

PORTOLA RESOURCES INC.

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NEWS RELEASE

Portola Resources Inc. Announces Termination of Proposed Change of Business and Remains a Mining Issuer

Toronto, Ontario October 21, 2016 - Portola Resources Inc. (TSXV:PZ) (the “Corporation” or “Portola”) announces that the Board of Directors of the Corporation has agreed to terminate the previously announced Change of Business and will continue as a Mining Issuer, subject to TSXV policy requirements. The Corporation is pursuing business opportunities in the resource sector.

In connection with the termination of the Change of Business the Corporation will no longer be proceeding with the previously announced Purchase and Exchange Agreement with Portola Funding 1 Limited Partnership.

Financing

Subject to regulatory approval, the Corporation is arranging a non-brokered private placement for aggregate gross proceeds of up to \$1,800,000 through the issuance of up to 12,000,000 common shares at a price of \$0.15 per share.

The Corporation will pay a finder's fee on a portion or the entire private placement in accordance with the policies of the TSX Venture Exchange. Proceeds of the placement will be used for the potential acquisition of new projects and for general working capital.

Annual General Meeting

The Corporation will host its Annual General Meetings for shareholders on January 10, 2017.

Re-instatement of Trading

The Corporation’s common shares will be reinstated for trading effective Tuesday October 25th, 2016.

For further information please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this news release are made as of the date of this news release and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.