

21 July 2016

RE-REVISED JOINT VENTURE AGREEMENT
(“JVA”)

BETWEEN:

MAG ONE PRODUCTS INC., (“Mag One”)
Mag One is a public company listed on the CSE, the OTCQB
and Frankfurt Bourse exchanges with its head office in Vancouver, B.C.

AND:

MAGBOARD LLC, (“MagBoard”)
MagBoard is a private company based in the U.S.A.

OUTLINE:

Mag One has underway, in Quebec, a plant to produce ultra-pure magnesium metal and magnesium byproducts. The ultimate capacity of the plant is 100,000 tonnes/annum of Mg. The target opening date is early 2017.

MagBoard LLC's current business is the manufacture of magnesium based building materials in China for sale to North America. The sales include basic MgO wallboard products as well as value-added panels targeted at new global energy and fire code mandates.

Mag One will not be in a position to supply MgO or MgCl for use in manufacturing the wallboard in Quebec for the immediate future. Accordingly, it is proposed that Mag One, jointly with MagBoard, develop a plant in Quebec adjoining Mag One's proposed plant. This new plant would import Magboard's wallboard from China to produce value-added products in the Quebec plant for sale to the eastern seaboard of Canada and the U.S.

When and if Mag One is able to produce surplus magnesium based raw materials for use in the North American manufacture of Magboard products, the companies will work together toward a supply agreement under terms and conditions acceptable to both companies at the time.

The plan is to form a new private company based and incorporated in Montreal, Quebec called Magboard Products Inc. (“MPI”). MPI will manufacture MagBoard's value-added products for sale at wholesale prices starting with MagBoard's Rok-On™ insulated structural sheathing. The concept is where Mag One will provide start-up capital and Magboard will bring technology, expertise and management and profits will be split 50% 50%.

It is proposed that 50% of the initial shares be issued to Mag One and 50% to Magboard and these shares would be issued for the parties' respective contributions as follows:

1. Mag One's Responsibilities:

Providing US\$500,000 startup capital to MBE in the form of a loan bearing annualized interest of



5%, maturing in five years. The use of proceeds would be roughly \$125,000 to set up the plant and purchase equipment, \$125,000 to establish an initial board inventory and the balance (\$250,000) earmarked for other raw materials and operating capital reserves. Repayment of the principal and interest of the loan would come from distributions otherwise due to Mag One under the profit sharing arrangement until the loan is paid off.

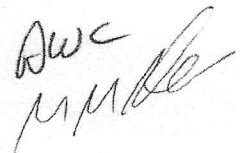
- a. Providing a minimum 10,000 sq. ft. serviced facility to house the Magboard assembly operation.
- b. Providing US\$200,000 to purchase a convertible debenture into Magboard LLC. This debenture would have a coupon of 5% interest accrued and convertible into shares of Magboard at \$0.50 per share. \$200,000 would be advanced on the closing of the transaction and would be used by Magboard to support its overall business including MPI

2. **MagBoard's Responsibilities:**

- a. Providing a satisfactory twelve-month budget and business plan for the MPI operations included in the budget is MagBoard's FOB price for delivery of Magboard™ from China to Quebec.
- b. Providing a management/supervisory team to setup and operate the MPI plant, as well as, to direct the marketing campaign to sell the products.
- c. Giving MPI the exclusive territorial manufacturing rights to all of Quebec, Newfoundland, New Brunswick, PEI and Nova Scotia. But the JV will have the non-exclusive right to sell anywhere in Canada and the United States

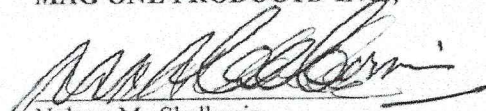
3. **Miscellaneous Terms and Conditions:**

- a. There is to be a six-man Board of Directors of MPI; three from Magboard and three from Mag One, with the Chairman provided by Mag One.
- b. Compensation of staff and directors along with naming of directors and management staff to be established prior to Closing.
- c. On execution of this JVA, Magboard to provide
 - (i) All product testing performed by Magboard to date for wallboard and panel systems that qualify the products for use under existing North American building codes.
 - (ii) Financial statements for the last twelve months for Magboard, as well as, the company's shareholder structure.
- d. Final JVA documentation will include appropriate non-compete and non-circumvention clauses designed to protect the intellectual property of both parties.
- e. Closing to occur on or before August 20, 2016, or sooner, on completion including shareholders' agreements, termination rights, business plan, non-disclosure agreements, etc.
- f. Time is of the essence and this JVA is open for acceptance until 23 July, 2016.

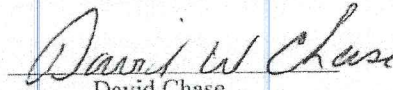


ACKNOWLEDGED AND AGREED TO:
This 21st Day of July, 2016

BY:
MAG ONE PRODUCTS INC.,


Nelson M. Skalbania
Chairman

AND BY:
MAGBOARD LLC,


David Chase
Chief Executive Offer