June 11, 2013	Nil		
	200,000	0.12	April 24, 2014	16,000		
Norman M. Betts	250,000	0.40	August 2, 2012	Nil	Nil	Nil
	150,000	0.30	June 11, 2012	Nil		
	200,000	0.12	April 24, 2014	16,000		
	200,000	0.15	February 3, 2015	10,000		
William B. Burton	740,000	0.30	June 29, 2012	Nil	Nil	Nil
	150,000	0.30	June 11, 2013	Nil		
	200,000	0.12	April 24, 2014	16,000		
	350,000	0.15	February 3, 2015	17,500		
Michael M. Boyd ⁽³⁾	200,000	0.12	June 22, 2015	16,000	Nil	Nil
Linda Lam Kwan ⁽⁴⁾	Nil	-	-	Nil	Nil	Nil
Alan T. Marshall	540,000	0.30	June 29, 2012	Nil	Nil	Nil
	150,000	\$0.30	June 11, 2013	Nil		
	200,000	\$0.12	April 24, 2014	\$16,000		
	250,000	\$0.15	February 3, 2015	\$12,500		
Yan Kim Po ⁽⁴⁾	Nil	-	-	Nil	Nil	Nil

Notes:

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2010 of \$0.20 per Common Share.
- (2) Mr. Ahmed resigned as a director of the Corporation on June 22, 2010.
- (3) Mr. Boyd was appointed as a director of the Corporation on June 22, 2010.
- (4) Linda Lam Kwan and Yan Kim Po were elected as directors of the Corporation on October 14, 2010.

Value Vested or Earned During the Year Ended December 31, 2010 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended December 31, 2010 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended December 31, 2009 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year⁽¹⁾ (\$)	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Kabir Ahmed ⁽²⁾	Nil	Nil	Nil
Norman M. Betts	2,000	Nil	Nil
Michael M. Boyd ⁽³⁾	2,500	Nil	Nil
William B. Burton	3,500	Nil	75,000
Linda Lam Kwan ⁽⁴⁾	Nil	Nil	Nil
Alan T. Marshall	2,500	Nil	Nil
Yan Kim Po ⁽⁴⁾	Nil	Nil	Nil

Notes:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.
- (2) Mr. Ahmed resigned as a director of the Corporation on June 22, 2010.
- (3) Mr. Boyd was appointed as a director of the Corporation on June 22, 2010.
- (4) Linda Lam Kwan and Yan Kim Po were elected as directors of the Corporation on October 14, 2010.

Compensation Discussion and Analysis

The Corporation has established a compensation program for its Named Executive Officers which is designed to achieve the following key objectives:

- attract the most qualified and experienced executives available to create shareholder value and drive the continued development of the Corporation and its current and future mineral exploration and mining assets;
- retain qualified executives and provide appropriate short-term and long-term financial incentives with the goals of increasing the Corporation's performance and encouraging the achievement of stated milestones with respect to the development of the Corporation's current and future mineral exploration and mining assets; and

- appropriately incentivize the Named Executive Officers to achieve specific corporate milestones or benchmarks such as completion of equity financings.

The Corporation's Compensation Committee is comprised of five directors of the Corporation, being Norman M. Betts, Michael M. Boyd, Alan T. Marshall, Yan Kim Po and Linda Lam Kwan. Each of Norman M. Betts, Michael M. Boyd and Alan T. Marshall is independent. Yan Kim Po and Linda Lam Kwan are no longer considered to be independent as a result of the increase in the ownership of Common Shares by Great Harvest to approximately 45.14% of the outstanding Common Shares on May 17, 2011. The Compensation Committee is solely responsible for the compensation program for the Corporation's Named Executive Officers. At the request of the Compensation Committee, the other directors and the President and Chief Executive Officer may, from time to time, provide recommendations to the Compensation Committee with respect to the compensation program for the Corporation's Named Executive Officers.

The deliberations of the Compensation Committee are private and are intended to advance the three key objectives of the compensation program for the Corporation's Named Executive Officers described above.

Compensation for the Corporation's Named Executive Officers consists of the following three components: (i) base cash consulting fees; (ii) cash bonus payments for achievement of stated milestones or benchmarks; and (iii) options granted pursuant to the Corporation's Stock Option Plan. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits. The Corporation also does not provide any additional compensation to its Named Executive Officers for serving as directors of the Corporation.

With respect to the base compensation of Errol Farr in his capacity as the Chief Financial Officer of the Corporation, the Corporation was contractually obligated to pay Mr. Farr a consulting fee of \$48,000 per annum. On Mr. Farr's appointment as interim President and Chief Executive Officer of the Corporation (which appointment was made permanent effective May 29, 2009), the Corporation increased his consulting fee to the amount of \$150,000 per annum. These amounts were agreed upon between Mr. Farr and the Corporation taking into account the following considerations:

- Mr. Farr's prior public company and specialized financial reporting experience gained through his senior financial management roles at a number of public mineral exploration and mining companies;
- Mr. Farr's 20 years of experience as a Certified Management Accountant, including his experience supervising finance, accounting and operations departments; and
- Mr. Farr's previous track record of success in providing a leadership role to junior public mineral exploration and mining companies and creating value for shareholders.

With respect to the base compensation of William C. Burton in his capacity as the Chief Financial Officer of the Corporation, the Corporation is contractually obligated to pay Mr. Burton a consulting fee of \$100 per hour or \$600 per diem (whichever is less). This amount was changed from \$2,000 per month effective January 1, 2011. This amount was agreed upon between Mr. Burton and the Corporation taking into account the following considerations:

- Mr. Burton's prior public company and specialized financial reporting experience gained through his senior financial management roles at a number of public mineral exploration and mining companies; and
- Mr. Burton's 10 years of experience and training as a Chartered Accountant, including his experience in public accounting and auditing and in supervising finance and accounting departments.

The payment of bonuses during any given annual fiscal period is made at the discretion of the Compensation Committee if and when the Named Executive Officers achieve certain milestones, such as the completion of a major equity financing or a significant operational milestone. Significant operational milestones (benchmarks) include, but are not limited to, completion of an exploration and drilling program, upgrading of mine site infrastructure, and finalization of NI 43-101 technical reports or studies providing an economic assessment of the mineral deposits located at the Corporation's mineral properties. On the completion of the Private Placement to Great Harvest, Errol Farr was paid a bonus of \$75,000 by the Corporation as approved by the Compensation Committee in recognition of his efforts in completing such financing. See "Interests of Certain Persons in Matters to be Acted Upon and Other Material Transactions".

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. Options are granted to the Named Executive Officers in numbers which recognize on a reasonable basis their specific contribution to the Corporation in their capacities as executive officers of the Corporation. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee when considering new option grants.

The compensation of the independent directors, which includes a directors' fee of \$2,000 per month and the granting of options under the Corporation's Stock Option Plan, is determined by the non-independent directors. The payment of the monthly directors fees to the independent directors recognizes their contributions to the Corporation in their capacities as independent directors and members of the various committees of the Board, including the Compensation Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Environmental/Health and Safety Committee. On the completion of the Private Placement to Great Harvest, William B. Burton was paid a bonus of \$75,000 by the Corporation as approved by the Compensation Committee in recognition of his efforts in completing such financing. See "Interests of Certain Persons in Matters to be Acted Upon and Other Material Transactions".

The granting of options to the directors of the Corporation who are not Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper oversight to the Corporation with a view to maximizing shareholder value. Options granted to the directors of the Corporation who are not Named Executive Officers are awarded in numbers which recognize, on a reasonable basis, their contributions to the Corporation in their capacities as directors and members of the various committees of the Board, including the Compensation Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Environmental/Health and Safety Committee. Previous grants of options awarded to the directors of the Corporation who are not Named Executive Officers are taken into consideration when considering new option grants.

Non-independent directors of the Corporation do not receive any compensation for acting as such, other than the granting of options under the Corporation's Stock Option Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance under the Corporation's Stock Option Plan, being the only existing equity compensation plan of the Corporation, as of December 31, 2010.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options ⁽¹⁾	Weighted Average Exercise Price of Outstanding Options⁽¹⁾	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding the Options Reflected Under the First Column)⁽¹⁾
Equity Compensation Plans Approved by Securityholders	8,860,000	\$0.24	8,661,141
Equity Compensation Plans Not Approved by Securityholders	Nil	Not Applicable	Nil

Note:

- (1) All of these securities are issuable under the Corporation's Stock Option Plan. Options to purchase up to 10% of the total number of Common Shares issued and outstanding from time to time are issuable pursuant to the Stock Option Plan. See "Matters to be Acted Upon at the Meeting – Re-Approval of Stock Option Plan" for a description of the material features of the Stock Option Plan.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

Multilateral Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("MI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as Schedule "B".

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of five directors of the Corporation being Norman M. Betts, Michael M. Boyd, Linda Lam Kwan, Alan T. Marshall and Yan Kim Po. Each of Norman M. Betts, Michael M. Boyd and Alan T. Marshall is independent as defined in MI 52-110. Yan Kim Po and Linda Lam Kwan are no longer considered to be independent as a result of the increase in the ownership of Common Shares by Great Harvest to approximately 45.14% of the outstanding Common Shares on May 17, 2011. All five members of the Audit Committee are financially literate as defined in MI 52-110.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is described below.

Mr. Betts holds a Bachelor of Business Administration degree from the University of New Brunswick and a PhD in Management (area of concentration: accounting and finance) from Queen's University School of Business. Mr. Betts has been a chartered accountant since 1981 and in 2001 he was named a fellow of the New Brunswick Institute of Chartered Accountants. He is currently an associate professor in the Faculty of Business Administration at the University of New Brunswick. Mr. Betts has extensive public company experience, serving as Chair of the Board and a director of Starfield Resources Inc. (TSX-V:SRU), a director and Chair of the Audit Committee of Tembec Inc. (TSX:TMB), a director and Chair of the Audit Committee of Sheltered Oak Resources Corp. (TSX-V:OAK), and a director and the Chair of the Audit Committee of Tanzanian Royal Exploration Corp. (TSX:TMX, AMEX:TRE). He also serves as a director and a member of the Audit Committee of New Brunswick Power Corporation, a provincial crown corporation, and as a director and a member of the Audit Committee, the Risk Management Committee and the Business Development Committee of Export Development Canada, a federal crown corporation.

Mr. Boyd is an entrepreneurial business leader and senior finance executive with extensive experience in bridge debt financing, venture capital, private equity, lending and corporate finance. He has expertise in business start-ups and raising capital through his roles as a senior executive in several Toronto brokerage firms between 1992 and 1995; as Managing Director, Merchant Banking, for HSBC Capital (Canada) Inc. from 1997 to 2002; and through his role in his own company, Junior Industrial Finance Corp. from 1990 to the present date. Mr. Boyd also managed a bridge fund specializing in enterprise value lending of short to medium term loans from 2002 until its recent wind-up.

Ms. Lam Kwan is an entrepreneur with over 10 years experience in the mining and steel industry and over eight years experience in the marine transportation industry. She is the director of Great Harvest group principally responsible for its holdings in the mining industry. She is also the director and the chief executive officer of Great Harvest Maeta Group Holdings Limited which is listed on the Main Board of The Stock Exchange of Hong Kong Limited. Ms. Lam is also primarily responsible for the day-to-day management and overall business operations of the Great Harvest group and Great Harvest Maeta Group Holdings Limited, as well as their finance and administrative management functions. She is also a director of Pok Oi Hospital in Hong Kong and a fellow of the Hong Kong Institute of Directors.

Mr. Marshall has an MBA with concentrations in Finance and Operations Management. He has completed Ph.D. coursework in Finance at York University, but has not completed his thesis. Mr. Marshall teaches Finance to MBA and BBA students in the School of Business and Economics, Wilfrid Laurier University, including a course in Advanced Corporate Finance. Mr. Marshall has also taught professional courses for the Society of Management Accountants.

Mr. Yan Kim Po is an entrepreneur with over 20 years experience in investment, development, production, processing, operating and trading in the mining and steel industries. He also has extensive experience in the marine transportation industry. Mr. Yan is the founder and chairman of the Great Harvest group, which is principally engaged in the mining industry. He is also the founder and chairman of Great Harvest Maeta Group Holdings Limited. He has been appointed as a Justice of Peace in Hong Kong and has also been named a World Outstanding Chinese by the World Outstanding Chinese Union Association. He is also a fellow of the Hong Kong Institute of Directors and the chairman of the Hong Kong Energy Association and the Minerals United Association. Mr. Yan is also active in social affairs and has been appointed as the Honorary Chairman of the Hong Kong Association of Youth Development, the Honorary President of the Junior Police Club, the Honorary President of the Fire Safety Ambassador

Club, the Honorary Vice-President of the Hong Kong Police Basketball Club and a member of the Friends of the Community Chest Shatin District Committee.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation has not relied on the exemptions contained in section 2.4 or Part 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided to the Corporation and its subsidiaries by the Corporation's external auditors where the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total fees payable by the Corporation and its subsidiaries to the auditors in the fiscal year in which the non-audit services were provided and certain other requirements are met. Part 8 permits the Corporation to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Corporation's auditors to provide non-audit services as required.

External Auditors Service Fees (By Category)

The fees billed by the Corporation's external auditors in each of the last two fiscal years are as follows:

Fiscal Year Ended	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
December 31, 2010	\$24,000	\$Nil	\$Nil	\$Nil
December 31, 2009	\$24,255	\$Nil	\$Nil	\$Nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying on the exemption in section 6.1 of MI 52-110 for venture issuers which allows for an exemption from Part 5 (Reporting Obligations) of MI 52-110 and permits the use of the short form of disclosure relating to its Audit Committee set out in Form 52-110F2.

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is, or has at any time since the commencement of the year ended December 31, 2010 been, indebted to the Corporation.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by persons other than the directors or executive officers of the Corporation.

CORPORATE GOVERNANCE

Effective June 30, 2005, the securities regulatory authorities in Canada adopted National Instrument 58-101 - Disclosure of Corporate Governance Practices (“**NI 58-101**”) and National Policy 58-201 - Corporate Governance Guidelines (“**NP 58-201**”). NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

The Corporation is required to provide in this Circular the following disclosure of its corporate governance practices in accordance with NI 58-101:

1. **Board of Directors** - There are currently seven members of the Corporation’s Board. Norman M. Betts, Michael M. Boyd, William B. Burton, and Alan T. Marshall, a majority of the Board, are independent directors of the Corporation, and J. Errol Farr, Yan Kim Po and Linda Lam Kwan are not independent. Errol Farr is the former President and Chief Executive Officer of the Corporation. Mr. Burton is also a former President and Chief Executive Officer of the Corporation, resigning from such position on March 31, 2000. J. Errol Farr is not an independent director by virtue of having being an executive officer of the Corporation within the last three years. Yan Kim Po and Linda Lam Kwan are no longer considered to be independent as a result of the increase in the ownership of Common Shares by Great Harvest to approximately 45.14% of the outstanding Common Shares effective May 17, 2011.
2. **Directorships** –Norman M. Betts is the Chair of the Board and a director of Starfield Resources Inc. (TSX-V:SRU), a director and Chair of the Audit Committee of Tembec Inc. (TSX:TBC), a director and Chair of the Audit Committee of Sheltered Oak Resources Corp. (TSX-V:OAK), and a director and the Chair of the Audit Committee of Tanzanian Royalty Exploration Corp. (TSX:TNX, AMEX:TRE). He also serves as a director and a member of the Audit Committee of New Brunswick Power Corporation, a provincial crown corporation, and as a director and member of the Audit Committee, the Risk Management Committee and the Business Development Committee of Export Development Canada, a federal crown corporation. Michael M Boyd is a director of Chudleigh Ventures Inc. (TSX-V:XYL), a director and the Chair of the Audit Committee of Outlook Resources Inc. (TSX-V:OLR), a director and the Chair of the Audit Committee of SunOpta BioProcess Inc., a subsidiary of SunOpta Inc. (TSX:SOY, NASDAQ:STKL) and a director of Telehop Communications Inc. (TSX-V:HOP). William B. Burton is a director of Erdene Resource Development Corporation (TSX:ERD). J. Errol Farr is a director and the Chair of the Audit Committee of Reliant Gold Corp. (TSX-V:REC), a director of Outlook Resources Inc. (TSX-V:OLR) and a director and Chair of the Audit Committee of Element 21 Golf Company (OTCBB:ETGF). Yan Kim Po is a director and the Chairman of the Board, the Chairman of the Remuneration Committee and the Chairman of the Nominating Committee, and Linda Lam Kwan is a director, of Great Harvest Maeta Group Holdings Limited

(HKG:3683). Except for Messrs. Betts, Burton, Farr and Yan and Ms. Kwan, no current director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

3. **Orientation and Continuing Education** - The Board has deferred the development of a Corporate Governance Policy until the 2011 fiscal year. The Board will be moving forward in 2011 with the development of a Corporate Governance Policy which will provide for one of the mandates of the Nomination and Corporate Governance Committee to be the creation of an orientation program for new directors. The Board has not currently established a formal continuing education program for directors.
4. **Ethical Business Conduct** - The directors understand their fiduciary obligations as directors of a public company. The Board has deferred the development of a Code of Business Conduct and Ethics until the 2011 fiscal year, but will be moving forward in 2011 with the development of a Code of Business Conduct and Ethics.
5. **Nomination of Directors** - The Nomination and Corporate Governance Committee is responsible for identifying new candidates to serve as directors, including candidates to fill any vacancies on the Board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.
6. **Compensation** - The steps taken to determine the compensation of the directors and Named Executive Officers of the Corporation are set forth above under “Required Annual Disclosure Concerning the Corporation – Executive Compensation – Compensation Disclosure and Analysis”.
7. **Other Board Committees** - In addition to the Audit Committee, the Nomination and Corporate Governance Committee and the Compensation Committee, the Board has an Environmental/Health and Safety Committee. The Environmental/Health and Safety Committee is responsible for formulating guidelines and policies for the Corporation with respect to ensuring the health and safety of all of the Corporation’s employees at its flagship property, the Mount Pleasant Mine property in New Brunswick, and for working to ensure the health and safety of the communities surrounding the Mount Pleasant Mine property by monitoring compliance by the Corporation with all applicable environmental and workplace health and safety guidelines of the Province of New Brunswick. The Board has no intention at this time of establishing any other standing committees of the Board.
8. **Assessments** – The Nomination and Corporate Governance Committee regularly assesses the performance of the directors and the Board and its committees as a whole with respect to their effectiveness and contribution.

DIRECTORS’ AND OFFICERS’ INSURANCE

The directors and officers of the Corporation are covered under a directors’ and officers’ insurance policy that provides an aggregate limit of liability applicable to the insured individuals of \$5,000,000, inclusive of costs to defend claims. The annual premium paid for this policy in 2010 was \$14,580 (including applicable taxes), the entire amount of which was paid by the Corporation. The estimated amount of this premium paid in respect of the directors of the Corporation was \$8,748 and the estimated amount of this premium paid in respect of the officers of the Corporation was \$5,832. The directors’ and officers’

insurance policy is subject to a deductible in the amount of \$25,000 in respect of all claims arising out of any single wrongful act or related wrongful acts.

The by-laws of the Corporation also provide for the indemnification of the directors and officers of the Corporation from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation's comparative financial statements and its management's discussion and analysis for the year ended December 31, 2010. Copies of the Corporation's financial statements for the year ended December 31, 2010, together with the report of the auditors thereon, management's discussion and analysis for the year ended December 31, 2010, the interim financial statements of the Corporation for periods subsequent to December 31, 2010 and the related management's discussion and analysis, and this Circular are available upon written request from the Chief Financial Officer of the Corporation, 67 Yonge Street, Suite 1402, Toronto, Ontario M5E 1J8. These documents and additional information concerning the Corporation are available at www.sedar.com.

APPROVAL OF DIRECTORS

This Circular and the mailing of same to Shareholders have been approved by the Board.

Date: May 18, 2011

By order of the Board,

(Signed) Alan T. Marshall
Chairman of the Board

SCHEDULE "A"

**RESOLUTION OF THE SHAREHOLDERS OF ADEX MINING INC. (THE "CORPORATION")
RE-APPROVING THE CORPORATION'S ROLLING STOCK OPTION PLAN**

BE IT RESOLVED THAT:

1. the Corporation's rolling stock option plan (the "**Stock Option Plan**") be and is hereby re-approved as the stock option plan of the Corporation;
2. the number of common shares of the Corporation issuable pursuant to the Stock Option Plan shall continue to be set at 10% of the number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any director and/or officer of the Corporation be and is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such deeds, documents, instruments and assurances and to do or cause to be done all such other acts and things as such director and/or officer of the Corporation may determine to be necessary or desirable to carry out the terms of this resolution, the execution and delivery of any such deed, document, instrument or assurance or the doing of any such act or thing being conclusive evidence of such determination.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

ADEX MINING INC.

Charter of the Audit Committee of the Board of Directors

I PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Adex Mining Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

1. engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. set and pay the compensation for advisors employed by the Committee; and
3. communicate directly with the internal and external auditors.

III COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”), the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.

A majority of the members of the Committee shall be “independent” and shall be “financially literate” (as each such term is defined in Multilateral Instrument 52-110).

The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“GAAP”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, management’s discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.

6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

ADEX MINING INC.

**Procedures for Receipt of Complaints and Submissions
Relating to Accounting Matters**

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

ADEX MINING INC.

Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.