

VEND-IN AGREEMENT

THIS AGREEMENT is made as of the 17th day of February, 2017.

BETWEEN:

CANADIAN ZEOLITE CORP., a corporation continued under the laws of British Columbia

(“**Canadian Zeolite**”)

AND:

CANADIAN MINING COMPANY, a corporation incorporated under the laws of British Columbia

(“**Canadian Mining**”)

WHEREAS:

- A. Canadian Mining is a wholly owned subsidiary of Canadian Zeolite incorporated for the purpose of holding the Consideration Assets;
- B. Canadian Zeolite wishes to subscribe for the Canadian Mining Shares from Canadian Mining;
- C. Canadian Mining wishes to issue Canadian Zeolite the Canadian Mining Shares in consideration for the Canadian Mining Company of Arizona Shares and the Purchase Cash Amount; and
- D. terms not previously defined in these recitals have the meanings assigned to them in Section 1.1.

NOW THEREFORE in consideration of the mutual covenants, terms and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

PART 1 DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 In this Agreement, unless the context otherwise requires, the following terms will have the meanings hereinafter set forth:

“**Applicable Law**” means, in respect of a party to this Agreement, the law (including statutes, rules and regulations) of such party’s jurisdiction of incorporation or organization which would govern, or have application to, such party’s participation in the transactions contemplated by this Agreement;

“**Arrangement Agreement**” means the arrangement agreement between Canadian Zeolite and Canadian Mining dated 16th day of February, 2017;

“**Business Day**” means each day other than a Saturday, a Sunday or any other day on which banking institutions in the City of Vancouver, British Columbia, are authorized or obligated by law or executive order to be closed;

“**Canadian Mining Company of Arizona**” means an Arizona Company, a company incorporated under the laws of Arizona wholly owned by Canadian Zeolite;

“**Canadian Mining Company of Arizona Shares**” means 100% of the issued and outstanding common shares of Canadian Mining Company of Arizona;

“**Canadian Mining Shares**” means such number of common shares of Canadian Mining Company as is equal to the total issued and outstanding common shares of Canadian Zeolite as of the Share Exchange Record Date divided by five;

“**Closing**” means the completion of the transaction contemplated herein and all of the acts, procedures and deliveries necessary in order to complete and implement the transactions contemplated by this Agreement;

“**Closing Date**” means the closing date for the Plan of Arrangement

“**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, lien, easement, right-of-way, encroachment, covenant, condition, right-of-entry, lease, license, assignment, option or claim or any other encumbrance, charge or any title defect of whatever kind of nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise);

“**Governmental Authority**” means any national, central, federal, provincial, state, municipal or county government or regional authority and includes any ministry, department, commission, bureau, board, administrative or other agency or regulatory body or instrumentality thereof;

“**Purchase Cash Amount**” has the meaning ascribed to it in section 2.2;

“**Subsidiary**” means a corporation, company or other form of enterprise that, in relation to another entity, is controlled, directly or indirectly, by that entity, or by one or more other entities each of which is controlled by that entity;

“**Share Exchange Record Date**” means the date established pursuant to the Arrangement Agreement and Plan of Arrangement by Canadian Zeolite for the purpose of determining the Canadian Zeolite Shareholders entitled to receive their pro-rata entitlement to Canadian Zeolite’s shareholdings in Canadian Mining;

“**Plan of Arrangement**” means a plan of arrangement whereby Canadian Zeolite plans to spin-out its shareholdings in Canadian Mining on a pro-rata basis to its shareholders as set forth in the Arrangement Agreement; and

“**Working Capital**” means current assets less current liabilities.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) “this Agreement” means this agreement, including the schedules hereto, and not any particular part, section or other portion hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) all references in this Agreement to a designated “part”, “section”, “subsection” or other subdivision or to a schedule are references to the designated part, section, subsection or other subdivision of, or schedule to, this Agreement;
- (c) the words “hereof”, “herein”, “hereto” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular part, section, subsection or other subdivision or schedule unless the context or subject matter otherwise requires;
- (d) the division of this Agreement into parts, sections and other portions and the insertion of headings are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (e) unless otherwise provided herein, all references to currency in this Agreement are to lawful money of Canada;
- (f) a reference in this Agreement to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (g) the singular of any term includes the plural, and vice versa, and the use of any term is generally applicable to any gender and, where applicable, a body corporate, firm or other entity, and the word “or” is not exclusive and the word “including” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto;
- (h) in the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day; and
- (i) all references to “approval”, “authorization” or “consent” in this Agreement mean written approval, authorization or consent.

**PART 2
VEND-IN**

Transaction

- 2.1 Subject to the terms and conditions of this Agreement, Canadian Zeolite hereby agrees to subscribe for, purchase and take up the Canadian Mining Shares in accordance with the terms of this Agreement.

Consideration

- 2.2 As consideration for the issuance of the Canadian Mining Shares, Canadian Zeolite hereby agrees to sell, transfer and assign to Canadian Mining the following:
- (a) Canadian Mining Company of Arizona Shares; and
 - (b) Amount redacted. (the “**Purchase Cash Amount**”).

**PART 3
REPRESENTATIONS AND WARRANTIES**

Representations and Warranties of Both Parties

- 3.1 Each party warrants and represents to the other party as follows and acknowledges that the other party is relying upon such representations and warranties in consummating the transactions contemplated by this Agreement:
- (a) it is a corporation duly continued, organized and validly existing and current with respect to all filings required under the laws of its jurisdiction of continuation, it has the corporate power and authority, and is duly licensed or qualified, to do business as now conducted by it and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement and no proceedings have been taken or authorized by it or, to the best of its knowledge, by any other person, with respect to its bankruptcy, insolvency, liquidation, dissolution or winding-up;
 - (b) its execution and delivery of this Agreement, including all matters contemplated hereby, has been authorized by all necessary corporate action and the party has the corporate power and authority to enter into and perform its obligations under this Agreement; and
 - (c) there are no actions, suits, proceedings or investigations commenced, or to the best its knowledge, contemplated or threatened, against or affecting it or any of its

Subsidiaries or before or by any person or Governmental Authority or before any arbitrator of any kind.

Additional Representations and Warranties of Canadian Zeolite

3.2 Canadian Zeolite represents and warrants to and in favour of Canadian Mining as follows and acknowledges that Canadian Mining is relying upon such representations and warranties in consummating the transactions contemplated by this Agreement:

- (a) Canadian Mining Company of Arizona (i) is duly incorporated, organized and validly existing and current and up-to-date with respect to all filings required under the laws of its jurisdiction of incorporation, (ii) has the corporate power and authority to own or lease its property and assets and to carry on its business as now conducted by it and as previously carried on by it, (iii) is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it and as previously carried on by it requires it to be so licensed or qualified (save where failure to have such licence or qualification is not, in the aggregate, material), and no proceedings have been taken or authorized by Canadian Zeolite or any of its Subsidiaries or, to the best of the knowledge of Canadian Zeolite, by any other person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of any of Canadian Mining Company of Arizona;
- (b) Canadian Mining Company of Arizona Assets are legally and beneficially owned by Canadian Zeolite, in each case with good and marketable title hereto free and clear of Encumbrances and no person has any option, right of first refusal or other right to acquire any of such issued and outstanding shares;
- (c) Canadian Mining Company of Arizona has duly filed on a timely basis all tax returns required to be filed by them and have paid all taxes which are due and payable, and have paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements, providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against Canadian Mining Company of Arizona; there are no actions, suits, proceedings, investigations or claims now threatened or pending against Canadian Mining Company of Arizona in respect of taxes, governmental charges or assessments, nor any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority; and
- (d) to the best of Canadian Zeolite's knowledge, the business of Canadian Mining Company of Arizona is being conducted in all material respects in compliance with all Applicable Laws.

Knowledge

- 3.3 For the purposes of any representation or warranty in this Part 3 made to a party's "knowledge", the term "knowledge" means actual knowledge of:
- (a) the indicated conclusion in respect of the relevant matter; or
 - (b) facts that would reasonably lead to the indicated conclusion in respect of the relevant matter, on the part of the senior officers of the representing party.

PART 4 COVENANTS

Covenants of Canadian Zeolite

- 4.1 Canadian Zeolite hereby covenants and agrees as follows:
- (a) until the Closing, Canadian Zeolite will, and will cause Canadian Mining Company of Arizona to, conduct and operate their business and affairs in the ordinary course consistent with past management practice, to preserve its present business and organization intact, to exercise reasonable efforts to keep available the services of its present officers and employees, and to preserve its goodwill with all persons having business dealings with it, all except as otherwise contemplated in this Agreement;
 - (b) until the Closing, other than pursuant as expressly consented to in writing by Canadian Mining (which consent shall not be unreasonably withheld), Canadian Zeolite will not permit Canadian Mining Company of Arizona to merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which might interfere with or be inconsistent with the successful completion of the transaction contemplated hereby, or which would render inaccurate any of the representations or warranties set forth herein if such representations and warranties were made at a date subsequent to such act or transaction and all references to the date hereof were references to such later date, and, without limiting the generality of the foregoing, Canadian Zeolite will not permit Canadian Mining Company of Arizona to:
 - (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders,
 - (ii) increase or decrease its paid-up capital or purchase or redeem any shares,
 - (iii) issue, authorize or propose the issuance of, or purchase or propose the purchase of, any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares, convertible securities,

rights, warrants or options nor enter into any commitment or agreement therefor,

- (iv) guarantee the payment of indebtedness or incur indebtedness for money borrowed or issue or sell any debt securities, which indebtedness or debt securities would be material, individually or in the aggregate to its business or financial condition nor grant any security over any assets material to Canadian Zeolite, taken as a whole,
- (v) amend any stock option or any other stock option plan or share purchase plan, grant any director, officer or employee any increase in compensation or benefits,
- (vi) take or fail to take any action within its control which would result in a condition precedent to this Agreement not being satisfied,
- (vii) acquire or agree to acquire, by purchase or otherwise, the assets or shares of any business, corporation, partnership, association or other entity or division thereof, which acquisition would be material to its business or financial condition,
- (viii) sell, lease or otherwise dispose of, or enter into, any agreement or arrangement giving any person an option or a right, absolute or contingent, to acquire, or permit any person to negatively affect the value of, any of its assets or properties that are material, individually or in the aggregate, to its business or financial condition;
- (ix) enter into any other agreement that would be material to the business, operations, assets, liabilities, financial condition or prospects of Canadian Mining Company of Arizona.

PART 5 CLOSING

Closing Deliveries by Canadian Zeolite

5.1 At Closing, Canadian Zeolite will deliver the following to Canadian Mining:

- (a) a statement setting out the its total issued and outstanding common shares as at the Share Exchange Record Date;
- (b) certified copies of the resolutions of the board of directors of Canadian Zeolite approving this Agreement and the consummation of the transactions contemplated by this Agreement;
- (c) bank draft to, or to the direction of, Canadian Mining Company, representing the Purchase Cash Amount payable to Canadian Mining at Closing; and

- (d) share certificate(s), registered to, or to the direction of, Canadian Mining, representing the Canadian Mining Company of Arizona Shares (to the extent such shares have not been previously sold by Canadian Zeolite) transferred to Canadian Mining at Closing.

Closing Deliveries by Canadian Mining

5.2 At Closing, Canadian Mining will deliver the following to Canadian Zeolite:

- (a) certified copies of the resolutions of the board of directors of Canadian Mining approving this Agreement and the consummation of the transactions contemplated by this Agreement; and
- (b) share certificate(s), registered to, or to the direction of, Canadian Zeolite, representing the Canadian Mining Shares issuable to Canadian Zeolite at Closing.

PART 6 GENERAL

Entire Agreement

6.1 This Agreement supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement and contains the whole agreement between the parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract. Each of the parties acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated herein. So far as permitted by law and except in the case of fraud, each party agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).

Amendment

6.2 Save as otherwise expressly provided herein, no modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing specifically referring to this Agreement and duly signed by the parties hereto.

Assignment

6.3 Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

Further Assurances

6.4 Each of the parties, upon the request of any other party, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Agreement.

Counterparts

6.5 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Environment

6.6 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Governing Law

6.7 This Agreement shall be governed by and interpreted in accordance with the laws of British Columbia. The parties hereby submit to the non-exclusive jurisdiction of the British Columbia courts in connection with any action or proceeding relating to this Agreement and the documentation to be entered into pursuant hereto or the transactions contemplated hereby or thereby.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CANADIAN ZEOLITE CORP.

CANADIAN MINING COMPANY

Per: "Ray Paquette"
Authorized Signatory

Per: "Ray Paquette"
Authorized Signatory