

OPTION AGREEMENT

ALBERTA LITHIUM PERMITS – BUCK LAKE

THIS AGREEMENT made as of the 7th day of April, 2016

BETWEEN:

THE BROOKES HEYMAN LITHIUM SYNDICATE, Suite 1300 –
1111 West Georgia Street, Vancouver, British Columbia, Canada, V6E
4M3 (Fax No.: 604-608-4822 / Email: clivebrookes@telus.net)

(the "**Optionor**")

AND:

MGX MINERALS INC., a British Columbia corporation, Suite 303 –
1080 Howe Street, Vancouver, British Columbia, Canada, V6Z 2T1 (Fax
No. (604) ___ / Email: jared@mgxminerals.com)

(the "**Optionee**")

WITNESSES THAT WHEREAS:

- A. The Optionor is the registered and beneficial owner of the Property;
- B. The Optionor has agreed to grant to the Optionee an option to acquire an undivided 100% interest in and to the Property, subject only to the Royalty, by, *inter alia*, making certain payments and issuing Shares to the Optionor;

THEREFORE, in consideration of the sum of \$10.00 now paid by the Optionee to the Optionor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Optionor, the parties covenant and agree as follows:

DEFINITIONS

1.01 For the purposes of this Agreement the following words and phrases shall have the following meanings, namely:

"Area of Interest" means, in respect of any Permit, all lands situate within two kilometers of the external boundary of the area of land covered by such Permit;

"CSE" means Canadian Securities Exchange;

"Effective Date" means the date of execution and delivery of this Agreement;

"Governmental Authority" means any federal, provincial, state, municipal, county or regional government or governmental authority, domestic or foreign, and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing;

"Hazardous Substances" means any contaminants, pollutants, dangerous substances, liquid wastes, industrial wastes, hauled liquid wastes, toxic substances, hazardous wastes, hazardous materials, or hazardous substances as defined in or pursuant to any law, judgment, decree, order, injunction, rule, statute and regulation of any court, arbitrator or Governmental Authority;

"Interest" means a 100% right, title and interest in and to the Property, free and clear of all Liens, charges, encumbrances, rights or interests of others and adverse claims whatsoever, subject only to the Royalty;

"Lien" means any Lien, security interest, mortgage, charge, encumbrance, or other claim of a third party, whether registered or unregistered, and whether arising by agreement, statute or otherwise;

"Manager" means at any time the manager for the time being of the Syndicate, and means Clive Brookes as at the date of this Agreement;

"Members" means those persons who are from time to time members of the Syndicate, and until written notice from the Manager to the contrary, means those persons whose names are set out in **Schedule 1.01-1** hereto;

"Membership Interest" means the respective beneficial percentage interest of each Member in and to the Property, the Option Payments and the Royalty, and until written notice from the Manager to the contrary, means the interests set out opposite the names of the Members in **Schedule 1.01-1**;

"Option" means the sole and exclusive right and option to acquire the Interest, granted to the Optionee by the Optionor pursuant to section 4.01 of this Agreement;

"Option Payments" means, collectively, all monetary payments and Share issuances provided for in section 4.02 of this Agreement;

"Option Period" means the period from the date hereof to and including the date of exercise or termination of the Option;

"Optionor" means, collectively, the Members;

"Permits" means, collectively those certain Metallic and Industrial Mineral Permits and Permit Applications described in **Schedule 1.01-2**, together with all rights and privileges appurtenant thereto, both now and in the future;

"Property" means, collectively, the Permits and all areas covered by the Permits, together with all minerals therein which are the subjects of the Permits, whether or not severed or extracted therefrom;

"Royalty" means the royalty equal to 2.0% of Gross Revenue hereby granted and reserved to the Members according to their respective Membership Interests, and more particularly described in **Schedule 1.01-3** hereto;

"Shares" means common shares without par value in the capital of the Optionee;

"Syndicate" means "The Brookes Heyman Lithium Syndicate", a joint venture of the Members established to, *inter alia*, acquire the Permits;

1.02 The words "section", "subsection", "paragraph", "subparagraph", "clause", "herein" and "hereunder" refer to this Agreement, and the words "this Agreement" include every schedule attached hereto and each schedule forms part of this Agreement.

1.03 Interpretation

Whenever the Optionor's representation or warranty with respect to the existence or absence of facts or circumstances is qualified by the phrase "to the best of its knowledge and belief" or "of which it is aware", such qualification indicates that no information has come to the Optionor's attention which would give the Optionor actual knowledge of the existence of such facts or circumstances, but that the Optionor has not undertaken any special or independent investigation to determine the existence or absence of any such facts or circumstances.

1.04 Wherever any reference is made to the Optionor in this Agreement, such reference shall be a reference to the Syndicate and, accordingly, to each person who is a Member, severally, in such person's capacity as a Member.

REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR

2.01 The Optionor hereby represents and warrants to the Optionee that:

- (a) the Optionor is or will be prior to the time for making the first Option Payment, and at the time of transfer to the Optionee of the Interest will be, the beneficial owner of the Property, in each case free and clear of all Liens, charges, encumbrances, rights or interests of others and adverse claims whatsoever;
- (b) the Optionor will not breach any other agreement or commitment by entering into and performing the Optionor's obligations under this Agreement;
- (c) to the best of its knowledge and belief, the Permits are in good standing under all applicable laws;
- (d) to the best of its knowledge and belief, there are no fees, taxes or other assessments of any Governmental Authority due and owing or accruing due in respect of the Property, there are no work or other assessment filings due in respect of the Property, there are no outstanding work orders or other orders of any Governmental Authority relating to the Property and there are no actions required or reasonably anticipated to be required to be taken with respect to any rehabilitation work done or to be done on the Property;
- (e) to the best of its knowledge and belief there is no adverse claim or challenge made against or with regard to the ownership of or title to any of the Permits, or any of the mineral rights granted thereunder, there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, and no person has any royalty, net profits or other interest whatsoever in production from any of the Permits except as provided for herein;
- (f) the Optionor has good and sufficient right and authority to grant the Option and to sell, transfer and assign the Interest to the Optionee;
- (g) this Agreement has been duly executed and delivered by the Manager, on behalf of the Optionor, as lawful attorney for each of the Members; and the consummation of the

transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of any agreement or other instrument whatsoever to which the Optionor is a party or by which the Optionor is bound or to which the Optionor or the Optionor's interest in the Property may be subject;

- (h) the Optionor has conducted no activities on and in respect of the Property;
- (i) no Member is a non-resident of Canada for the purposes of section 116 of the *Income Tax Act (Canada)*.

2.02 The representations and warranties contained in section 2.01 are provided for the exclusive benefit of the Optionee, and any misrepresentation or breach of warranty may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other misrepresentation or breach of the same or any other representation or warranty; and the representations and warranties contained in section 2.01 shall survive the execution and performance of this Agreement for a period of one year; and, subject to section 2.03, the Optionor will indemnify and save the Optionee harmless from and against any loss or damage the Optionee may suffer or incur as a result of any material misrepresentation or breach of any warranty by the Optionor.

2.03 Notwithstanding any other provision of this Agreement, in no event shall the liability of any Member for misrepresentation or breach of any warranty or provision of this Agreement exceed the aggregate of the Option Payments actually received by such Member pursuant to this Agreement.

REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE

3.01 The Optionee represents and warrants to the Optionor that:

- (a) the Optionee validly exists as a corporation in good standing under the laws of British Columbia;
- (b) the Optionee has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and this Agreement has been duly executed and delivered by the Optionee as a legal and binding agreement, enforceable against the Optionee;
- (c) the Optionee is a "reporting issuer" as that expression is defined in the *Securities Act* (British Columbia), is a reporting issuer not in default in each of Alberta and British Columbia, and has its shares listed and trading on the CSE; and the Optionee will use reasonable commercial efforts to obtain any required regulatory approvals and acceptances in respect of this Agreement and the transactions contemplated by this Agreement as soon as practicable.

3.02 The representations and warranties contained in section 3.01 are provided for the exclusive benefit of the Optionor and a misrepresentation or breach of warranty may be waived by the Optionor in whole or in part at any time without prejudice to its rights in respect of any other misrepresentation or breach of the same or any other representation or warranty; and the representations and warranties contained in section 3.01 shall survive the execution hereof.

GRANT OF OPTION

4.01 The Optionor hereby grants the Option to the Optionee and reserves the Royalty to the Optionor.

4.02 The Option may be maintained and exercised by the Optionee by doing all of the following things within the times stipulated:

- (a) paying:
 - (i) \$20,000 (Canadian funds) to the order of the Optionor not later than 4:30 p.m. (local Vancouver time) on the Effective Date;
 - (ii) an additional \$20,000 (Canadian funds) to the order of the Optionor not later than 4:30 p.m. (local Vancouver time) on the first anniversary of the Effective Date; and
 - (iii) an additional \$20,000 (Canadian funds) to the order of the Optionor not later than 4:30 p.m. (local Vancouver time) on the second anniversary of the Effective Date; and
- (b) issuing:
 - (i) 333,333 Shares to and in the names of the Members according to their respective Membership Interests not later than 4:30 p.m. (local Vancouver time) on the Effective Date;
 - (ii) an additional 333,333 Shares to and in the names of the Members according to their respective Membership Interests not later than 4:30 p.m. (local Vancouver time) on the first anniversary of the Effective Date; and
 - (iii) an additional 333,334 Shares to and in the names of the Members according to their respective Membership Interests not later than 4:30 p.m. (local Vancouver time) on the second anniversary of the Effective Date.

4.03 The Optionor acknowledges that:

- (a) all Shares issued to the Members pursuant to this Agreement will be issued in accordance with the information provided in **Schedule 1.01-1** at a deemed price equal to 75% of the closing price of the Shares on the last trading day preceding the Effective Date, and that such Shares, when issued, will be subject to such resale restrictions as are prescribed by law at the time of issue of such Shares, and that the certificates representing such Shares will bear legends to such effect; and each Member will provide such information regarding beneficial ownership, acknowledgments or other information of such Member as may be required by the CSE;
- (b) in the event of any subdivision, consolidation or other change in the share capital of the Optionee prior to the exercise in full of the Option, the number of Shares to be delivered or issued to the Optionor thereafter in connection with the exercise of the Option shall be adjusted in accordance with such subdivision, consolidation or other change in the Share capital of the Optionee;

- (c) in the event the Optionee undertakes an amalgamation, merger, reorganization or other arrangement prior to the exercise in full of the Option, the Shares to be delivered or issued to the Optionor thereafter shall be adjusted to account for such amalgamation, merger, reorganization or other arrangement on the same basis as Shares outstanding at the time of such amalgamation, merger, reorganization or other arrangement.

4.05 Forthwith upon the Optionee making the cash payment and issuing the Shares provided for in sections 4.02(a)(i) and 4.02(b)(i), the Optionor will take all and any actions necessary to effect the transfer to and registration in the name of the Optionee of legal title to the Permits; and the Optionee shall thereafter be and be deemed for all purposes to be the legal owner of the Permits, subject to the rights of the Optionor on any termination of the Option.

4.06 The Optionee will pay the Royalty to the Optionor in accordance with Schedule 1.01-3.

4.07 The Royalty constitutes an interest in the Property and will run with the title to the Property, and any disposition or transfer of the Property, or any interest therein, shall be subject to the Royalty.

4.08 The Royalty shall exist in perpetuity, and if any right, power or interest of either Party under this Agreement would violate the rule against perpetuities or equivalent rule under Applicable Law, then the term or other provision of such right, power or interest shall automatically be revised and reformed as necessary to comply with the rule under Applicable Law, and this Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities or equivalent rule under Applicable Law.

4.09 All cash payments stipulated in this Agreement to be made "to the Optionor", including Royalty payments, shall be made to the Members according to their respective Membership Interests and delivered to the Manager at the address first set forth above until directed otherwise in writing by the Manager.

4.10 The Optionee will have and is hereby granted the exclusive right and option to reduce the Royalty by fifty percent (i.e. reduce the Royalty from 2% of Gross Revenue to 1% of Gross Revenue) by paying \$1,000,000 (Canadian funds) to the Optionor at any time up to the fifth anniversary of the date of this Agreement.

EXERCISE OF OPTION

5.01 If the Optionee makes the Option Payments described in section 4.02 of this Agreement, within the time permitted by section 4.02 of this Agreement, it will, without any further act or payment, have and be deemed for all purposes to have exercised the Option.

5.02 If the Option is exercised, all beneficial right, title and interest in and to the Interest will thereupon vest in the Optionee, subject only to the Royalty.

5.03 If the Option is exercised, the Optionor will forthwith following written notice from the Optionee, and insofar as same has not previously been accomplished, take all and any actions necessary to effect the transfer to and registration in the name of the Optionee of the Interest, subject only to the Royalty.

OPERATORSHIP AND RIGHT OF ENTRY

6.01 Throughout the Option Period, the Optionee will be the "operator" in respect of the Property and, as such, shall have the sole and exclusive right in respect of the Property to:

- (a) enter thereon;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development and/or mining work thereon and thereunder as the Optionee may determine to be necessary, desirable or advisable;
- (d) bring upon and erect upon the Property and use in its operations, at any time and from time to time, such buildings, plant, machinery, equipment, vehicles, tools, appliances and supplies as the Optionee may deem necessary, desirable or advisable; and
- (e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purposes of sampling, including bulk sampling, obtaining assays or making other tests.

6.02 Throughout the Option Period the Manager and agents and independent contractors retained by the Optionor shall, on reasonable written advance notice to the Optionee, have the right in respect of the Property to enter thereon at the sole risk and expense of the Optionor and such Manager and agents and independent contractors of the Optionor, for the purpose of viewing the same.

6.03 The Optionee shall be entitled to all income and other tax deductions, allowances, credits, incentives and other benefits available pursuant to exploration incentive programs or similar programs in connection with the exploration of the Property.

6.04 During the Option Period, the Optionee shall not have any right to, and will not, grant mortgages, charges or Liens of or upon the Property or any portion thereof, any mill or other fixed assets located thereon, or any of the tangible personal property located on or used in connection with the Property without the prior written consent of the Optionor.

OBLIGATIONS DURING OPTION PERIOD / AREA OF INTEREST

7.01 Forthwith following execution of this Agreement, and in any event prior to the Effective Date, the Optionor shall, at the Optionor's expense, deliver to the Optionee copies of all geological, geophysical and geochemical reports, maps and other data and documentation relating to the Permits and in the possession or control of the Optionor, in printed and, where available, electronic formats; provided that all such information and documentation will be delivered without warranty as to completeness and the Optionor will not be held liable for any errors or omissions in any such information and documentation or for any loss, damage or expense incurred by the Optionee from the utilization and results of utilization of any such information and documentation by the Optionee.

7.02 During the Option Period and, in the case of subsection 7.02(a), for a period of not less than three months following any termination of the Option, the Optionee shall:

- (a) maintain the Property in good standing by making such payments and taking all other actions which may be necessary in that regard and in order to keep the Permits in existence and free and clear of all Liens and other charges arising from the Optionee's activities thereon;
- (b) permit the designated consultants of the Optionor, and its servants, agents and independent contractors, at their own risk, access to the Property at all reasonable times; provided that the Optionor agrees (and the Optionor does hereby so agree) to indemnify the Optionee

against and to save it harmless from all Liens, costs, claims, actions, causes of action, liabilities and expenses that the Optionee may incur or suffer as a result of any injury (including injury causing death) to any such person while on the Property;

- (c) do all work on the Property in a careful, minerlike and workmanlike fashion, and in accordance with all applicable laws, regulations, orders and ordinances of any Governmental Authority, and all applicable permits and licenses; and comply with all laws, rules, regulations, policies and orders of Governmental Authorities with respect to reclamation and rehabilitation of all disturbances resulting from the Optionee's use and occupancy of the Property; and promptly pay or cause to be paid all workers and wage earners employed by it or its contractors on the Property, and pay for all materials, services and supplies purchased or delivered in connection with its activities on or with respect to the Property;
- (d) furnish the Optionor with a report with respect to each work program carried out by the Optionee on the Property or part thereof, including material results obtained and a detailed list of Exploration Expenses incurred together with evidence of payment thereof, within six months of completion of such work program.

7.03 If at any time after the date of this Agreement and before March 31, 2018 the Optionee stakes or otherwise acquires, directly or indirectly, any right or title to or any legal or beneficial interest in any mineral claim or any license, lease, grant, concession, permit, patent or other interest (in each case an "**AMI Interest**") in any mineral property located wholly or partly within the Area of Interest, the Optionee will immediately give written notice of the acquisition of such AMI Interest to the Optionor together with copies of all information in the possession of the acquiring party relating to such AMI Interest, and, unless the Optionor notifies the Optionee in writing within 60 days next following receipt of such notice that the Optionor does not wish to acquire any ownership interest in the AMI Interest, such AMI Interest will thereafter be and will be deemed for all purposes to be part of the Property, and to be subject to the Option if the Option has not yet been exercised; and in such event beneficial title to the AMI Interest will be and be deemed for all purposes to have passed to the Optionor.

7.05 The Optionee will indemnify and save the Optionor harmless from and against any and all claims, suits, actions, causes of action, administrative orders and notices, demands, losses, damages, interest, fines, penalties and expenses, including reasonable legal fees and expenses, expert's and consultant's fees and expenses, court costs and all other out-of-pocket expenses arising or suffered or incurred by the Optionor as a result of any act or omission of the Optionee, or any breach of this agreement by the Optionee, including without limitation claims, suits, demands, losses, damages and expenses relating to any work, act or thing done or omitted to be done by the Optionee on or with respect to the Property.

TRANSFERS OF PROPERTY INTERESTS

9.01 The Optionee shall have the right to assign any of the Optionee's rights hereunder to any person without the prior written consent of the Optionor, and any purchaser, grantee or transferee of any such rights must, before such assignment becomes effective, have delivered to the Optionor its written agreement related to this Agreement and to the Property, containing:

- (a) a covenant by such transferee to perform all the obligations of the Optionee to be performed under this Agreement in respect of the rights to be acquired by it from the Optionee to the

same extent as if this Agreement had been originally executed by the Optionee and such transferee as joint and several obligors making joint and several covenants; and

- (b) a provision subjecting any further sale, transfer or other disposition of such rights in the Property or this Agreement to the restrictions contained in this section;

and for greater certainty, unless otherwise agreed in writing by the Optionor, no such assignment shall operate to discharge the Optionee from any of its obligations hereunder or to alter the terms of the Option, with the result that, unless otherwise agreed in writing by the Optionor, the exercise of the Option will after any such assignment continue to require the delivery of Shares to the Optionor.

9.02 The Optionor shall have the right to transfer any or all of its right, title and interest in and to the Property (subject to the Option) and/or assign any or all of its right, title and interest in, to and/or under this Agreement and/or any or all of the Optionor's rights and obligations herein and/or hereunder to any person without the consent of the Optionee provided that any such transferee or assignee (including any subsequent transferee or assignee) shall have delivered to the Optionee a written agreement whereby such transferee or assignee covenants to perform all of the obligations and commitments of the Optionor and otherwise be bound by the terms of this Agreement as they relate to the Optionor; and in any such event, such assignment shall operate to discharge the Optionor from any of its obligations hereunder in respect of such interest save and except for the fulfillment of contractual commitments having accrued due prior to the date of such assignment.

REGULATORY APPROVALS AND REQUIREMENTS

10.01 The Optionee acknowledges and agrees that its obligations hereunder are not subject to any consent, approval or acceptance by the CSE in respect of this Agreement.

10.02 The Optionor agrees to cooperate, and shall use reasonable efforts to facilitate the cooperation of the Members, in the provision of all personal information, acknowledgements and other information as may be required by the CSE or Canadian Securities Regulators in relation to this Agreement.

TERMINATION OF OPTION

11.01 The Option may be terminated by the Optionor by delivering a written notice of termination to the Optionee if the Optionee fails to make any Option Payment described in section 4.02 within the time period permitted by section 4.02; provided that the Optionor shall have first delivered to the Optionee a written notice of default specifying the default and the Optionee shall have failed to cure such default within 30 days next following the date of receipt of such default notice by appropriate payment or performance.

11.02 The Option may also be terminated by the Optionor delivering a written notice of termination to the Optionee if the Optionee breaches any of its covenants set forth herein or fails to perform any of its obligations set forth herein; provided that the Optionor shall have first delivered to the Optionee a written notice of default specifying the default and the Optionee shall have failed to cure such default within 30 days next following the date of receipt of such default notice by appropriate payment or performance.

11.03 The Option may be terminated by the Optionee at any time by delivering a written notice of termination to the Optionor.

11.04 If the Option is terminated pursuant to section 11.01, 11.02 or 11.03 hereof, the Optionee shall:

- (a) at no cost to the Optionor and within 30 days of such termination, deliver to the Optionor copies of all reports, maps, assay results and other relevant technical data in the possession of the Optionee with respect to the Property;
- (b) leave the Property in good standing for at least three months after the date of such termination (and in that regard pay all costs associated with the maintenance of the Permits), free and clear of all Liens arising from its operations on the Property, in a safe and orderly condition and in a condition which is in compliance with all laws, rules, regulations, policies and orders of Governmental Authorities with respect to reclamation and rehabilitation of all disturbances resulting from the Optionee's use and occupancy of the Property;
- (c) have the right (and, if required by the Optionor within 90 days of the effective date of termination, the obligation) to remove from the Property within six months of termination of the Option, all plant, equipment and facilities erected, installed or brought upon the Property by or at the instance of Optionee, failing which the facilities shall become the property of the Optionor; and
- (d) be obligated to pay to the Optionor an amount equal to all cash Option Payments in respect of which the time permitted by section 4.02 for making such cash Option Payments has passed without such cash Option Payment(s) being made and issue to and in the name of the Optionor that number of Shares which is equal to the number of Shares which would have been included as Option Payments in respect of which the time permitted by section 4.02 for making such cash Option Payments has passed without such Shares being issued as an Option Payment; and the Optionee agrees that such cash payment and Share issuance will be and be deemed for all purposes to be liquidated damages.

SURRENDER OF PROPERTY INTERESTS PRIOR TO TERMINATION

12.01 The Optionee may at any time elect to abandon and surrender the Option in respect of any one or more of the Permits, or any part or an area within one or more of the permits, comprised in the Property by giving written notice to the Optionor of such proposed abandonment and surrender, and in each such event the Permits in respect of which such notice has been given shall cease to be subject to the Option and shall cease to be part of the subject matter of this Agreement; and the Option shall in each such event remain in full force and effect with respect to the Permits which are not so abandoned and surrendered.

12.02 If the Optionee makes an election pursuant to section 12.01 hereof, the Optionor may elect to have legal title to such Permit(s) transferred to and registered in the name of the Optionor by giving written notice to the Optionee, and in each such event the Permits in respect of which such notice has been given shall be transferred to and registered in the name of the Optionor at the expense of the Optionee and in that regard the Optionee shall:

- (a) at no cost to the Optionor and within 30 days of the Optionor making such election, deliver to the Optionor a transfer, quitclaim, bill of sale or other appropriate deed or assurance in registrable form transferring its interest in such Permits to the Optionor, together with copies of all reports, maps, assay results and other relevant technical data in the possession of the Optionee with respect to the Property;

- (b) leave the Permits so abandoned or surrendered in good standing for at least three months after the date of such surrender or abandonment, free and clear of all Liens arising from its operations hereunder, in a safe and orderly condition and in a condition which is in compliance with all laws, rules, regulations, policies and orders of Governmental Authorities with respect to reclamation and rehabilitation of all disturbances resulting from the Optionee's use and occupancy of the Property.

12.03 The Area of Interest will not be diminished by any surrender of Permits pursuant to section 12.01.

FORCE MAJEURE

13.01 If the Optionee is at any time either during the Option Period or thereafter prevented from or delayed in complying with any provisions of this Agreement by reason of strikes, lock-outs, labour shortages, power shortages, fuel shortages, fires, wars, acts of war, insurrection or terrorism, inclement weather, acts of God, governmental regulations restricting normal operations, shipping or other transportation delays, delays in obtaining required governmental or regulatory approvals or permits not due to fault or default on the part of the Optionee, or any other reason or reasons (other than lack of funds) beyond the control of the Optionee, the time limited for the performance by the Optionee of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay; provided that if the duration of any event of force majeure exceeds six months, the Optionor may terminate the Option by written notice to the Optionee and in such event the provisions of section 11.03 will apply.

13.02 The Optionee shall give prompt notice to the Optionor of each event of force majeure under section 13.01 and upon cessation of such event shall furnish the Optionor with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

NEWS RELEASES

14.01 The text of any news release respecting the execution and delivery of this Agreement will be subject to approval by both parties, and both parties will act reasonably in that regard.

14.02 All matters concerning the Optionor and the contents of this Agreement shall be treated as and kept confidential and not disclosed by the parties, except as required by applicable securities laws, the rules of any stock exchange on which the Optionee's shares are listed or other applicable laws or regulations, without the prior written consent of the other party, such consent not to be unreasonably withheld; provided that, notwithstanding the foregoing, the parties are entitled to disclose confidential information to prospective investors or lenders, who shall be required to keep all such confidential information confidential.

NOTICES

15.01 Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail addressed to the party entitled to receive the same, or delivered to such party by hand, or communicated by telecopy or email, at the address for such party specified above, on any business day, in each case directed to the attention of the President or Manager, as the case may be.

15.02 The date of receipt of any notice, demand or other communication shall be the date of delivery thereof if delivered, the date of transmission if communicated by telecopy or email, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the fifth day after the same shall have been so mailed except in the case of interruption of postal services for any reason whatever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee.

15.03 Either party may at any time and from time to time notify the other party in writing of a change of address (including telecopy or email address) and the new address to which notice shall be given to it thereafter until further change.

GENERAL

16.01 This Agreement supersedes and replaces all other agreements or arrangements, whether oral or written, heretofore existing between the parties in respect of the subject matter of this Agreement.

16.02 No consent or waiver, expressed or implied, by either party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach or default.

16.03 The parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the parties in the Property.

16.04 This Agreement will be interpreted in accordance with and governed by the laws of the Province of British Columbia and the laws of Canada applicable therein, and the parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia, Vancouver Registry.

16.05 If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all applications thereof, not held invalid, void or unenforceable shall continue in full force and effect, and in no way be affected, impaired or invalidated thereby.

16.06 The parties hereto agree to do and perform all such further and other acts and things, and to execute all such further and other instruments and documents, and to give all such further and other assurances as may be necessary to give effect to the intent of this Agreement.

16.07 Except as may be specifically provided for herein, time is of the essence of this Agreement.

16.08 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

16.09 This Agreement may be executed in any number of counterparts and delivered by fax or email, and each of such counterparts when so executed and delivered shall be deemed to be an original, (and each signed copy sent by electronic facsimile transmission shall be deemed to be an original) and all such counterparts together shall constitute one and the same instrument.

[Next Page is Execution Page]

IN WITNESS WHEREOF the Optionor and the Optionee have executed this Agreement as of the day first set forth above.

THE BROOKES HEYMAN LITHIUM SYNDICATE

Per:

/s/ CLIVE BROOKES

Clive Brookes

Manager for The Brookes Heyman Lithium Syndicate

MGX MINERALS INC.

Per:

/s/ JARED LAZERSON

Jared Lazerson, Authorized Signatory

This is page 14 of an Option Agreement made as of April 7, 2016 between The Brookes Heyman Lithium Syndicate and MGX Minerals Inc.

SCHEDULE 1.01-1

Attached to and forming part of an Option Agreement made as of April ___, 2016 between The Brookes Heyman Lithium Syndicate and MGX Minerals Inc.

MEMBERS AND MEMBERSHIP INTERESTS

Name and Mailing Address	Interest in Syndicate Assets
Clive Brookes	50%
David Heyman	50%

SCHEDULE 1.01-2

Attached to and forming part of an Option Agreement made as of March ___, 2016 between The Brookes Heyman Lithium Syndicate and MGX Minerals Inc.

DESCRIPTION OF PERMITS

<u>Name</u>	<u>Agreement Area</u>	<u>Land/Zone Description</u>	<u>Grant Number</u>	<u>Commencement Date</u>
Dish Pan Lake	9024	4-06-018	9316020119	12-Feb-16
Dish Pan Lake	8768	4-06-019	9316020121	12-Feb-16
Dish Pan Lake	8768	4-07-018	9316020120	12-Feb-16
Dish Pan Lake	8768	4-07-019	9316020122	12-Feb-16
Buck Lake	8512	5-04-044	9316020132	12-Feb-16
Buck Lake	8704	5-04-045	9316020134	12-Feb-16
Buck Lake	8768	5-04-046	9316020136	12-Feb-16
Buck Lake	8768	5-05-044	9316020133	12-Feb-16
Buck Lake	7233.4	5-05-045	9316020135	12-Feb-16
Buck Lake	8668	5-05-046	9316020137	12-Feb-16
Lesser Slave Lake	9216	5-08-076	9316020127	12-Feb-16
Upper Smokey River	9216	5-24-078	9316020128	12-Feb-16
Lower Smokey River	8741.76	6-02-074	9316020129	12-Feb-16
Clear Lake	7136	6-03-087	9316020131	12-Feb-16
Sand Lake	8847.2	6-06-083	9316020126	12-Feb-16
Sand Lake	8448	6-05-083	9316020125	12-Feb-16
Sand Lake	7412	6-06-082	9316020124	12-Feb-16
Sand Lake	9216	6-05-082	9316020123	12-Feb-16
Pouce Coupe River	9216	6-11-080	9316020130	12-Feb-16

SCHEDULE 1.01-3

Attached to and forming part of an Option Agreement made as of March ___, 2016 between The Brookes Heyman Lithium Syndicate and MGX Minerals Inc.

CALCULATION AND PAYMENT OF ROYALTY

1. Definitions

1.1 In this Schedule the following words and phrases shall have the following meanings and other capitalized words and phrases have the meanings assigned to them in the agreement to which this Schedule is attached:

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, a Party;

"Gross Revenue" means, subject to the provisions herein relating to commercial endeavors and sales to or processing by Affiliates, proceeds received by the Optionee from the Sale of Products from the Property (including all properties in the Area of Interest in respect of which permits or other, similar rights are acquired by the Optionee (or any successor in title to the Permits, whether by assignment, purchase or other disposition by the Optionee), whether processed on or off of the Property, determined as follows:

- (a) if Products are sold by the Optionee in the form of Raw Products, Intermediate Products or Refined Products (excluding Refined Products described in clause (b) below), then the Gross Revenue in respect of such Products will be equal to the amount of gross proceeds received by the Optionee from the physical sale of such Products;
- (b) if Products are sold by the Optionee in the form of Refined Product and the outturned metal from which meets the relevant specifications for Refined Products that have prices regularly quoted on the London Metal Exchange ("**LME**"), then Gross Revenue shall be deemed to mean the net number of pounds (or in the case of silver or gold, troy ounces) of Refined Product returned to, or credited to the account of, the Optionee and/or its Affiliates by the applicable smelter, refinery or other treatment facility in a calendar quarter, multiplied by the average LME prices for such Refined Product for the calendar quarter in which such Refined Product is so returned or credited; and
- (c) if there is a Loss of Products, then the Gross Revenue will be equal to the sum of the insurance proceeds in respect of such Loss and any Gross Revenue from the Sale of such Products, determined under this clause;

"Intermediate Products" means concentrates (including potassium sulfate, lithium carbonate, sodium sulfate, leachates, precipitates, and other concentrates), dore and other intermediate products, if any, produced from Raw Products, but shall not include Refined Products, if any;

"Loss" means an insurable loss of or damage to Products, whether or not occurring on or off the Property and whether the Products are in the possession of the Optionee or otherwise;

"Products" means Raw Products, Intermediate Products and Refined Products produced from ores extracted, mined and removed from the Property, it being the intent that all products produced from ores extracted, mined and removed from the Property and that generate revenues to the Optionee shall be included in the calculation of the Royalty;

"Raw Products" means mean ore produced from the Property in the form of run of mine ore, direct shipment ore and other similar crude or raw ore produced from the Property without further processing other than crushing and includes but is not limited to hectorite clay;

"Refined Products" means refined Products produced from Intermediate Products through subsequent smelting and/or refining and in each case produced from Raw Products and/or Intermediate Products produced from the Property;

"Sale" or "Sold" means the earlier of:

- (a) transfer of title to Products from the Optionee to a buyer (and includes a transfer of title to Products transported off the Property that Optionee elects to have credited to or held for its account by a smelter, refiner or broker), or
- (b) any Loss prior to any transfer or deemed transfer of title to Products.

2. Royalty

2.1 Gross Revenue Royalty

The Optionee hereby grants and reserves for the benefit of the Optionor, the Royalty in all Products, and covenants to pay to the Optionor, the Royalty on all Products that are Sold on and subject to the terms of this Agreement.

2.2 Royalty Rate

The amount of the Royalty payable by the Optionee to the Optionor pursuant to this Agreement will equal to 2% of Gross Revenue; and in no event may the Optionee, in determining Gross Revenue, deduct the cost of mining, milling, leaching, smelting, refitting or any other processing costs, or costs associated with transportation, insurance, storage selling, marketing, brokerage, taxes or royalties, incurred or paid by the Optionee.

3.0 Payments

3.1 Commencement of Mining and Accrual of Payment Obligation

- (a) The Optionee must give 15 Business Days' written Notice to the Optionor prior to the commencement of mining within the Property.
- (b) Following the Optionee's first receipt of payment for the Sale of Products from the Property the Optionee must calculate and pay for each Quarter, the Royalty in accordance with the provisions hereof.

3.2 Payments

Royalty payments will be due and payable Quarterly on the last day of the month next following the end of the calendar Quarter in which the obligation to pay the same accrued. The Royalty payments will be accompanied by an Operations Report (as provided in section 5.2).

3.3 Audit and Adjustments

All Royalty payments will be considered final and in full satisfaction of all obligations of the Optionee unless the Optionor gives the Optionee \ritten Notice describing and setting forth an objection to the determination or calculation of the Royalty within one year after receipt by the Optionor of the Operations Report referred to in Section 5.2 that relates to the Royalty payment in question. If the Optionor objects to a particular Operations Report, then the Optionor shall have the right, for a period of 90 days after the Optionee receives Notice of such objection, upon reasonable Notice and at all reasonable times, to have the Optionee's accounts and records relating to the calculation of the Royalty in question audited by an independent firm of certified public accountants selected by the Optionor. If such audit determines that there has been a deficiency or an excess in the payment made to the Optionor, such deficiency or excess will be resolved by adjusting the next Quarterly Royalty payment due. The Optionor will pay all costs of such audit unless a deficiency of 5% or more of the amount due to the Optionor is determined to exist. The Optionee will pay the costs of such audit if a deficiency of 5% or more of the amount due to the Optionor is determined to exist. Failure on the part of the Optionor to make claim on the Optionee for adjustment in such one-year period will establish the correctness of the Royalty payment and preclude the filing of exceptions thereto or making of claims for adjustment thereon; provided however that if fraud or gross negligence is reasonably determined by the Optionor to exist in respect of any Royalty payment, then no time limit shall preclude audits and adjustments on past Royalty payments.

3.4 Currency and Wire Transfer

All Royalty payments must be made in United States dollars without demand, notice, set-off, or reduction, via the transfer of immediately available funds to such bank account as the Optionor may nominate in writing to the Optionee from time to time.

3.5 Books and Records

All books and records used by the Optionee to calculate the Royalty due hereunder will be kept according International Financial Reporting Standards as adopted by the International Accounting Standards Board.

3.6 Optionee to use Commercial Endeavours

The Optionee must use its commercial endeavours to sell Product derived from the Property as soon as commercially reasonable and, subject to this Agreement, on such terms, including bona fide Trading Activities (as provided in section 3.8) that the Optionee in its sole discretion determines.

3.7 Sales to or Processing by Affiliates

The Optionee will be permitted to sell Products to an Affiliate of the Optionee, provided that such Sales will be deemed, for the purposes of this Agreement, to have been Sold at prices and on terms no less favourable to the Optionee than those that would be extended by an unaffiliated third Person in an arm's length transaction under similar circumstances. The Optionee will be pennitted to contract with an Affiliate of the Optionee or an unaffiliated third Person for the processing of Products, provided that such contract is on an arm's length basis at market terms.

3.8 Trading Activities of the Optionee

The Optionee will have the right to market and sell Products in any manner it may elect, and will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, and speculative arrangements ("**Trading Activities**") which may involve the possible physical delivery of Products. The Royalty will not apply to, and the Optionor will not be entitled or required to participate in, any gain or loss of the Optionee or its Affiliate in Trading Activities or in the actual marketing or Sales of Products delivered pursuant to Trading Activities. In determining the Royalty payable on any Products delivered pursuant to Trading Activities, the Optionee will not be entitled to deduct from Gross Revenue any losses suffered by the Optionee or its Affiliates in Trading Activities. In the event that the Optionee engages in Trading Activities, the Royalty will be determined on the basis of the value of Products produced and without regard to the price or proceeds actually received by the Optionee, for or in connection with the Sale, or the manner in which a Sale to a third Person is made by the Optionee. In the event that the Optionee engages in Trading Activities in respect of Products other than refined metals, the Gross Revenue will be determined on the basis of the value of such Products ex headframe or minesite loading facility in the case of ores or ex mill or other treatment facility in the case of other Products. The Parties agree that the Optionor is not a participant in the Trading Activities of the Optionee, and therefore the Royalty will not be diminished or improved by losses or gains of the Optionee in any such Trading Activities.

4.0 Operation of the Property

4.1 Optionee to Determine Operations

The Optionor acknowledges and agrees that any decision to commence, pursue, suspend or cease mining on the Property is solely a matter for the Optionee.

4.2 Commingling

Commingling of Products from the Property with other ores, dore, concentrates, precipitates, metals, minerals or mineral by-products produced elsewhere is permitted, provided that:

- (a) reasonable and customary procedures are established for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such Products and in the other ores, dore, concentrates, metals, minerals and mineral by-products;
- (b) representative samples of the Products must be retained by the Optionee and assays (including moisture and penalty substances) and other appropriate analyses of these samples must be made before commingling to determine gross metal content of the Products and that the Optionee must retain such analyses for a reasonable amount of time, but not less than 24 months, after receipt by the Optionor of the Royalty paid with respect to such commingled Products from the Property; and
- (c) the amount of valuable metals contained in such Products and in the other ores, dore, concentrates, metals, minerals and mineral by-products are capable of being accurately verified by audit under Section 3.3.

4.3 Tailings

All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "**Materials**") resulting from the Optionee's operations and activities on the Property shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and Sale or other disposition of Products.

4.4 Activities to be conducted in a Proper Manner

The Optionee must conduct its activities in relation to the Property in compliance with all Applicable Law and currently accepted standards and practices in the mining industry in Alberta.

4.5 Additional Property

If the Optionee or any Affiliate or successor or assignee of the Optionee stakes, applies for, and obtains or otherwise acquires, directly or indirectly, Additional Property, such rights or interests shall thereafter become part of the Property. In the event the Optionee or any Affiliate or any successor or assign of the Optionee surrenders, allows to lapse or otherwise terminates its interest in any portion or all the Property and reacquires a direct or indirect interest in respect of the land covered by the former Property, then the Royalty shall apply to such interest so acquired. The Optionee must give written Notice to the Optionor within 10 days of any acquisition or reacquisition of the Property.

5.0 Records, Access and Reporting

5.1 Records and Access

The Optionee must:

- (a) keep true, accurate and complete accounts and records to enable the Royalty to be calculated in accordance with this Agreement;
- (b) permit the Optionor, after it has given reasonable Notice to the Optionee, to inspect at the Optionee's premises and at all reasonable times and with access to the Optionee's relevant personnel, those accounts and records referred to in Subsection 5.1(1), and to make and take away with it copies of such accounts and records; and
- (c) permit the Optionor to enter at its own cost and risk the Property for the purpose of inspecting the area and operations in it, provided that the Optionor does not unreasonably hinder the Optionee's operations in the Property and complies with the Optionee's instructions and directions, including in relation to health and safety and site conditions; provided further that the foregoing site visits shall not occur more than once per year, unless an audit under Section 3.3 shows that the Optionor has been underpaid, in which case the Optionor may conduct site visits at all reasonable times for a period of three years following such audit.

5.2 Operations Reports

At the same time as paying each Royalty payment under Section 3.2 the Optionee must provide to the Optionor a report setting out in reasonable detail the following information ("**Operations Report**"):

- (a) the quantity, type and grade of Products extracted during that Quarter;

- (b) the quantity, type and grade of Products that have been processed during that Quarter and the location of the relevant facilities;
- (c) the quantity, type and grade of all Products that have been Sold during that Quarter;
- (d) the quantity and type of Product held or unsold during that Quarter;
- (e) the Royalty for that Quarter and details of the Gross Revenue underlying the calculation of the Royalty;
- (f) the cumulative total of Royalty payments paid to the Optionor under this Agreement (including the payment under subsection 5.2(e)); and
- (g) other pertinent information in sufficient detail to explain the calculation of the Royalty payment.

5.3 Annual Reports

- (a) Prior to the commencement of mining within the Property, the Optionee must provide to the Optionor an annual report in arrears outlining the following:
 - (i) the work carried out by or on behalf of the Optionee within the Property during that year;
 - (ii) an outline of the Optionee's proposed activities within the Property during the next year;
 - (iii) annual mineral resources and mineral reserves; and
 - (iv) operating and exploration expenditure and forecasts.
- (b) From the commencement of the payment of the Royalty, (pursuant to subsection 3.1(b)), the Optionee must provide the Optionor an annual report setting out the following:
 - (i) annual mineral resources and mineral reserves;
 - (ii) operating and exploration expenditure and forecast; and
 - (iii) annual production forecast, budget and life of mine plan.

5.4 New Product Resources or Reserves

If the Optionee establishes a mineral resource or mineral reserve on any of the Property, the Optionee must provide to the Optionor the reports pertaining to such resource or reserve as soon as practicable after the Optionee makes a public declaration with respect to the establishment thereof.