

## FORM 10

### **NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>**

Name of Listed Issuer: Mag One Products Inc. (the "Issuer").

Trading Symbol: MDD

Issued and Outstanding Securities of the Issuer Prior to Transaction: 55,042,903

Date of News Release Fully Disclosing the Transaction: November 26, 2019 and January 7, 2020

#### **1. Transaction**

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer entered into an earn-in and operating agreement (the "Agreement") with Blue Lagoon Resources Inc. ("BLLG") and the Issuer's wholly owned subsidiary, Mag One Operations Inc. ("Mag One") dated January 6, 2020 pursuant to which BLLG may acquire an option to acquire up to a 70% equity joint venture ownership interest in Mag One through the purchase of shares of Mag One.

Pursuant to the Agreement, BLLG may purchase up to 50% interest in Mag One by making cash payments to Mag One of \$100,000 upon the closing date of the acquisition of the 50% interest (the "First Closing Date"), and \$300,000, \$750,000, \$1.1 million and \$1.5 million, within 3, 8, 12 and 18 months from the First Closing Date.

BLLG may acquire an additional 20% interest subject to shareholder approval of the Issuer, by making a final payment of \$1.5 million within 24 months of the First Closing.

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<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: \$5,250,000

(b) Cash: \$5,250,000.

(c) Other: N/A

(d) Work commitments: N/A

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

**The terms and conditions of the transaction and the Agreement were negotiated at arm's length between the parties**

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

**The board of directors of the Issuer received an indication of valuation memo (the "Valuation Memo") from Evans & Evans Inc. ("Evans & Evans").**

**Evans & Evans concluded that the fair market value of 100% of the shares is between \$4,200,000 and \$4,700,000. The cash consideration of \$5,250,000 for up to 70% of the Shares exceeds the range of values set out in the Valuation Memo.**

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

**N/A**

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

**Not Applicable**

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- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_.
- (b) Cash \_\_\_\_\_.
- (c) Other \_\_\_\_\_.

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.

**Not Applicable**

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8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

**Not Applicable**

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**2. Development**

1. Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

**Please refer 1.1 above.**

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### 3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated: **February 10, 2020.**

**Gillian Holcroft**

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Name of Director or Senior Officer

**Signed: "Gillian Holcroft"**

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Signature

**Director, CEO**

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Official Capacity