

PGNX CAPITAL CORP.

NOTICE OF SPECIAL MEETING

and

INFORMATION CIRCULAR AND PROXY STATEMENT

with respect to a

SPECIAL MEETING OF SHAREHOLDERS OF PGNX CAPITAL CORP.

to be held

WEDNESDAY, DECEMBER 18, 2013, 10:00 A.M. (WINNIPEG TIME)

November 22, 2013

If you are in doubt as to how to deal with these materials or the matters they describe, please consult your professional advisor. If you require more information with respect to voting your securities of PGNX Capital Corp., please contact Olympia Trust Company toll free at 1-800-727-4493 or by e-mail at proxy@olympiatrust.com.

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PGNX CAPITAL CORP.

November 22, 2013

Dear Shareholders:

You are invited to attend the special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of PGNX Capital Corp. ("**PGNX**" or the "**Corporation**") to be held at Suite 300, 1001 Corydon Avenue, Winnipeg, Manitoba R3M 0B6 at 10:00 a.m. (Winnipeg time) on Wednesday, December 18, 2013.

As you are aware, on August 1, 2012 PGNX completed the sale of substantially all of its assets pursuant to an asset purchase and sale agreement with Shoppers Drug Mart Inc. ("**Shoppers**") for gross proceeds of approximately \$73.5 million, subject to closing adjustments (the "**Transaction**"). Approximately \$15.1 million of the Transaction proceeds were held in escrow and were released on November 22, 2013. Approximately \$2.0 million has been or will be used to settle post-closing purchase price adjustments and approximately \$20.8 million has been or will be used to settle liabilities, including repayment of bank debt, anticipated expenditures and contingencies. On November 6, 2012, the Shareholders of the Corporation unanimously approved a special resolution to reduce PGNX's stated capital in connection with a \$0.45 per share cash distribution by way of a return of capital. The \$40.2 million distribution occurred on November 15, 2012.

At present, after reflecting that the Corporation has cash on hand and receivables, net of liabilities of \$19.3 million, and holdbacks for dissolution costs and other liabilities, a gross amount of approximately \$15.2 million (\$0.17 per Common Share) is currently available for distribution to Shareholders.

At the Meeting, Shareholders will be considering and voting upon a special resolution to approve a reduction in the stated capital of the Common Shares in the amount of \$0.095 multiplied by the number of common shares issued and outstanding as at December 11, 2013 (the "**Capital Reduction Resolution**"). By way of context, on November 21, 2013, the Corporation's board of directors (the "**Board**") approved a cash distribution to Shareholders of \$0.17 per Common Share (the "**Cash Distribution**"). The Capital Reduction Resolution is intended to establish that a portion of the Cash Distribution, to the extent applicable for each individual Shareholder, as a return of capital.

At the Meeting, Shareholders will also be considering and voting upon a special resolution (the "**Liquidation Resolution**") to proceed with the liquidation of the Corporation which includes delisting the Common Shares from NEX; paying or making reasonable provisions to pay all outstanding claims against and obligations of the Corporation; distributing any remaining cash to its Shareholders; and voluntarily dissolving the Corporation, all in accordance with the terms of the Plan of Liquidation (collectively, the "**Plan of Liquidation**"). A copy of the Plan of Liquidation is attached as Schedule "B" to this Circular.

If the Liquidation Resolution is approved by the Shareholders, and to the extent that there is cash remaining following the Cash Distribution, the Corporation intends to pay to Shareholders a further cash distribution that is expected to be in the range of \$0.02 to \$0.04 per Common Share (the "**Liquidation Distribution**"). The amount and timing of such distribution is dependent upon the existence and amount of any unforeseen liabilities and the Corporation securing a clearance certificate from the Canada Revenue Agency. There are no assurances as to the amount of such distribution or that any such distribution will be available to be paid at all.

The accompanying Information Circular contains a detailed description of the Capital Reduction Resolution, the Liquidation Resolution and related matters to be considered at the Meeting. Please give this material your careful consideration. If you require assistance, consult your financial, tax or other professional advisors.

The Board of Directors of the Corporation approved the Cash Distribution on November 21, 2013 in the amount of \$0.17 per Common Share. The Capital Reduction Resolution will reduce the stated capital of the Common Shares with the intention that a portion of the Cash Distribution in the amount approximately \$0.095 per Common Share, to the extent applicable for each individual Shareholder, is a return of capital. Whether or not the Capital Reduction Resolution is approved by Shareholders at the Meeting, the Cash Distribution is intended to be paid to Shareholders of the Corporation of record as of December 11, 2013 (the "Distribution Record Date") on or about December 19, 2013. Subject to confirmation of and the issuance of a bulletin by the TSX Venture Exchange, the Common Shares are expected to commence trading ex-distribution (the first trading day following the date on which purchasers of Common Shares will no longer have a right to receive the Cash Distribution) on the NEX Board of the TSX Venture Exchange (the "NEX") on or about December 20, 2013.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying

form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the transfer agent and registrar of the Corporation c/o Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6 Attention: Proxy Department, (Fax: 403 265 1455) not later than forty eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof. If you are unable to attend the Meeting, we encourage you to complete the enclosed instrument of proxy as soon as possible.

If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the instrument of proxy or other voting instruction form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

We look forward to seeing you at the Meeting.

Yours very truly,

(signed) "*Martin Weinberg*"

Martin Weinberg
Chairman of the Board of Directors
PGNX Capital Corp.

PGNX CAPITAL CORP.

**NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, DECEMBER 18, 2013**

TO THE HOLDERS OF COMMON SHARES

Notice is hereby given that a special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of PGNX Capital Corp. ("**PGNX**" or the "**Corporation**") will be held at Suite 300, 1001 Corydon Avenue, Winnipeg, Manitoba R3M 0B6 at 10:00 a.m. (Winnipeg time) on Wednesday, December 18, 2013 for the following purposes:

1. to consider and, if deemed advisable, to approve, with or without variation, a special resolution approving a reduction in the stated capital of the Common Shares of \$0.095 per Common Share, as more particularly described in the information circular of the Corporation dated November 22, 2013 (the "**Information Circular**");
2. to consider and, if deemed advisable, to approve, with or without variation, a special resolution attached to the Information Circular as Schedule "A" authorizing the board of directors of the Corporation (the "**Board**") to cause the Corporation to distribute all of its property and discharge all of its liabilities pursuant to the provisions of a Plan of Liquidation attached to the Information Circular as Schedule "B", as soon as practicable after the Meeting; and
3. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Information Circular.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is Saturday, November 16, 2013 (the "**Meeting Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any Common Shares after the Meeting Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and requests, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the transfer agent and registrar of the Corporation c/o Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6 Attention: Proxy Department (Fax: 403 265-1455), not later than forty eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy should be in writing and should be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, under corporate seal, if required by that corporation.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Shareholder should be delivered by facsimile to Olympia Trust Company at (403) 265-1455.

DATED at Winnipeg, Manitoba this 22nd day of November, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Martin Weinberg*"
Chairman of the Board of Directors
PGNX Capital Corp.

PGNX CAPITAL CORP.

INFORMATION CIRCULAR

For the Special Meeting of Shareholders to be held on Wednesday, December 18, 2013

INTRODUCTION AND GENERAL PROXY INFORMATION

Solicitation of Proxies

This information circular - proxy statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of PGNX Capital Corp. ("**PGNX**" or the "**Corporation**") for use at the special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares of the Corporation (the "**Common Shares**") to be held at Suite 300, 1001 Corydon Avenue, Winnipeg, Manitoba R3M 0B6 at 10:00 a.m. (Winnipeg time) on Wednesday, December 18, 2013, and at any adjournment thereof, for the purpose set forth in the accompanying Notice of Meeting.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, or by telephone, facsimile or other electronic means, by directors, officers and employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

The Corporation has made arrangements with Canadian brokerage houses and other intermediaries to send proxy materials, at the Corporation's expense, to Shareholders who do not hold their Common Shares in their name (referred to herein as "**Beneficial Shareholders**") who have advised their broker or intermediary that they wish to receive such material. In addition, the Corporation asks banks and brokers in the United States to forward copies to persons for whom they hold Common Shares and request authority for execution of the proxies. The Corporation will reimburse the banks and brokers for their reasonable out of pocket expenses in doing so.

Unless otherwise stated, the information contained in this Information Circular is given as at November 21, 2013.

No person has been authorized by the Corporation to give any information or make any representations in connection with the business herein described other than as contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

General Meeting Requirements

The board of directors of the Corporation (the "**Board**" or the "**Board of Directors**") has fixed the record date for the Meeting at the close of business on November 16, 2013, (the "**Meeting Record Date**"). The Corporation will prepare, as of the Meeting Record Date, a list of Shareholders entitled to receive the Notice of Meeting and showing the number of Common Shares held by each such Shareholder. A Shareholder named in the list is entitled to vote the Common Shares shown opposite such Shareholder's name at the Meeting except to the extent that such holder transfers ownership of such Common Shares after the Meeting Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting, not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

Appointment of Proxies

The persons named as proxy holders in the accompanying form of proxy are directors and/or officers of the Corporation and were designated by the management of the Corporation. **A registered Shareholder wishing to appoint some other person (who need not be a Shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting the desired person's name in the blank space provided in the form of proxy or by completing another form of proxy. A proxy will not be valid unless a properly completed proxy form is received at the office of the Corporation's transfer agent and registrar, Olympia Trust Company 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6 Attention: Proxy Department (Fax: 403 265-1455) at least forty eight (48)**

hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or adjournment thereof.

Revocation of Proxies

A registered Shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of that corporation, and delivered to the Calgary office of Olympia Trust Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting, or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name, ("**Beneficial Shareholders**"), should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders registered as of the Meeting Record Date on the Corporation's Shareholder list maintained by the Corporation's registrar and transfer agent unless specifically stated otherwise.

Voting of Proxies

All Common Shares represented by properly executed and deposited proxies will be voted in accordance with the instructions contained therein. **If no choice is specified with respect to any matters referred to herein, the persons designated in the enclosed form of proxy intend on a ballot to vote such Common Shares FOR all of the resolutions described herein.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations to matters referred to herein and with respect to other matters which may properly come before the Meeting. In the event amendments or variations to matters referred to herein are properly brought before the Meeting, or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented at the Meeting.

Voting Securities and Quorum

The Common Shares are entitled to one vote each, and the number outstanding as of the date hereof is 89,160,527 Common Shares. Only Shareholders of record by 4:30 p.m. (Calgary time) on November 16, 2013, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Common Shares voted at the Meeting.

The presence in person or by proxy of at least two persons holding in the aggregate five percent (5%) of the Common Shares entitled to vote is necessary to convene the Meeting. The resolution that is proposed to be placed before the Meeting is a special resolution requiring for its approval 66 2/3% of the votes cast in respect of the resolution at the Meeting.

BUSINESS OF THE MEETING

Background

On May 22, 2012, the Corporation and Shoppers Drug Mart Inc. (the "**Purchaser**" or "**SDM**") entered into an asset purchase agreement (the "**APA**"), pursuant to which the Purchaser agreed to acquire substantially all of the property of the Corporation, being PGNX's assets, property and undertaking owned, used, or held in the business carried on by PGNX, which consisted of operating a chain of 19 retail pharmacies and three central fill pharmacies in British Columbia, Alberta and Manitoba (the "**PGNX Assets**") for gross proceeds of approximately \$73.5 million in cash, subject to closing adjustments and certain escrow provisions (the "**Transaction**").

The Transaction was completed on August 1, 2012 (the "**Transaction Date**"). On closing of the Transaction, PGNX received approximately \$73.5 million. Approximately \$15.1 million of the Transaction proceeds are held in escrow until November 22, 2013 (the "**Escrow Funds**"), approximately \$2.0 million was set aside to settle post-closing purchase price adjustments and approximately \$20.8 million has been or will be used to settle liabilities, including repayment of bank debt, anticipated expenditures and contingencies.

On November 6, 2012, the Shareholders of the Corporation unanimously approved a special resolution to reduce PGNX's stated capital in connection with a \$0.45 per share cash distribution by way of a return of capital. The \$40.2 million distribution occurred on November 15, 2012 (the "**2012 Distribution**").

At present, after reflecting that the Corporation has cash on hand and receivables, net of liabilities, of \$19.3 million, and after accounting for the Escrow Funds that were released on November 22, 2013, a gross amount of approximately \$15.2 million (\$0.17 per Common Share) is currently available for distribution to Shareholders on or about December 19, 2013. Remaining funds, after payment of ongoing corporate expenses, professional fees, regulatory charges and costs of liquidation will be distributed to the Shareholders pursuant to the Liquidation Resolution described below under "Plan of Liquidation".

For additional information in respect of the Transaction, see the Asset Purchase Agreement and the Material Change Report of PGNX dated August 1, 2012, which can be found on PGNX's SEDAR profile at www.sedar.com.

General

On November 21, 2013, the Board of PGNX approved a distribution to Shareholders of the Corporation of \$0.17 per Common Share (the "**Cash Distribution**"). The Cash Distribution represents an aggregate payment amount of approximately \$15.2 million, based upon the number of Common Shares outstanding as at November 22, 2013.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve a special resolution of the Shareholders (the "**Capital Reduction Resolution**") authorizing the Corporation to reduce the stated capital of the Common Shares by an aggregate amount equal to \$0.095 multiplied by the number of issued and outstanding Common Shares as at December 11, 2013 (the "**Distribution Record Date**"). The Capital Reduction Resolution is intended to establish a portion of the Cash Distribution, to the extent applicable for each individual Shareholder, as a return of capital.

A reduction in the stated capital requires approval of the Corporation's shareholders by special resolution.

Due Bills

The TSXV has adopted procedures to allow for the use of due bill trading (see the TSXV Notice to Issuers dated December 10, 2012: Due Bills - Guidance in Respect of Dividends/Distributions and Other Material Corporate Events Involving Due Bill Trading). These new procedures were adopted with a view to improving the accuracy and timeliness of security valuation in an investor's brokerage account and harmonizing Canadian practices with U.S. practices.

Due bills notionally represent an entitlement that will be due to a shareholder from an issuer in connection with the completion of a material corporate event such as a special distribution. In the case of a special cash distribution by an issuer such as PGNX, the due bills notionally represent the cash distribution a shareholder is entitled to receive.

Due bills allow brokerage accounts to reflect the full value of a security until an entitlement is paid. For trading purposes, due bills attach to the listed securities from and including the day that is two trading days prior to the distribution record date of the corporate event up until the end of the payment date for the entitlement (i.e. the date of the cash distribution). This period is referred to as the "due bill trading period". During the due bill trading period, the seller of the listed securities (who is the prospective recipient of the entitlement) also sells and assigns the right to the entitlement to the purchaser of the due bills. Such assignment is effected through the due bills attached to the listed securities. Therefore, purchasers of the listed securities during the due bill trading period pay full value for the securities (including the value of the entitlement represented by the due bill) to the seller of the securities. Correspondingly, the use of due bill trading allows the listed securities to carry the value of the entitlement until the entitlement has been paid given that the ex-distribution date (being the day on which the listed securities cease to have the due bills attached) does not occur until the first trading day after the payment date. As a result, the listed securities maintain their full value throughout the due bill trading period.

The Exchange (also required in this instance by the NEX) will normally require the use of due bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. The NEX has advised PGNX that, based on the current market price of the Corporation's Common Shares on the NEX, due bills are expected to be used for the Cash Distribution.

Subject to confirmation of the NEX, given that the Distribution Record Date is set as December 11, 2013, the Corporation's Common Shares would be expected to commence trading "ex-distribution" (the date on which purchases of the Common Shares will no longer have a right to receive a Cash Distribution) on or about December 20, 2013 the first trading day following the date of the Cash Distribution. Should the use of due bills not be required, the Corporation's Common Shares would be expected to commence trading "ex-distribution" on or about December 9, 2013.

Shareholders holding Common Shares of PGNX through brokerage accounts will not be required to take any special action. The Cash Distribution entitlement will continue to be received into their brokerage accounts on, or

immediately after, the Cash Distribution Date. Any trades that are executed during the period for which Due Bills are outstanding should be automatically flagged to ensure a purchaser receives the entitlement and a seller does not.

Reduction of Stated Capital

Background to the Cash Distribution

On November 21, 2013, the Board of PGNX approved the Cash Distribution in order to distribute the Escrowed Funds, as well as a portion of the remaining cash on hand not considered necessary to hold back pending completion of the proposed Plan of Liquidation. The Capital Reduction Resolution is intended to facilitate a portion of the Cash Distribution, to the extent applicable for each individual Shareholder, as a return of capital. The Cash Distribution is the second distribution by the Corporation to Shareholders on the winding up of its business.

On a *pro forma* basis as at the date of this Information Circular, after completion of the Cash Distribution, PGNX will have cash and receivables, net of liabilities of approximately \$4.1 million remaining before remaining corporate expenses, professional fees, regulatory expenses and costs of liquidation. Following the Cash Distribution, it is intended that the Corporation distribute any remaining cash and discharge all of its liabilities pursuant to the provisions of a Plan of Liquidation, Dissolution and Winding-Up attached to the Circular as Schedule "B", as soon as practicable after the Meeting, but following receipt of a clearance certificate from the Canada Revenue Agency.

Effect of the Cash Distribution

Shareholders of record on the Distribution Record Date will be entitled to receive \$0.17 for every Common Share held resulting in an aggregate distribution by PGNX to Shareholders on December 19, 2013 of approximately \$15.2 million.

PGNX believes that the Cash Distribution represents an appropriate use of PGNX's financial resources following the release of the Escrow Funds, to rebalance PGNX's working capital requirements. The resulting financial resources available to PGNX following payment of the Cash Distribution remain sufficient and are expected to be adequate to fund the Plan of Liquidation, Dissolution and Winding-Up attached to the Circular as Schedule "B". As of the date of this Information Circular, after accounting for the payment of the Cash Distribution in the amount of approximately \$15.2 million, PGNX's *pro forma* estimated working capital is approximately \$4.1 million.

As of the date of this Information Circular, the Board does not have any reasonable grounds to believe that, after the Cash Distribution and giving effect to the reduction in stated capital of the Common Shares by an amount equal to \$0.095 multiplied by the number of issued and outstanding Common Shares on the Distribution Record Date, the Corporation would be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets would be less than the aggregate of its liabilities.

For a description of the principal Canadian federal income tax considerations applicable to Shareholders in connection with the Cash Distribution, see "*Certain Canadian Federal Income Tax Considerations*".

Recommendation of the Board

The Board has unanimously determined that the Capital Reduction Resolution is in the best interests of PGNX and unanimously recommends that Shareholders vote in favour of the Capital Reduction Resolution.

In reaching its conclusion and recommendation the Board considered, among others, the following factors: (i) information concerning the financial condition, business plans and prospects of PGNX both before and after giving effect to the Cash Distribution; and (ii) the advice and assistance of PGNX's management, financial and strategic advisors in evaluating the Cash Distribution.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. In reaching the determination to recommend for approval the Capital Reduction

Resolution, the Board did not assign any relative or specific weights to the factors which were considered, and individual directors may have given differing weights to different factors.

Shareholder Approval

The Capital Reduction Resolution, the full text of which is set out below, must be passed by a majority of not less than two-thirds (2/3) of the votes cast by Shareholders present in person or voting by proxy on the resolution at the Meeting. Each Shareholder of record on the Meeting Record Date will be entitled to one vote per Common Share held for the purpose of voting upon the Capital Reduction Resolution.

Should the Capital Reduction Resolution be approved by the requisite two-thirds (2/3) majority of Shareholders, it is expected that appropriate filings to give legal effect to the resolution will be done immediately following the Meeting. The text of the Capital Reduction Resolution authorizes the Board, at its sole discretion, to revoke the Capital Reduction Resolution at any time before it shall have been acted upon without having to obtain any further approval from the Shareholders.

The Capital Reduction Resolution is as follows:

"BE IT RESOLVED, as a special resolution of the holders of common shares ("**Common Shares**") of PGNX Capital Corp. (the "**Corporation**") that:

1. the stated capital account maintained by the Corporation in respect of the Common Shares be reduced pursuant to subsection 38(1) of the *Business Corporations Act* (Alberta) (the "**ABCA**") on a date to be determined by the board of directors of the Corporation (the "**Return of Capital Date**") by an amount equal to \$0.095 multiplied by the number of Common Shares issued and outstanding as at December 11, 2013 (the "**Distribution Record Date**");
2. any director or officer of the Corporation is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute, or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
3. notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, in their sole discretion, to revoke this special resolution and not proceed with the reduction of stated capital and Return of Capital herein authorized."

Unless otherwise directed, the persons named in the Instrument of Proxy accompanying this Information Circular intend to vote FOR the Capital Reduction Resolution.

Plan Of Liquidation

Background to the Liquidation

The Corporation does not carry on an active business, has discharged substantially all of its liabilities and, following the Meeting, intends to provide requisite notice of its intention to dissolve. Following the Cash Distribution,

PGNX will have approximately \$4.1 million of cash and receivables, net of liabilities as its remaining net assets before remaining corporate expenses, professional fees, regulatory expenses and costs of liquidation.

Summary of the Plan of Liquidation

It is proposed that the liquidation resolution, the full text of which is set out in Schedule "A" attached to and forming a part of this Circular (the "**Liquidation Resolution**"), be passed and the Board be given authority to proceed with the liquidation of the Corporation by:

- (a) delisting the Common Shares from NEX;
- (b) paying or making reasonable provisions to pay all outstanding claims against and obligations of the Corporation;
- (c) distributing its remaining cash to its Shareholders (the "**Liquidation Distribution**"); and
- (d) voluntarily dissolving the Corporation,

all in accordance with the terms of the Plan of Liquidation (collectively, the "**Plan of Liquidation**"). A copy of the Plan of Liquidation is attached as Schedule "B" to this Circular.

If the Liquidation Resolution is approved by the Shareholders, the Corporation intends to pay to Shareholders the Liquidation Distribution, which is expected to be in the range of \$0.02 to \$0.04 per Common Share. The amount and timing of such distribution is dependent upon the existence and amount of any unforeseen liabilities and the securing a clearance certificate from the Canada Revenue Agency. There are no assurances as to the amount of the Liquidation Distribution or that any such distribution will be available to be paid at all.

Board Recommendation

The Board is of the opinion that the Plan of Liquidation is in the best interests of the Corporation for the following reasons:

- (a) the Corporation does not carry on an active business and has sold all of its property;
- (b) the Corporation's Common Shares have been transferred from the TSX Venture Exchange (the "**TSXV**") to NEX, resulting in significantly reduced liquidity for the Common Shares;
- (c) the costs of maintaining the Corporation's listing on NEX and its reporting issuer status will quickly use up all of the Corporation's remaining cash, and the Plan of Liquidation provides the potential for Shareholders to receive a Liquidation Distribution; and;
- (d) after a review of the alternatives available to the Corporation by the Board, the Plan of Liquidation is in the best interests of the Corporation, is the best alternative available to the Corporation and may possibly provide a Liquidation Distribution to Shareholders.

For these reasons, the Board is unanimously of the opinion that the Plan of Liquidation is in the best interests of the Corporation and recommends that the Shareholders approve the Liquidation Resolution.

Shareholder Approval

Pursuant and subject to the provisions of the ABCA, a corporation may liquidate its assets and dissolve by special resolution of its shareholders. The policies of NEX also provide that in order to delist the Common Shares from NEX the Corporation must obtain the majority of the minority shareholders' approval.

Accordingly, the Plan of Liquidation must be authorized by a special resolution passed by the Shareholders. To be passed, the Liquidation Resolution must be approved by the affirmative vote of at least two-thirds (2/3) of the votes cast in respect thereof by Shareholders, voting in person or by proxy, and entitled to vote at the Meeting.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material Canadian federal income tax considerations applicable to Shareholders who receive a Cash Distribution from the Corporation, and who dispose of Common Shares pursuant to the Plan of Liquidation, and who, for the purposes of the Income Tax Act (Canada), as amended, and the regulations thereunder (the "**Tax Act**") and at all relevant times, deal at arm's length with the Corporation, are not affiliated with the Corporation and hold their Common Shares of the Corporation as capital property. Such shares will generally constitute capital property to a Shareholder unless those shares are held in the course of carrying on a business or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade for purposes of the Tax Act. Certain Resident Shareholders (as defined below) for whom Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have those shares, and any other "Canadian securities" (as defined in the Tax Act) owned by that Shareholder in the taxation year in which the election is made and all subsequent taxation years, be deemed to be capital property.

This summary is based on the current provisions of the Tax Act, the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted substantially as proposed. No assurance can be given that the Proposed Amendments will be enacted in their present form, or at all.

This summary does not apply to (i) a Shareholder that is a "financial institution" as defined in section 142.2 of the Tax Act, (ii) a Shareholder an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act, (iii) a Shareholder whose functional currency for purposes of the Tax Act is the currency of a country other than Canada, or (iv) a Shareholder who has entered, or will enter, into a "derivative forward agreement" with respect to Common Shares, as that term is defined in the Proposed Amendments contained in Bill C-4, which received Second Reading and was referred to the Standing Committee on Finance on October 29, 2013.

This summary does not otherwise take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Residents of Canada

The following portion of the summary applies to a shareholder who, at all relevant times is, or is deemed to be, resident in Canada for purposes of the Tax Act (a "**Resident Shareholder**").

Cash Distribution

If the Capital Reduction Resolution is Approved

If the Capital Reduction Resolution is approved by the holders of Common Shares, then the Cash Distribution will result in a reduction of the paid-up capital in respect of the Common Shares of the Corporation, to the extent of such paid-up capital. Generally, where a "public corporation" as defined in the Tax Act (which includes PGNX), reduces the paid-up capital in respect of a class of its shares, the amount distributed to its shareholders on such reduction is deemed to be a dividend (the "**General Public Corporation Rule**"). However, where the paid-up capital of the relevant class of shares of the corporation exceeds the amount of the distribution, the amount distributed may be

treated as a tax-free return of capital (subject to the comments below concerning the reduction of the adjusted cost base of the shares) and not as a deemed dividend where the distribution is made on the winding-up, discontinuance or reorganization of the corporation's business (the "**Winding-Up Exception**"). The Corporation is of the view that the Winding-Up Exception should apply to the Cash Distribution, such that a portion of it will be received as a tax-free distribution.

If the Cash Distribution per Common Share exceeds the paid-up capital per Common Share, then the excess amount will be deemed to be a dividend to the holders of Common Shares. The Corporation expects that the paid-up capital per Common Share is less than the amount of the Cash Distribution per Common Share. Thus the Cash Distribution is expected to result in a deemed dividend of \$0.075 per Common Share. The tax considerations applicable to a deemed dividend are discussed below under the heading "*Taxation of Dividends*".

The adjusted cost base of each Common Share to a Resident Shareholder will be reduced by an amount equal to the amount per Common Share received as a reduction of paid-up capital on the Cash Distribution (but not by any amounts that are deemed to be a dividend). If such amount exceeds the adjusted cost base of such share, a Resident Shareholder will realize a capital gain equal to such excess and the adjusted cost base of the Resident Shareholder's Common Shares will then be restored to nil. The tax considerations applicable to a capital gain are discussed below under the heading "*Taxation of Capital Gains and Capital Losses*".

If the Capital Reduction Resolution is Not Approved

If the Capital Reduction Resolution is not approved by the holders of Common Shares, then the tax treatment of the Cash Distribution is less certain. It is possible that the General Public Corporation Rule will apply such that the entire amount of the Cash Distribution is treated as a deemed dividend to the holders of Common Shares. It is also possible, but there can be no certainty, that the Winding-Up Exception will apply such that the tax treatment of the Cash Distribution is the same as discussed above under the heading "*Cash Distribution – If the Capital Reduction Resolution is Approved*". If the Capital Reduction Resolution is not approved, then shareholders are urged to consult their own tax advisors to determine whether to report the Cash Distribution as a tax-free return of capital or a deemed dividend.

Plan of Liquidation, Dissolution and Winding-Up

Pursuant to the Plan of Liquidation, Resident Shareholders will receive the Liquidation Distribution, and will be deemed to dispose of all Common Shares.

Deemed Dividend on Liquidation Distribution

In general, a Resident Shareholder that receives a Liquidation Distribution would be deemed to have received a taxable dividend equal to the amount, if any, by which the Liquidation Distribution received by the Resident Shareholder exceeds the "paid-up capital" of such Resident Shareholder's Common Shares.

It is not expected that there will be any remaining paid-up capital in respect of the Common Shares after the Cash Distribution (assuming the capital reduction resolution is approved and all the capital is returned as part of the Cash Distribution), and provided this expectation is correct, the entire amount of the Liquidation Distribution will be a taxable dividend to a Resident Shareholder.

However, whether there is any paid-up capital in respect of the Common Shares at the time of the liquidation is a question of fact that will only be fully determined after payment of the Liquidation Distribution. If and to the extent that a Liquidation Distribution is treated as a taxable dividend, the treatment of such dividend is discussed below under the heading "*Taxation of Dividends*".

Capital Gain on Liquidation Distribution

The adjusted cost base of each Common Share to a Resident Shareholder will be reduced by an amount equal to the amount per Common Share received as a reduction of paid-up capital on the Liquidation Distribution (but not by

any amounts that are deemed to be a dividend). If such amount exceeds the adjusted cost base of such share, a Resident Shareholder will realize a capital gain equal to such excess and the adjusted cost base of the Resident Shareholder's Common Shares will then be restored to nil. The tax considerations applicable to a capital gain are discussed below under the heading "*Taxation of Capital Gains and Capital Losses*".

Cancellation of Common Shares on Conclusion of Liquidation

Each Resident Shareholder will realize a capital loss on cancellation of the Resident Shareholder's Common Shares on the final dissolution of the Corporation equal to the positive amount, if any, of the adjusted cost base of the Resident Shareholder's Common Shares determined immediately before that time. The tax considerations applicable to a capital loss are discussed below under the heading "*Taxation of Capital Gains and Capital Losses*".

Taxation of Dividends

To the extent that any portion of the Cash Distribution is treated as a deemed dividend, the amount of the deemed dividend will be included in computing the income of the Resident Shareholder for purposes of the Tax Act. If the Resident Shareholder is an individual (including certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations including an enhanced gross-up and tax credit for "eligible dividends" (as defined in the Tax Act).

A deemed dividend received by a Resident Shareholder that is a corporation will normally be deductible in computing its taxable income. A Resident Shareholder that is a "private corporation" (as defined in the Tax Act) or a corporation controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 33⅓% under Part IV of the Tax Act on dividends deemed to be received to the extent that such dividends are deductible in computing taxable income unless the Corporation is "connected" with the Resident Shareholder. The Corporation is connected with a Resident Shareholder if either: (i) the Resident Shareholder "controls" the Corporation within the meaning of the provisions of Part IV of the Tax Act; or (ii) the Resident Shareholder owns shares of the Corporation representing more than 10% of all shares having the right to vote in all circumstances and more than 10% of the fair market value of all issued and outstanding shares of the Corporation. In the case of a Resident Shareholder that is a corporation, it is possible that in certain circumstances, all or part of the amount deemed to be a dividend will be treated as a capital gain and not as a dividend, except to the extent that the Resident Shareholder was subject to Part IV tax in respect of the deemed dividend.

Taxation of Capital Gains and Capital Losses

Under the provisions of the Tax Act, a Resident Shareholder who realizes or is deemed to realize a capital gain in a taxation year as a result of having a negative adjusted cost base in respect of the Resident Shareholder's Common Shares as described above generally will be required to include one half of any such capital gain (a "**taxable capital gain**") in the Resident Shareholder's income for the year. The Resident Shareholder generally will be entitled to deduct one half of any capital loss (an "**allowable capital loss**") that the Resident Shareholder realizes on an actual or deemed disposition of Common Shares (including as a result of the cancellation of those shares on the final dissolution of the Corporation as described above) in the year and, to the extent not so deductible, in any of the three preceding taxation years or any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances set out in the Tax Act, be reduced by the amount of any dividends that the Resident Shareholder previously received or was deemed to have received on the Resident Shareholder's Common Shares. Similar rules may apply where Common Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Shareholders to whom these rules may be relevant should consult their own tax advisers in this regard.

A Resident Shareholder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax of 6²/₃%, refundable in certain circumstances, on certain investment income, including taxable capital gains.

In general terms, a Resident Shareholder who is an individual (other than certain trusts) who realizes a capital gain on the disposition or deemed disposition of the Common Shares may be liable for a minimum tax under the Tax Act. Resident Shareholders that are individuals should consult their own tax advisors in this regard.

Non-Residents of Canada

This portion of the summary is applicable to a shareholder who, for the purposes of the Tax Act and any applicable income tax convention or treaty, and at all relevant times, (i) is not, and is not deemed to be, resident in Canada, (ii) does not and will not use or hold, or be deemed to use or hold, the Common Shares in, or in the course of, carrying on business in Canada, and (iii) is not, and is not deemed to be, an insurer who carries on an insurance business in Canada and elsewhere (a "**Non-Resident Shareholder**").

The tax consequences of the Cash Distribution, and the Liquidation Distribution, to a Non-Resident Shareholder will be generally the same as described above with respect to Resident Shareholders. No Canadian non-resident withholding tax will apply to the Cash Distribution or the Liquidation Distribution, as applicable, to the extent that such distribution is treated as a tax-free return of capital, as described above.

If any portion of either the Cash Distribution or Liquidation Distribution is treated as a deemed dividend, as described above, Canadian withholding tax at a rate of 25% will apply to such portion, subject to reduction under the provisions of an applicable income tax convention between Canada and the Non-Resident Shareholder's country of residence (a "**Tax Treaty**").

A Non-Resident Shareholder who realizes a capital gain as a result of the Cash Distribution or Liquidation Distribution, as applicable, (as described above for Resident Shareholders) such Non-Resident Shareholder will not be subject to Canadian income tax under the Tax Act in respect of such gain provided the Common Shares are not "taxable Canadian property" to such Non-Resident Shareholder. The Common Shares generally will not be taxable Canadian property provided that: (i) such shares are listed on a designated stock exchange within the meaning of the Tax Act (which includes the NEX); (ii) at any time during the sixty month period immediately preceding the Cash Distribution or Liquidation Distribution either (a) the Non-Resident Shareholder has not, either alone or in combination with persons with whom the Non-Resident Shareholder does not deal at arm's length, owned 25% or more of the issued shares of any class or series of shares in the capital of the Corporation, or (b) more than 50% of the fair market value of the Common Shares was not derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such property; and (iii) the Common Shares are not deemed under the Tax Act to be taxable Canadian property of the Non-Resident Shareholder. In the event that the Common Shares constitute taxable Canadian property to a particular Non-Resident Shareholder, the consequences under the Tax Act of realizing a capital gain will generally be the same as those for Resident Shareholders described above. Non-Resident Shareholders should consult with their own tax advisors as to the availability of relief from Canadian tax under an applicable Tax Treaty.

Each Non-Resident Shareholder will realize a capital loss on cancellation of the Non-Resident Shareholder's Common Shares on the final dissolution of the Corporation as described above in respect of Resident Shareholders. If the Common Shares are taxable Canadian property to the Non-Resident Shareholder, and are not "treaty protected property" (as defined in the Tax Act), then such loss may be applied to offset gains of the Non-Resident Shareholder from other taxable Canadian property, to the extent and as provided for in the Tax Act.

INFORMATION CONCERNING THE CORPORATION

General

PGNX, a **Winnipeg, Manitoba** based corporation, owned and operated 19 retail pharmacies and three central fill pharmacies throughout British Columbia, Alberta and Manitoba until the sale of those operations to Shoppers Drug Mart Inc. pursuant to the Transaction.

PGNX is a reporting issuer in each of the provinces of British Columbia, Alberta, Saskatchewan and Ontario. The head office of PGNX is located at Suite 300, 1001 Corydon Avenue, Winnipeg, Manitoba, R3M 0B6 and its registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

Voting Securities and Principal Holders of Voting Securities

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value, an unlimited number of first preferred shares issuable in series and an unlimited number of second preferred shares, issuable in series. As at the date of this Information Circular, there are 89,160,527 Common Shares issued and outstanding and no first preferred shares or second preferred shares issued and outstanding. All of the Common Shares issued and outstanding have been issued as fully paid and non assessable. Only holders of Common Shares on the Meeting Record Date are entitled to notice of, to attend and to vote at the Meeting, unless the shareholder has transferred any Common Shares subsequent to that date and transferring shareholder, not later than ten (10) days before the Meeting, establishes ownership of the shares and demands that the transferees' name be included on the list of shareholders.

To the best of the Corporation's knowledge and based on existing information, as at the date hereof, there are no persons who own, of record or beneficially, or controls or directs, directly or indirectly, or exercise control or direction over more than 10% of the outstanding Common Shares, other than the following:

Name and Place of Residence	Type of Ownership	Number of Shares	Percent of Class
Canterbury Park Capital L.P. and Canterbury Park Capital (U.S.) L.P., ⁽¹⁾ Winnipeg, MB	Direct	68,271,783	77%

Note:

- (1) Of the 68,271,783 Common Shares, 64,243,668, are owned directly by Canterbury Park Capital LP and 4,028,115 are owned by Canterbury Park Capital (U.S.) L.P. Messrs. Bob Silver and Martin Weinberg, through holding companies, are shareholders of the general partner of Canterbury Park Capital L.P. and Canterbury Park Capital (U.S.) L.P. Messrs. Daniel Friedman and Bob Silver hold directly or indirectly limited partnership units in Canterbury Park Capital L.P. Martin Weinberg, Daniel Friedman and Bob Silver hold directly or indirectly shares in Pavilion Financial Corporation, which owns all of the limited partnership units in Canterbury Park Capital (U.S.) L.P.

Price Range and Trading Volume of Common Shares

The following table sets out the high and low trading prices and aggregate volume of trading of the Common Shares, as applicable, on the TSXV from August 1, 2011 until August 2, 2012 and the NEX from August 2, 2012 to November 21, 2013:

Period	High (\$)	Low (\$)	Volume
TSXV (Tier 1)			
2011			
August.....	0.28	0.205	52,500
September.....	0.20	0.19	40,000
October.....	0.27	0.13	92,957
November.....	0.17	0.13	49,000
December.....	0.20	0.135	51,800

Period	High (\$)	Low (\$)	Volume
2012			
January	0.205	0.18	57,523
February	0.255	0.21	125,000
March	0.285	0.15	118,400
April	0.28	0.175	114,450
May	0.65	0.19	902,840
June	0.55	0.51	484,850
July	0.60	0.53	1,057,940
August (1 - 2)	0.58	0.53	325,401
NEX			
2012			
August (3 - 31)	0.57	0.53	257,481
September	0.58	0.54	923,482
October	0.56	0.56	83,329
November*	0.60	0.13	902,436
December	0.14	0.14	55,333
2013			
January	0.16	0.14	1,320,000
February	0.17	0.14	152,900
March	0.16	0.16	25,151
April	0.16	0.15	272,700
May	0.17	0.15	165,825
June	0.25	0.16	15,000
July	0.25	0.16	87,550
August	0.22	0.16	129,000
September	0.19	0.16	42,000
October	0.17	0.16	31,000
November (1-21)	0.25	0.16	50,500

*A distribution of \$0.45 was made to holders of Common Shares on November 15, 2012.

Auditors, Registrar and Transfer Agent

The auditors of PGNX are KPMG LLP, Chartered Accountants of Winnipeg, Manitoba.

PGNX's transfer agent is Olympia Trust Company at its principal offices in Calgary, Alberta.

Additional Information

Additional information relating to PGNX is available on SEDAR at www.sedar.com. Financial information concerning PGNX is provided in its financial statements for the year ended August 31, 2013 and 2012, and the nine months ended May 31, 2013 and 2012, along with the accompanying management's discussion and analysis, all of which can be accessed on SEDAR.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of PGNX is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or executive officer of PGNX or anyone who has held office as such since the beginning of PGNX's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than such individuals may hold Common Shares which would entitle them to the same Cash Distribution being paid to all Shareholders.

The directors and officers of PGNX have indicated their intention to vote their Common Shares in favour of all matters to be considered by Shareholders at the Meeting.

INTERESTS OF EXPERTS

Certain legal matters relating to the matters to be considered at the Meeting are to be passed upon by Burnet, Duckworth & Palmer LLP, on behalf of PGNX. As at the date hereof, the partners and associates of each of Burnet, Duckworth & Palmer LLP, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares. Daryl S. Fridhandler, Q.C., a partner of Burnet, Duckworth & Palmer LLP, is the Corporate Secretary of PGNX.

There is no person or company who is named as having prepared or certified a statement, report or valuation in respect of PGNX in this Information Circular, either directly or in a document incorporated by reference, and whose profession or business gives authority to the statement, report or valuation made by the person or company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Management of PGNX is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information regarding PGNX is available on SEDAR at www.sedar.com. Financial information respecting the Corporation is provided in PGNX's comparative financial statements and management's discussion and analysis for its most recently completed fiscal year. A shareholder can access this information on SEDAR or by written request to the Secretary of the Corporation, who will promptly provide a copy free of charge to a securityholder of the Corporation, at:

PGNX Capital Corp.
Suite 300, 1001 Corydon Avenue
Winnipeg, MB R3M 0B6
Fax: (204) 954-5185

If you are a Shareholder of PGNX and you have questions about the information contained in this Information Circular or require assistance in completing your proxy, please contact Jon Kliewer, Chief Financial Officer of the Corporation at (204) 954-5132 or jkliewer@pgnxcc.com or Olympia Trust Company toll free at 1-800-727-4493 or by e-mail at proxy@olympiatrust.com.

APPROVAL BY THE BOARD OF DIRECTORS

The contents of this Information Circular, as well as the delivery of it to each Shareholder entitled thereto and delivery of it to the appropriate regulatory agencies has been approved by the Board of Directors of the Corporation.

By Order of the Board of Directors

(signed) "*Martin Weinberg*"
Chairman of the Board of Directors
PGNX Capital Corp.

SCHEDULE "A"
LIQUIDATION RESOLUTION

WHEREAS it is in the best interests of PGNX Capital Corp. (the "**Corporation**") to dissolve and distribute any remaining assets to the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation by way of a cash distribution;

AND WHEREAS the Corporation plans to distribute the assets of the Corporation, discharge the liabilities of the Corporation and winding-up and dissolve the Corporation pursuant to a plan of liquidation in the form attached as Schedule "B" to the management information circular of the Corporation (the "**Circular**") dated November 22, 2013 (the "**Liquidation Plan**");

AND WHEREAS upon the wind-up and dissolution of the Corporation, the Corporation intends to distribute any remaining assets to Shareholders by way of a Liquidation Distribution (as such term is defined in the Circular);

AND WHEREAS since the Corporation intends to wind-up and dissolve and distribute its remaining assets to Shareholders by way of a Liquidation Distribution, it is desirable to de-list the Common Shares from the NEX board of the TSX Venture Exchange ("**NEX**");

NOW THEREFORE BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the Liquidation Plan be and is hereby ratified and approved;
2. the de-listing of the Common Shares from NEX is hereby approved;
4. the application for the Corporation to cease to be a reporting issuer is hereby approved;
5. the officers and directors of the Corporation be and are hereby authorized and directed for and on behalf of the Corporation to take such action and to execute and deliver all such documentation as may be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or performance of such action for the implementation of this special resolution; and
6. notwithstanding the provisions hereof, the board of directors of the Corporation is authorized to delay or determine not to proceed with the implementation of any of the matters contemplated by the foregoing resolutions, without further approval of the Shareholders, if in the opinion of the board of directors, it is necessary or desirable to do so, and may, pursuant to the provisions of the *Business Corporations Act* (Alberta) revoke this special resolution at any time before it is acted upon without further approval of the Shareholders.

SCHEDULE "B"
PLAN OF LIQUIDATION

PGNX Capital Corp. (the "**Corporation**") shall proceed to a voluntary liquidation, dissolution and winding-up of the Corporation according to the procedures set forth in this plan of liquidation, dissolution and winding-up (the "**Liquidation Plan**") and the articles of the Corporation.

1. The Liquidation Plan has been approved and adopted by the board of directors of the Corporation and shall be submitted to the shareholders of the Corporation (the "**Shareholders**") for approval. The Liquidation Plan shall be effective upon the approval of the dissolution of the Corporation and adoption of the Liquidation Plan by at least two-thirds (2/3) of the votes cast, either in person or by proxy, of holders of the outstanding common shares ("**Common Shares**") of the Corporation at a special meeting of Shareholders to be held on Wednesday, December 18, 2013 or any adjournment thereof (the "**Meeting**").
2. The Corporation will apply to cease being a reporting issuer under applicable securities legislation in British Columbia, Alberta, Saskatchewan and Ontario as soon as practical.
3. The Corporation will give notice to the NEX board of the TSX Venture Exchange ("**NEX**") as soon as practical after receipt of shareholder approval at the Meeting such that the Common Shares can be de-listed from NEX.
4. The officers or directors of the Corporation shall take such actions as they deem necessary or appropriate to terminate any contracts to which the Corporation is a party and settle any liabilities in respect thereof.
5. The business of the Corporation will be wound up as soon as practical after receipt of Shareholder approval at the Meeting.
6. The powers of the board of directors and officers of the Corporation shall continue until the business of the Corporation has been wound up and the Corporation has been dissolved.
7. Upon approval of the liquidation and dissolution of the Corporation and adoption of the Liquidation Plan by the Shareholders, the Corporation:
 - (a) shall pay or make reasonable provision to pay all claims against and obligations of the Corporation, including all contingent, conditional, or unmatured contractual claims known to the Corporation;
 - (b) shall make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the Corporation which is the subject of a pending action, suit or proceeding to which the Corporation is a party; and
 - (c) shall make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the Corporation or that have not arisen but that, based on facts known to the Corporation, are likely to arise or to become known to the Corporation after the date of dissolution. Such claims shall be paid in full and any such provision for payment shall be made in full if there are sufficient assets. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, rateably to the extent that there are assets legally available therefor.
8. The Corporation shall secure a clearance certificate from the Canada Revenue Agency.
9. The Corporation shall thereafter distribute the remainder of the Corporation's assets, in cash, to the Shareholders of the Corporation in proportion to the number of Common Shares held by them and recorded on the books of the Corporation and shall thereafter cancel all outstanding Common Shares.

10. The officers or directors of the Corporation shall take all necessary or appropriate action to have the Corporation cease, or be deemed to have ceased, to be a reporting issuer under applicable Canadian securities legislation.
11. Upon completion of the foregoing actions, the officers or directors of the Corporation will file articles of dissolution thereby dissolving the Corporation.
12. The officers and directors shall additionally have authority to do or to authorize to be done any and all acts as provided for in the Liquidation Plan and all such further acts and things as they may consider necessary or desirable to carry out the objectives of the Liquidation Plan, including without limitation the execution and filing of all certificates, documents, information returns, tax returns, forms, and other papers that may be necessary or appropriate to implement the Liquidation Plan or that may be required by the provisions of the appropriate taxation legislation.
13. The Corporation shall bear all expenses of adopting and implementing the Liquidation Plan.
14. The officers or directors of the Corporation shall have the authority to authorize those variations from or amendments to the provisions of this Liquidation Plan as they may deem necessary or appropriate to effect the objectives of the Liquidation Plan.