MINING OPTION AGREEMENT

THIS AGREEMENT is dated for reference the _10th_ day of ____July___, 2014

BETWEEN:

KIVALLIQ ENERGY CORPORATION, a company incorporated under the laws of the Province of British Columbia and having an office at 1020 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6

(the “**Owner**”)

AND:

WESTHAM RESOURCES CORP., a company incorporated under the laws of the Province of British Columbia and having an office at 1600 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C3

(the “**Optionee**”)

WHEREAS:

A. The Owner is the registered and beneficial owner of the Genesis property, a uranium exploration project in Saskatchewan comprised of 46 mineral claims totalling 491,154 acres (198,763 hectares), northeast of Saskatchewan’s Athabasca Basin and along the prospective Western Wollaston Tectonic Domain, as more particularly set out in Schedule “A” attached hereto (the “**Property**”); and

B. The Owner has agreed to grant to the Optionee the sole and exclusive option to acquire up to an undivided 85% interest in and to the Property and the Optionee desires to obtain the option on the terms and subject to the conditions described herein.

THEREFORE in consideration of the mutual covenants and agreements in this Agreement, the parties agree as follows:

1. Definitions and Interpretation

1.1 For the purposes of this Agreement:

"**Acquisition Costs**" has the meaning assigned to such term in Section 9.1;

“**Affected Party**” has the meaning assigned to such term in Section 21.1;

“**Affiliate**” means any person, partnership, joint venture, corporation or other form of enterprise, which directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. For purposes of the preceding sentence, “control” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;

"**Agreement**" means this mining option agreement, including any amendments and modifications hereof, and all schedules, which are incorporated herein by this reference;

"**Area of Interest**" has the meaning assigned to such term in Section 9.1;

"**Bankable Feasibility Study**" means a comprehensive study of the technical, commercial and economic viability of establishing and carrying out mining with respect to the Property. The feasibility study must include all exploration, geological, engineering, environmental and other relevant data together with capital and operating cost and cash flow estimates and be of a standard which would, be acceptable to reputable banks and other financial institutions in the event that debt finance is required for establishing and carrying out the proposed mining;

"**Budget**" has the meaning assigned in Section 12.4;

"**Business Day**" means any day, other than a Saturday or Sunday, on which banks in Vancouver, British Columbia, Canada are open for commercial banking business during normal banking hours;

"**Claw Back Claim**" has the meaning assigned in Section 11.2;

"**Claw Back Right**" has the meaning assigned in Section 11.2;

"**Concurrent Financing**" means the private placement financing of the Optionee of not less than $2,000,000 to close concurrently with the Effective Date;

"Confidential Information" means all information and documents (whether in tangible or electronic form) relating to the Property including without limitation, documents recording or evidencing Expenditures made on the Property, correspondence with government authorities or third parties relating to the Property, all maps, assays, surveys, mosaics, aerial photographs, electromagnetic tapes, sketches, drawings, memoranda, drill cores, drill logs, drilling and assay reports, production reports, samples, metallurgical, geological, geophysical, geochemical and engineering data in respect of the Property and general or detailed strategies relating to mine construction, or mining operations, other than information that is, or becomes, readily available to the public other than through a breach of this Agreement, or that is disclosed lawfully and not in breach of any contractual or other legal obligation to it by a third party;

"**Contract Costs**" means all costs specified under contracts with third party contractors in connection with mineral exploration and mining operations on the Property;

"**Default**" has the meaning assigned in Section 12.3;

"**Direct Costs**" means all costs and expenditures incurred on or in connection with mineral exploration and mining operations on the Property other than Contract Costs and shall, without limiting the generality of the foregoing, include:

a. wages, salaries and benefits of individuals engaged in mineral exploration and mining operations and in supplying food, lodging, transportation and other reasonable needs of such individuals;
b. insurance premiums and assessments or premiums for workers' compensation insurance, contributions for unemployment insurance and other allowances or benefits customarily paid to or on behalf of such individuals;
c. the costs of purchasing, leasing or renting buildings, machinery, equipment, tolls, appliances or supplies or incurring other capital expenses, and in installing, erecting, detaching or removing any such assets on or from the Property; and
d. the costs of all technical personnel who may, from time to time, provide services with respect to the Property provided that such costs shall be charged out at rates normal to the industry and on the basis or the time actually spent by such personnel on tasks related to mining exploration and mining operations, but shall not include general, administrative and overhead expenses.

"**Discounted Market Price**" has the meaning assigned to that term under the policies of the Exchange in effect from time to time;

"**Effective Date**" means the date on which the Qualifying Transaction closes;

"**Exchange**" means the TSX Venture Exchange or such other designated Canadian stock exchange as the securities of the Owner or the Optionee (in each case as applicable) may be listed on;

"**Exchange Acceptance**" means the acceptance for filing of this Agreement by the Exchange;

"**Exercise Notice**" has the meaning assigned to such term in Section 3.8;

"**Expenditures**" means the amounts inclusive of any and all taxes imposed or levied by a government, government authority or agency) spent directly or indirectly by the Optionee or its Affiliates on or with respect to maintaining the Property in accordance with this Agreement, or exploration or mining activities on the Property directed towards ascertaining the existence, location, quality, quantity or commercial value of deposits of ores, minerals and mineral resources on any of the Property, and all exploration activities related towards developing and exploiting the Property, and such amounts will include Direct Costs and Contract Costs and consist of (i) the actual cost of such activities; (ii) the assessment work required under applicable mining laws; (iii) the mining duties on the Property and all other costs and expenses to keep the Property in good standing; and (iv) the Operator's Fee;

"**Initial Interest**" has the meaning assigned to such term in Section 3.2;

"**Interest**" has the meaning assigned to such term in Section 9.4;

"**Joint Venture**" means the joint venture to be formed between the Owner and the Optionee in respect of the Property;

“**Joint Venture Agreement**” means the joint venture agreement for the Joint Venture to be entered into between the Owner and the Optionee and containing the material provisions set out in Schedule “B” attached hereto;

“**Lien**” means any lien, security interest, mortgage, charge, encumbrance, or other claim of a third party, including pursuant to an area of interest, whether registered or unregistered, and whether arising by agreement, statute or otherwise;

“**Material Adverse Change**” means any change or effect (or any condition, event or development involving a prospective change or effect) which taken as a whole, may reasonably be expected to materially reduce the value of the Property (other than a change or effect: (i) affecting the mining industry generally in the jurisdiction where the Property is located, including changes in metal prices, laws or taxes; (ii) general or economic, financial, currency exchange, securities or commodities market conditions; (iii) any matter which was publicly disclosed or which was communicated in writing to the other party prior to the date of this Agreement);

“**NI 43-101**” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*;

“**Non-Operator**” means the party to this Agreement which is not acting as Operator, at the applicable time;

“**Notification**” has the meaning assigned in Section 11.2;

“**Notification Date**” has the meaning assigned in Section 11.2;

“**Offer Notice”** has the meaning assigned in Section 5.1;

"**Offeree**" has the meaning assigned to such term in Section 9.1;

"**Offeror**" has the meaning assigned to such term in Section 9.1;

“**Operator**” means the operator of the Property;

“**Operator’s Fee**” means the fee the Operator may charge in connection with its duties as operator of the Property, which fee shall comprise 10% of all Direct Costs, excluding Contract Costs, for which the Operator shall be entitled to a fee equal to 2.5% of all Contract Costs;

“**Option**” has the meaning assigned in Section 3.1;

“**Option Exercise Date**” has the meaning assigned in Section 6.1;

“**Option Period**” has the meaning assigned in Section 3.1;

“**Optionee Board**” means the board of directors of the Optionee;

“**Optionee Shares**” means common shares in the capital of the Optionee;

“**Payment**” means a payment in the form of cash, certified cheque, wire transfer or other form of immediately available funds by the Optionee to the Owner;

“**Phase I**” means the phase of this Agreement commencing on the Effective Date and ending on August 31, 2016, during which period the Optionee may earn up to a 50% interest in the Property;

“**Production Decision**” has the meaning assigned in Section 4.1;

“**Property**” means the Genesis property, as described in Schedule “A”, as may be amended from time to time pursuant to Section 10, and any after acquired property comprising the project in accordance with the terms of this Agreement;

"**Qualifying Transaction**" means the Optionee's qualifying transaction pursuant to Exchange Policy 2.4 pursuant to which it will make its initial 10% Optionee Share issuance and initial $125,000 cash payment under this Agreement;

“**Remaining Interest**” has the meaning assigned in Section 4.1;

"**Second Interest**" has the meaning assigned in Section 3.3;

“**Third Party Offer**” has the meaning assigned in Section 5.1;

“**Transaction Hold Period**” means with respect to the issuance of any Optionee Shares under this Agreement, the period commencing on the date of issuance and ending on the date which is one year thereafter; and

“**Work Program**” has the meaning assigned in Section 12.4;

1.2 For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words “herein” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement;

(b) the word “including”, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, 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 but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;

(c) any reference to a statute includes and, unless otherwise specified herein, is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulation;

(d) any reference to “party” or “parties” means the Owner, the Optionee, or either of them, as the context requires;

(e) the headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement;

(f) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa;

(g) all references to currency refer to Canadian dollars unless otherwise specified;

(h) if any time period set forth in this Agreement ends on a day of the week which is not a Business Day, then notwithstanding any other provision of this Agreement, such period will be extended until the same time of the next following day which is a Business Day; and

(i) references herein to the best knowledge, information and belief of a party or phrases similar in nature means to the knowledge of the President or Chief Executive Officer of such party, after having made a reasonable effort to inform himself regarding the subject matter qualified by such phrase.

1.3 The following are the Schedules to this Agreement, and are incorporated into this Agreement by reference:

Schedule “A”: The Property
Schedule “B”: Material provisions in the Joint Venture Agreement
Schedule “C”: Area of Interest

Wherever any terms or conditions, expressed or implied, in any of the Schedules conflicts or is at variance with any terms or conditions of this Agreement, the terms or conditions of this Agreement will prevail.

2. Representations and Warranties of the Owner and the Optionee

2.1 The Owner represents and warrants to the Optionee that, as of the date of this Agreement and as of the Effective Date:

(a) The Property is accurately described in Schedule "A" hereto and all claims comprising the Property are in good standing;

(b) it is the registered and beneficial owner of the Property and holds its interest in the Property, to the best of the Owner’s knowledge, free and clear of all Liens, charges, security interests and encumbrances of any kind;

(c) the Property has been properly staked, located and recorded pursuant to applicable laws and regulations and all mining claims comprising the Property are in good standing;

(d) it is a valid and subsisting corporation duly incorporated, continued or amalgamated and in good standing under the laws of the jurisdiction in which it is incorporated, continued or amalgamated;

(e) it has been duly authorized to enter into, and to carry out its obligations under, this Agreement;

(f) it has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to carry out its obligations under this Agreement;

(g) the consummation of this Agreement will not conflict with nor result in any breach of its constating documents or any covenants or agreements contained in or constitute a default under any agreement or other instrument whatever to which it is a party or by which it is bound or to which it may be subject;

(h) to the best of its knowledge, information and belief, the execution and delivery of this Agreement, and the performance of its obligations in this Agreement, will not violate or result in the breach of the laws of any jurisdiction applicable to it;

(i) there are no complaints, administrative proceedings or litigation, existing, or, to the best of its knowledge, information and belief, pending or threatened, with respect to the validity of the claims comprising the Property or its ownership, right or title thereto;

(j) there is no existing, contemplated or threatened governmental prohibition or moratorium on exploration work or development work on the Property;

(k) the Owner has made all taxes, assessment, rentals, levies, or other payments relating to the Property required to be made to any applicable government authority;

(l) the Owner has all material permits, authorizations, licences, registrations and certificates necessary to conduct work on the Property as contemplated by this Agreement;

(m) no person, firm or corporation has any proprietary or possessory interest in the Property other than the Owner and no person is entitled to any royalties or other payment in the nature of rent or royalties on any minerals, ores, metals or concentrates or any other such products removed from the Property;

(n) conditions on and relating to the Property and operations conducted by the Owner thereon are in compliance with all applicable laws, regulations or orders relating to environmental matters including, without limitation, waste disposal and storage;

(o) it has not received from any government or any other person any notice of or communication relating to any actual or alleged environmental claims, and there are no outstanding work orders, capital expenditures or actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property and it is not aware of any basis on which any such order could be made;

(p) full and complete copies of all exploration information and data, including all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) concerning the Property in its possession or control have been provided to the Optionee;

(q) other than the Exchange Acceptance and other filings with applicable securities regulatory authorities, no filing with or notice to or authorization of any regulatory agency or governmental authority is required on the part of the Owner as a condition to the lawful completion of the transactions contemplated under this Agreement; and

(r) the Owner is, as of the date hereof and as of the date of closing of the Qualifying Transaction, not aware of any material fact or circumstance in respect of the Property or the Area of Interest which has not been disclosed to the Optionee which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which may reasonably, be material in the Optionee's decision to enter into this Agreement and acquire an interest in the Property.

2.2 The representations and warranties contained in Section 2.1 are provided for the exclusive benefit of the Optionee, and a breach of any one or more representations or warranties may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty, and the representations and warranties contained in Sections 2.1 will survive the execution and delivery of this Agreement.

2.3 The Optionee represents and warrants to the Owner as of the date of this Agreement and as of the Effective Date that:

(a) it is a valid and subsisting corporation duly incorporated, continued or amalgamated and in good standing under the laws of the jurisdiction in which it is incorporated, continued or amalgamated;

(b) it has been duly authorized to enter into, and to carry out its obligations under, this Agreement;

(c) it has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to carry out its obligations under this Agreement;

(d) the consummation of this Agreement will not conflict with nor result in any breach of its constating documents or any covenants or agreements contained in or constitute a default under any agreement or other instrument whatever to which it is a party or by which it is bound or to which it may be subject;

(e) to the best of its knowledge, information and belief, the execution and delivery of this Agreement, and the performance of its obligations in this Agreement, will not violate or result in the breach of the laws of any jurisdiction applicable to it;

(f) no proceedings are pending for, and the Optionee is unaware of any basis for, the institution of any proceedings leading to the placing of the Optionee in bankruptcy or subject to any other laws governing the affairs of insolvent parties;

(g) other than the Exchange Acceptance and other filings with applicable securities regulatory authorities, no filing with or notice to or authorization of any regulatory agency or governmental authority is required on the part of the Optionee as a condition to the lawful completion of the transactions contemplated under this agreement;

(h) the Optionee is not aware of any undisclosed occurrence or event which has or might reasonably be expected to result in a material change in its business or operation or which would have a materially adverse effect on the value of its business or its common shares;

(i) except for any applicable seasoning, statutory, Exchange hold period or the Transaction Hold Period, the common shares to be issued under Section 3.1, will, when issued, be fully paid, validly issued and free and clear of all Liens, charges, security interests and encumbrances of any kind or nature;

(j) the authorized capital of the Optionee consists of an unlimited number of common shares, 5,200,000 of which were issued and outstanding as of July 10, 2014 and an unlimited number of preferred shares, none of which were issued and outstanding as of July 10, 2014; and

(k) except for agent options exercisable for 140,000 common shares, as of July 10, 2014, prior to the completion of the Concurrent Financing, no person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or acquisition of any common shares or other securities of the Optionee.

2.4 The representations and warranties contained in Section 2.3 are provided for the exclusive benefit of the Owner, and a breach of any one or more representations or warranties may be waived by the Owner in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty, and the representations and warranties contained in Section 2.3 will survive the execution and delivery of this Agreement.

3. Option

3.1 The Owner hereby irrevocably agrees to grant to the Optionee the sole and exclusive option (the “**Option**”) to acquire up to an undivided 85% interest in and to the Property during the period commencing on the Effective Date and ending on August 31, 2018 (the “**Option Period**”) as set forth in Section 3.2 and Section 3.3 below.

3.2 The Optionee may acquire an initial 50 % interest in the Property (the "**Initial Interest**") by making cash Payments, incurring Expenditures and issuing Optionee Shares as follows:

Date	**Shares**	**Payments**	**Expenditures**
On the Effective Date	10% of the number of Optionee Shares outstanding on a non-diluted basis as at the Effective Date, including Optionee Shares issued in the Concurrent Financing	$125,000	N/A
On or before December 31, 2014	N/A	N/A	$1,000,000
On or before August 31, 2016	10% of the number of Optionee Shares outstanding on a non-diluted basis as at the Effective Date, including Optionee Shares issued in the Concurrent Financing	$175,000	$1,500,000
Totals for Initial Interest:	20% of the number of Optionee Shares outstanding on a non-diluted basis as at the Effective Date, including Optionee Shares issued in the Concurrent Financing	**$300,000**	**$2,500,000**

3.3 The Optionee may acquire a further 35% interest (the "**Second Interest**") (for an aggregate 85% interest) in the Property by making cash Payments, incurring Expenditures and issuing Optionee Shares as follows:

Date	**Shares**	**Payments**	**Expenditures**
On or before August 31, 2017	N/A	$250,000	N/A

Date	Shares	Payments	Expenditures
On or before August 31, 2018	N/A	$450,000	$2,500,000
Totals for Second Interest		**$700,000**	**2,500,000**
Totals for 85% Interest:	20% of the number of Optionee Shares outstanding on a non-diluted basis as at the Effective Date, including Optionee Shares issued in the Concurrent Financing	**$1,000,000**	**$5,000,000**

3.4 Notwithstanding Section 3.3, subject to Exchange approval, the cash Payments due to acquire the Second Interest on or before August 31, 2017 and August 31, 2018 may be satisfied, at the sole discretion of the Optionee, through the issuance of Optionee Shares, which Optionee Shares will be issued at a price equal to the volume weighted average price of the Optionees Shares traded through the facilities of the Exchange on the 20 trading days preceding August 21, 2017 and August 21, 2018, as applicable, subject to a minimum of the applicable Discounted Market Price.

3.5 The Owner acknowledges that any Optionee Shares issued by the Optionee pursuant to Section 3.1 will be subject to the Transaction Hold Period and any restrictions on transfer required by the Exchange and under applicable securities laws, and the certificates representing the Optionee Shares will bear legends reflecting such transfer restrictions.

3.6 If the number of issued and outstanding common shares of the Optionee is increased, decreased, or changed into or exchanged for a different number or kind of shares or securities of the Optionee, in each case as a result of a re-organization, re-capitalization, re-classification, stock dividend, subdivision, consolidation or other similar change in the capital structure of the Optionee, the number of Optionee Shares issuable to the Owner under Section 3.1 will be adjusted accordingly.

3.7 If the Optionee amalgamates, merges or enters into a plan of arrangement or similar transaction with or into another company, the consideration issuable in common shares pursuant to Section 3.1 will instead be satisfied by the issuance or payment of the securities, property or cash which the Owner would have received upon such amalgamation, merger, arrangement or similar transaction if the Owner had been entitled to receive all remaining common shares issuable pursuant to the terms of this Agreement as at the record date applicable to such amalgamation, merger, arrangement or similar transaction.

3.8 At any time after the Optionee has fulfilled all of its obligations under Section 3.2 or, as applicable, 3.3, the Optionee will be entitled to exercise the Option by giving a written notice (an "**Exercise Notice**") to the Owner that it wishes to acquire the Initial Interest or the

Second Interest in Property and acknowledges, subject to Section 6.1, that until such time as the Optionee delivers such Exercise Notice, the Option will represent an option only and the Optionee will not have earned the respective direct interest in the Property.

3.9 Subject to Section 5.1, the Optionee acknowledges and agrees that it will not have earned an interest in any of the Property unless the Option is exercised in its entirety and will not be entitled to any refund of Payments or Expenditures or to cancel any Optionee Shares issued in connection therewith if it fails or elects not to exercise the Option in full.

3.10 Except as specifically provided elsewhere in this Agreement, this is an option agreement only and until the exercise of the Option, nothing in this Agreement will obligate the Optionee to do any further act or acts and in no event will this Agreement or any act done be construed as an obligation of the Optionee to do or perform any work on or with respect to the Property.

4. Exercise of Option and Joint Venture

4.1 Upon the Optionee having exercised the Option in accordance with the terms of this Agreement, the Owner will continue to hold its remaining interest in the Property (the "**Remaining Interest**") until such time as the Optionee has completed a Bankable Feasibility Study and the Optionee Board has recommended that the Optionee proceed with the Property to commercial production (the "**Production Decision**").

4.2 If the Optionee, at its discretion, elects to exercise the Option and acquires the Initial Interest prior to acquiring the Second Interest, the Optionee will have acquired a 50% interest in the Property and, notwithstanding section 4.4, the Owner and the Optionee will enter into the Joint Venture Agreement and, subject to Section 4.3, the Owner will continue to hold its Remaining Interest in the Property until such time as the Optionee has completed a Bankable Feasibility Study and the Optionee Board has made the Production Decision. The parties agree to negotiate the Joint Venture Agreement in good faith, which agreement will include the material terms set out in Schedule "B" to this Agreement, such agreement to be negotiated and executed within [**60**] days of the Initial Interest having been acquired. If an agreement is not executed on or before the [**60**]th day following the Initial Interest the parties agree that the Joint Venture will operate under the terms set forth in Schedule "B".

4.3 If the Optionee elects to exercise the Option and acquires the Initial Interest prior to the date upon which any Payments or Expenditures are required to be made by the Optionee to earn the Second Interest, then notwithstanding the parties having entered into the Joint Venture Agreement, the Optionee shall retain the right to earn the Second Interest by making all required Payments and incurring all Expenditures required in accordance with Section 3.3

4.4 Upon the Production Decision having been determined, provided that all Expenditures, Payments and share issuances required to have been made by such date have been made for the Optionee to acquire an interest in the Property, the Owner and the Optionee will form the Joint Venture and will enter into the Joint Venture Agreement. The parties agree to negotiate the Joint Venture Agreement in good faith, which agreement will include the material terms set out in Schedule "B" to this Agreement, such agreement to be negotiated and executed within [**60**] days of the Production Decision having been made. If an agreement is not executed on or before the [**60**]th day following the Production Decision the parties agree that the Joint Venture will operate under the terms set forth in Schedule "B".

4.5 The Owner and the Optionee will do such further acts and execute such further documents as may be necessary or desirable to implement the Joint Venture and to effect registration of the Optionee's interest in the Property and the Joint Venture in the appropriate governmental registries.

5. Right of First Refusal

5.1 If at any time after the exercise of the Option, and provided that the Optionee then owns an undivided interest of not less than 85% in the Property, the Optionee receives a bona fide offer (the "**Third Party Offer**") from an "arms-length" third party purchaser to (i) purchase or otherwise acquire 100% of the Property or (ii) acquire all of the issued and outstanding Optionee Shares, which offer has been approved by the board of the Optionee, the Optionee will have the right to acquire the Remaining Interest on the following terms:

(a) If the Optionee accepts the Third Party Offer, such acceptance must be made subject to the rights of the Owner. The Optionee will give notice (the "**Offer Notice**") to the Owner of its intention to sell and of the terms and conditions of the Third Party Offer, including the consideration being offered and the date upon which it wishes to consummate the transaction (which date will be no earlier than 30 days after the date of the Offer Notice). Thereafter, the Optionee will have the right to purchase the entirety of the Remaining Interest by issuing to the Owner a number of Optionee Shares equal to 15% of the Optionee Shares outstanding immediately prior to the completion of the transaction relating to the applicable Third Party Offer.

(b) The Owner will transfer the Remaining Interest to the Optionee upon receipt of consideration therefor on (i) the date specified in the Offer Notice or (ii) such other date as may be mutually agreed between the parties.

6. Transfer of Title and Recording of Agreement

6.1 As soon as practicable upon the Optionee having exercised the the Initial Option and, as applicable the Second Option, and in any event within 5 Business Days following the date on which the Optionee provides an Exercise Notice to the Owner (each such date being an "**Option Exercise Date**"), each of the Optionee and the Owner will do all such further acts and execute all such further documents as may be necessary or desirable to transfer and to effect registration of the Optionee's interest in the Property with the appropriate registries. For greater certainty, following the exercise of the Option by the Optionee and prior to the registration of the Optionee's interest in the Property, the Owner will be deemed to hold beneficial ownership of the Property in trust for the Optionee in respect of the Optionee's interest in the Property.

6.2 The Owner and the Optionee will execute and deliver such documentation as is necessary to duly register and record in the appropriate registration and recording offices notice that the Owner's interest in the Property is subject to and bound by the terms of this Agreement.

7. Conditions Precedent

7.1 The obligation of the Optionee to perform its obligations under this Agreement is subject to the following conditions, which are to the Optionee's sole benefit and may be waived in writing by the Optionee:

(a) the Optionee having received all required approvals to the transactions contemplated in this Agreement including approval from the Optionee Board and the shareholders of the Optionee, if applicable;

(b) the Optionee having received the Exchange Acceptance, including acceptance of the Option as a Qualifying Transaction;

(c) the Optionee having closed the Concurrent Financing;

(d) no Material Adverse Change will have occurred in respect of the Property or in respect of any laws, regulations, permits, licenses or other governmental or regulatory requirements affecting the Optionee and its business operations or the Owner, from and after the date of this Agreement and prior to the Effective Date;

(e) completion of a due diligence investigation of the Property to the satisfaction of the Optionee;

(f) the Owner having delivered to the Optionee a qualifying report on the Property prepared in accordance with NI 43-101, in a form acceptable to the Optionee, in its sole discretion; and

(g) all necessary consents and approvals of governmental bodies, licensing and permitting authorities, lessors, banks, and third parties having been obtained.

7.2 The obligation of the Owner to consummate the transactions contemplated under this Agreement is subject to the following conditions, which are to the Owner's sole benefit and may be waived in writing by the Owner:

(a) the Owner having receiving all required approvals to the transactions contemplated in this Agreement including the Exchange Acceptance; and

(b) no Material Adverse Change will have occurred in respect of the Optionee's business operations from and after the date of this Agreement and prior to the Effective Date.

7.3 The parties will use reasonable commercial efforts to obtain or to assist in obtaining any required approvals to this Agreement.

8. Obligations During the Option Period

8.1 From the date of this Agreement, subject to Section 11, unless this Agreement is terminated in accordance with Section 16, until such time as the parties have formed a Joint Venture in accordance with Section 4 hereof, the Owner covenants and agrees with the Optionee that the Owner shall not do any act or thing which would in any way affect the Optionee's rights under this Agreement, including, without limitation: (i) other than as provided for under Section 11 of this Agreement, dispose of any part of the Property; (ii) enter into any contract or agreement that could materially affect the Property, other than with the Optionee's prior written consent; or (iii) terminate, cancel, modify or amend in any respect any contract related to the Property, or fail to take any action that would entitle any party to a contract related to the Property to terminate the contract.

8.2 Notwithstanding any other provision of this Agreement, any obligation the Owner may have as Operator under this Agreement requiring any outlay of funds is contingent upon the Optionee having provided the requisite funds to the Owner.

8.3 Subject to Section 11, unless this Agreement is terminated in accordance with Section 16, the Optionee covenants and agrees with the Owner that the Optionee will:

(a) maintain the Property in good standing by causing the Operator to perform and filing all assessment work or the Optionee will make payments in lieu thereof and by performing all other acts which may be necessary in order to keep the Property in good standing and provide the Owner with all copies of relevant documentation in connection therewith; and

(b) keep the Property free and clear of all Liens and other charges arising from or out of the Operator’s activities on the Property;

(c) provide notice to the Owner and supporting documentation evidencing Expenditures incurred on the Property promptly after incurring Expenditures and not less than once in each calendar quarter;

(d) provide the Owner with copies of all internal or external technical reports with respect to the Property as soon as they become available;

(e) not less than 90 days prior to each of the deadlines contemplated in Section 3.2 and Section 3.3, advise the Owner whether or not the Optionee will incur the Expenditures contemplated in Section 3.2 and Section 3.3 in advance of the deadlines set out therein; and

(f) be responsible for all reclamation on the Property as a result of all work conducted on the Property during the term of this Agreement.

9. Area of Interest

9.1 If, at any time that this Agreement or the Joint Venture Agreement remains in effect, a party or an Affiliate of a party (the "**Offeror**") acquires directly or indirectly or pursuant to any third party agreement, any mineral claim, exploration permit or other form of interest in minerals located wholly or in part within or within an area of two (2) kilometers from the boundaries of the claims or within the area as indicated on the map attached as Schedule "C" hereto (the "**Area of Interest**"), the Offeror will promptly offer, such interest to the other party with respect to the Property (the "**Offeree**") by notice in writing setting out the nature of such mineral interest and including all information known by the Offeror about such mineral interest, the Offeror's, or its Affiliate's, acquisition costs and all other details relating thereto and if, within 60 days from the date of the receipt of such notice, the Offeree accepts such mineral interest by notice in writing to the Offeror and, subject to section 9.2, the Offeree pays to the Offeror a percentage of the Offeror's acquisition costs (the "**Acquisition Costs**") as set out in such notice equal to the Offeree's interest in the Property as of the date of the notice, such mineral interest will be deemed to form part of the Property for the purposes of this Agreement.

9.2 Notwithstanding section 9.1, all Acquisition Costs in respect of any mineral interest to be deemed to form part of the Property pursuant to Section 9.1 incurred prior to such time as when both the Owner and the Optionee are required to contribute to the Joint Venture under the Joint Venture Agreement shall be paid by the Optionee, and shall be allocated to the then outstanding Expenditures the Optionee is required to make under Sections 3.2 or 3.3.

9.3 Each party with respect to the Property will execute and deliver or cause to be executed and delivered such further documents and instruments and give such further assurances as the other may reasonably require to evidence and give effect to the establishment of the Area of Interest and the transfer of mineral interests pursuant to this section.

9.4 Each party with respect to the Property hereby covenants and agrees with the other to use its commercially reasonable efforts in any acquisition agreement under which it acquires any interest in minerals within the Area of Interest to acquire a 100% undivided interest in such minerals and to obtain unencumbered rights to assign an interest in any such agreement and the mineral rights related thereto pursuant to the provisions of this Agreement.

10. Right of Entry

10.1 Throughout the Option Period and until the Production Decision is made, the Optionee and its employees, agents, directors, consultants and independent contractors (and the Non-Operator for purposes of Section 10.1), will have the right to:

(a) enter the Property;

(b) do prospecting, exploration, development and/or other mining work on and under the Property;

(c) bring and erect upon the Property such buildings, plant, machinery and equipment as the Optionee may deem necessary or desirable in its sole discretion; and

(d) remove from the Property, all metals and minerals derived from its operations on the Property as may be deemed necessary by the Optionee for testing, including bulk sampling and testing mining processes and methods.

11. Option to Repurchase

11.1 Subject to the termination of this Agreement pursuant to Section 15, from and after the Effective Date of this Agreement and until the Production Decision is made, the Optionee may not abandon or allow to lapse any of the mining concessions that comprise the Property unless in accordance with the provisions of this Section 11.

11.2 Notwithstanding Section 11.1, commencing on, or before September 30, 2015 and annually thereafter on or before September 30th of each calendar year until the Production Decision is made (in each case a "**Notification Date**"), the Optionee will provide prior written notice to the Owner of certain claims within the Property which may lapse due to lack of sufficient exploration Expenditures. On each Notification Date, the Optionee will notify (a "**Notification**") the Owner as to which claims it proposes to abandon or allow to lapse and which claims it intends to keep in good standing, but is not in a position to fund and the Owner will have the right, but not the obligation, to perform the exploration activities or post bonds in lieu of work commitments as are necessary to keep some or all applicable claims in good standing (such claims on which the Owner performs exploration activities or post bonds pursuant to this Section 11.2 are referred to as the "**Claw Back Claims**"). For greater certainty, once having commenced exploration activities or having posted bonds in lieu of work in respect of any Claw Back Claims, the Owner will have no obligation to complete such exploration activities or to keep such Claw Back Claims in good standing, and may abandon or allow to lapse any such claims.

11.3 If the Owner funds the exploration activities or posts the bonds in lieu of work commitments necessary to keep any of the Claw Back Claims in good standing, then the Optionee will cease to have the right to earn an interest in the Clawback Claims except pursuant to this Section 11.3. At any time prior to August 31, 2016, the Optionee will have the right (the "Claw Back Right") to earn its 50% project interest in the Claw Back Claims by paying an amount equal to 150% of the Owner's exploration expenditures or bonds in lieu of work commitments which were paid by the Owner, in addition to making the cash Payments and issuing the Optionee Shares required to be made and issued by August 31, 2016. For greater certainty, in order to earn its 50% interest in the Claw Back Claims, the Optionee must, by August 31, 2016, have made all cash Payments, issued all Optionee Shares and incurred all Expenditures required to have been made by August 31, 2016, as set out in Section 3.1 inclusive of the Expenditures made by the Owner pursuant to Section 11.2, and must, in addition, have paid to the Owner a further 50% of expenditure costs incurred by the Owner with respect to the Claw Back Claims pursuant to Section 11.2. If the Optionee does not exercise the Claw Back Right by August 31, 2016, the Optionee will forfeit any interest in the Claw Back Claims and the Property will cease to comprise the Claw Back Claims for the purposes of the Option. If the Owner makes the exploration expenditures or posts the bonds in lieu of work commitments to maintain the Claw Back Claims in good standing, the Owner will retain its 100% interest in such claims.

12. Operator

12.1 Subject to Section 12.3, the Owner will act as Operator of the Property during Phase I and the Optionee will be the Non-Operator, and if the Owner is removed or resigns as Operator during this time, the Optionee will be the Operator and the Owner will be the Non-Operator. Following the completion of Phase I, the Optionee will act as Operator of the Property and the Owner will be the Non-Operator, unless otherwise agreed by the parties.

12.2 When the Operator is the Owner, the Operator will be entitled to be paid the Operator's Fee.

12.3 If the Operator fails to perform work on the Property in a manner that is consistent with good exploration, engineering and mining practices or fails to perform in a manner consistent with its duties and responsibilities under this Agreement, then the Non-Operator will have the option to give to the Operator written notice setting forth particulars of the Operator's default. If such notice is provided, the Operator will, within 45 days of receipt of such notice, commence to remedy the default (the "**Default**"). Failure of the Operator to commence to remedy the default within such 45 day period will be grounds for termination of the Operator's appointment. Upon such failure to commence to remedy such default within such period, the Non-Operator will have the election to provide a written notice of termination to the Operator designating a date of termination, and upon such written notice of termination being delivered to the Operator, it will be deemed to have resigned as Operator and the Non-Operator will become the successor Operator on such designated date and the Operator shall remain liable for all costs, claims, damages and charges of any kind whatsoever arising from the Default.

12.4 All operations conducted on the Property by the Operator and all costs incurred in association with such operations will be incurred on the basis of an approved work program (a "**Work Program**"), and a budget (a "**Budget**"). All proposed Work Programs and Budgets in respect of the Property must be approved by the Non-Operator before implementation by the Operator, on an annual basis or more frequently as required. Upon approval of a Work Program or Budget, the Operator will implement such Work Program or Budget within the time periods set out therein.

12.5 From the date of this Agreement, subject to Section 11, unless this Agreement is terminated in accordance with Section 16, until such time as the parties have formed a Joint Venture in accordance with Section 4 hereof, the Operator will:

(a) do and file all assessment work and perform all other acts as directed by the Optionee, which may be necessary in order to keep the Property in good standing and provide the Non-Operator with all copies of relevant documentation in connection therewith;

(b) Provide the Optionee with prompt notice of any actual or possible Liens and other charges arising from or out of the Operator's activities on the Property;

(c) provide notice to the Non-Operator and supporting documentation evidencing Expenditures incurred on the Property promptly after incurring Expenditures and not less than once in each calendar quarter;

(d) provide the Non-Operator with copies of all internal or external technical reports with respect to the Property as soon as they become available;

(e) do all work on the Property in accordance with sound mining, exploration and engineering practices and in compliance with all applicable laws, bylaws, regulations, orders, and lawful requirements of any governmental or regulatory authority and comply with all laws governing the possession of the Property, including, without limitation, those governing safety, pollution and environmental matters. The Operator will ensure that all environmental rehabilitation works required under applicable laws, bylaws, regulations, orders, and lawful requirements of any governmental or regulatory authority are completed in a timely manner in respect of any mining operations conducted on the Property. The Operator will, prior to the commencement of any mining operations, post as directed by governmental representatives or other regulatory bodies, an environmental bond in form and amount required by such representatives or bodies; and

(f) obtain and maintain, and cause any contractor or subcontractor to obtain and maintain adequate comprehensive general liability insurance and any additional insurance coverage, including, without limitation, pollution coverage, required by any governmental or regulatory authority, including workers' compensation insurance, during any period in which active work is carried out on the Property.

13. Rights and Obligations after Termination of Option

13.1 If this Agreement and the Option terminates pursuant to the provisions of Section 16, then the Optionee will:

(a) Except with respect to any concessions in respect of which a Notification has been given pursuant to Section 11.2 at least 90 days prior to termination of the Option, make such payments and filings with the applicable government authorities and persons so as to keep the Property in good standing for a period of not less than 30 Business Days from the date of termination;

(b) deliver a deed of quitclaim or other appropriate instrument to the Owner in recordable form whereby the Optionee will acknowledge and agree that it has no interest either legal or equitable in the Property;

(c) deliver to the Owner all copies of Confidential Information, whether acquired prior to or during the Option Period, provided that the Optionee may retain one copy of the Confidential Information solely for the purposes of determining its legal obligations under this Agreement and for corporate governance and secretarial purposes, in which case the Optionee will remain bound by the restrictions and obligations under this Agreement;

(d) if, at the time of termination the Optionee is Operator, leave the Property in a safe condition with all openings safeguarded in accordance with applicable laws;

(e) if, at the time of termination the Optionee is Operator, promptly remove all buildings, plant, equipment, machinery, tools, appliances and supplies which may have been brought by the Optionee upon the Property (and the Owner will permit the Optionee to access the Property, or the applicable part thereof for such purposes). If not so removed, the Owner may at any time thereafter either remove same and charge the cost of removal to the Optionee or may elect to keep such items on the Property, or the applicable part thereof, with the effect that any such buildings, plants, equipment, machinery, tools, appliances and supplies not removed become the property of the Owner; and

(f) promptly perform any reclamation, remediation or pollution control, which is required as of the date of the termination of the Option arising in connection with the Optionee's activities on the Property during the Option Period, such performance to include, without limitation, the provision of all financial assurances required by applicable laws, rules and regulations with respect to the costs of such reclamation, remediation or pollution control

14. Confidential Information

14.1 Except as provided in Section 14.2, or with the prior written consent of the other party, each party will keep confidential and not disclose to any third party or the public any Confidential Information.

14.2 The consent required by Section 14.1 will not apply to a disclosure:

(a) in confidence to an Affiliate, consultant, contractor or subcontractor that has a bona fide need to be informed;

(b) in confidence under a confidentiality agreement to any third party to whom the disclosing party contemplates a transfer of all or any part of its interest in this Agreement;

(c) to a governmental agency or to the public where such disclosure is required by pertinent laws or regulation or the rules of any applicable stock exchange;

(d) to an investment dealer, broker, bank or similar financial institution, in confidence if required as part of a due diligence investigation by such financial institution in connection with a financing required by such party or its shareholders or Affiliates to meet, in part, its obligations under this Agreement; or

(e) to the public if such disclosure is a technical content press release, or other press release required to be disclosed under applicable securities laws, or the Policies of the Exchange, provided that the Optionee will provide a copy of any such proposed press release in advance of disclosure and allow the Owner two Business Days to comment upon such release.

15. Public Announcements

15.1 Subject to Section 14.2(e), no party will make any public statement or give any press release concerning the matters contemplated in this Agreement or about the existence of this Agreement without the written consent of the other party, which consent will not be unreasonably withheld. A party wishing to make a public announcement will give the other party two Business Days to comment upon and suggest changes to the public announcement unless the party is obligated to make the public announcement in less than two Business Days in order to comply with applicable securities laws or stock exchange rules, regulations or policies. Nothing herein shall prohibit any party from making any disclosure that such party is required to make under any applicable law, regulation, policy, order, or ruling by any court or regulatory body.

16. Default and Termination

16.1 The Optionee will have the right to terminate this Agreement at any time up to the date of exercise of the Initial Interest by giving notice in writing of such termination to the Owner, and upon delivery of such notice, this Agreement will terminate and be of no further force or effect save or except for its obligations under Section 13 and any obligations of the Optionee incurred prior to the effective date of termination, with no right, interest or title in the Property having been earned by the Optionee.

16.2 If at any time prior to the date of exercise of the Option, the Optionee is in default of any requirement of this Agreement or is in breach of any provision contained in this Agreement, then the Owner may terminate this Agreement by giving written notice of termination to the Optionee but only if:

(a) it has given to the Optionee written notice of the particular failure, default, or breach on the part of the Optionee; and

(b) the Optionee has not, within 30 Business Days following delivery of such written notice of default, cured such default.

16.3 Notwithstanding any termination of this Agreement, the Optionee will remain liable for its obligations under Sections 13, 14 and 16 and the Owner will remain liable for its obligations under Section 16.

17. Indemnity

17.1 The Owner covenants and agrees with the Optionee (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Optionee against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by the Optionee, directly or indirectly, by reason of or arising out of any warranties or representations on the part of the Owner herein being untrue or arising out of work done by or on behalf of the Owner on or with respect to the Property.

17.2 The Optionee covenants and agrees with the Owner (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Owner against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by reason of or arising out of any warranties or representations on the part of the Optionee herein being untrue or arising out of work done by the Optionee or on behalf of the Optionee on or with respect to the Property.

18. Governing Law and Jurisdiction

This Agreement is construed and in all respects governed by the laws of the Province of British Columbia, and, subject to Section 19, the parties submit to the non-exclusive jurisdiction of the courts of British Columbia.

19. Dispute Resolution

19.1 If any controversy, dispute claim, question or difference (a "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Parties shall use all reasonable commercial efforts to settle the Dispute. To this end, they shall consult and negotiate with each other in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all Parties.

19.2 Except as is expressly provided in this Agreement, if the Parties do not reach a solution pursuant to Section 19.2 within a period of 15 Business Days following the first notice of the Dispute by any Party to the others, then upon written notice by any Party to the others, the Dispute shall be finally settled by arbitration in accordance with the rules of the *British Columbia International Commercial Arbitration Centre* for the conduct of domestic commercial arbitrations. The Parties agree that:

(a) the appointing authority will be the *British Columbia International Commercial Arbitration Centre*;

(b) the case will be administered by the *British Columbia International Commercial Arbitration Centre* in accordance with its "Domestic Commercial Arbitration Rules of Procedure";

(c) after written notice is given to refer any Dispute to arbitration, the Parties will meet within 15 Business Days of delivery of the notice to arbitrate and will negotiate in good faith to agree upon the rules and procedures for the arbitration, in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which, the rules and procedures for the arbitration shall be determined by the arbitrator;

(d) the arbitration shall take place in Vancouver, British Columbia;

(e) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator shall be shared equally by the Parties and each Party shall be responsible for its own costs;

(f) the arbitration award shall be given in writing, shall provide reasons for the decision, and shall be final and binding on the Parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all related matters;

(g) judgement upon any award may be entered in any Court having jurisdiction, or application may be made to the Court for a judicial recognition of the award or an order of enforcement, as the case may be;

(h) all Disputes referred to arbitration (including without limitation the scope of the agreement to arbitrate, any statute of limitations, conflict of laws, rules, tort claims and interest claims) shall be governed by the substantive law of British Columbia;

(i) the Parties agree that the arbitration shall be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) shall not be disclosed beyond the arbitrator, the Parties, their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration, pursuant to applicable Law or otherwise; and

(j) the parties may, by mutual consent, expand or abridge the timeframes set out in this Section 19.

20. Notices

20.1 All notices, payments and other required communications and deliveries to the parties hereto will be in writing, and will be addressed to the parties as follows or at such other address as the parties may specify from time to time:

(a) to the Owner:
Kivalliq Energy Corporation
1020 - 800 West Pender Street
Vancouver, British Columbia V6C 2V6
Fax: 604-646-4526
Email: info@kivalliqenergy.com

(b) to the Optionee:
Westham Resources Corp.
Suite 1600 - 609 Granville Street
Vancouver, BC V7Y 1C3
Fax: 604-669-3877
Email: scott@roughriderexploration.com

Notices must be delivered, sent by email or facsimile or mailed by pre-paid post and addressed to the party to which notice is to be given. If notice is sent by email or facsimile or is delivered, it will be deemed to have been given and received at the time of transmission or delivery. If notice is mailed, then it will be deemed to have been received seven Business Days following the date of the mailing of the notice. If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile or will be delivered.

20.2 Either party hereto may at any time and from time to time notify the other party in writing of a change of address and the new address to which a notice will be given thereafter until further change.

21. Force Majeure

21.1 If either party is at any time during the Option Period prevented or delayed in complying with any of the provisions of this Agreement (the "**Affected Party**") by reason of strikes, lockouts, labour, power or fuel shortages, fires, wars, acts of God, civil disturbances, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the reasonable control of the Affected Party (provided that lack of sufficient funds to carry out exploration on the Property will be deemed not to be beyond the reasonable control of the Affected Party), then the time limited for the performance by the Affected Party of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay. Nothing in this Section 19.1 or this Agreement will relieve either Party from its obligation to maintain the claims comprising the Property in good standing and to comply with all applicable laws and regulations including, without limitation, those governing safety, pollution and environmental matters.

21.2 The Affected Party will give notice to the other party of each event of force majeure under Section 21.1 within seven days of such event commencing and upon cessation of such event will furnish the other party with written notice to that effect together with particulars of the number of days by which the time for performing the obligations of the Affected Party under this Agreement has been extended by virtue of such event of force majeure and all preceding events of force majeure.

22. Entire Agreement

This Agreement and any other agreement contemplated by the terms hereof constitute the entire agreement between the Owner and the Optionee and will supersede and replace any other agreement or arrangement, whether oral or in writing, previously existing between the parties with respect to the subject matter of this Agreement.

23. Assignment

Neither party may assign its interest under this Agreement except with the prior written consent of the other party, except that the Owner may transfer its interest under this Agreement to an Affiliate.

24. Consent or Waiver

24.1 No consent or waiver, express or implied, by either party hereto in respect of any breach or default by the other party in the performance by such other party of its obligations under this Agreement will be deemed or construed to be a consent to or a waiver of any other breach or default.

25. Further Assurances

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

26. Severability

If any provision of this Agreement is or will become illegal, unenforceable or invalid for any reason whatsoever, then such illegal, unenforceable or invalid provisions will be severable from the remainder of this Agreement and will not affect the legality, enforceability or validity of the remaining provisions of this Agreement.

27. Enurement

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

28. Amendments

This Agreement may only be amended in writing with the mutual consent of all parties.

29. Time

Time is of the essence of this Agreement and will be calculated in accordance with the *Interpretation Act* (British Columbia).

30. Counterparts

This Agreement may be executed in any number of counterparts and by email transmission and by facsimile transmission with the same effect as if all parties hereto had signed the same document. All counterparts will be construed together and constitute one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

KIVALLIQ ENERGY CORPORATION

"Jeff Ward"

Per: Jeff Ward, President

WESTHAM RESOURCES CORP.

"Scott Gibson"

Per: Scott Gibson, Chief Executive Officer

SCHEDULE "A"

THE PROPERTY

Genesis Property Mineral Dispositions

Disposition #	Area (Acres)	Area (Hectares)	Effective Date	Review Date	*Good Standing To	Year 2 Good Standing To	Year 2 Work Requirements	Status
MC00001347	7166.80	2900.3	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 43,505	Active
MC00001348	7358.66	2977.95	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 44,669	Active
MC00001349	10560.57	4273.71	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 64,106	Active
MC00001350	10639.42	4305.62	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 64,584	Active
MC00001351	10217.21	4134.76	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 62,021	Active
MC00001352	10993.06	4448.73	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 66,731	Active
MC00001353	13175.35	5331.88	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 79,978	Active
MC00001354	11289.69	4568.78	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 68,532	Active
MC00001355	11558.40	4677.52	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 70,163	Active
MC00001356	6344.38	2567.48	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 38,512	Active
MC00001357	10636.85	4304.58	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 64,569	Active
MC00001358	11336.72	4587.81	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 68,817	Active
MC00001359	10829.45	4382.52	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 65,738	Active
MC00001360	13071.72	5289.94	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 79,349	Active
MC00001361	14277.61	5777.94	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 86,669	Active
MC00001362	10643.21	4307.15	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 64,607	Active
MC00001363	11308.19	4576.26	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 68,644	Active
MC00001364	6455.93	2612.62	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 39,189	Active
MC00001365	7114.88	2879.29	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 43,189	Active
MC00001366	6297.90	2548.67	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 38,230	Active
MC00001367	10486.60	4243.78	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 63,657	Active
MC00001368	10301.53	4168.88	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 62,533	Active
MC00001369	9220.35	3731.34	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 55,970	Active
MC00001370	6192.96	2506.2	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 37,593	Active
MC00001371	6099.51	2468.39	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 37,026	Active
MC00001372	5232.63	2117.57	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 31,764	Active
MC00001373	10592.76	4286.74	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 64,301	Active
MC00001374	14327.12	5797.98	30-Dec-13	30-Dec-14	30-Mar-15	30-Mar-16	$ 86,970	Active
MC00001378	14712.57	5953.97	3-Jan-14	3-Jan-15	3-Apr-15	3-Apr-16	$ 89,310	Active
MC00001414	6759.30	2735.39	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 41,031	Active
MC00001415	13726.69	5554.99	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 83,325	Active
MC00001416	7995.86	3235.81	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 48,537	Active
MC00001417	8939.42	3617.65	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 54,265	Active
MC00001418	13580.04	5495.65	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 82,435	Active
MC00001419	10967.99	4438.59	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 66,579	Active
MC00001420	12377.92	5009.17	10-Jan-14	10-Jan-15	10-Apr-15	10-Apr-16	$ 75,138	Active
MC00001427	13694.72	5542.06	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 83,131	Active
MC00001428	13813.27	5590.03	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 83,850	Active
MC00001429	12998.91	5260.47	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 78,907	Active
MC00001430	13403.72	5424.3	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 81,365	Active
MC00001431	7486.90	3029.84	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 45,448	Active
MC00001432	14446.09	5846.13	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 87,692	Active
MC00001433	14173.50	5735.81	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 86,037	Active
MC00001434	12225.31	4947.41	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 74,211	Active
MC00001435	13690.14	5540.2	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 83,103	Active
MC00001436	12431.91	5031.02	17-Jan-14	17-Jan-15	17-Apr-15	17-Apr-16	$ 75,465	Active
46 Claims	491,153.73	198,762.86					$ 2,981,443	

*Note: There are no work requirements at end of year one for a new claim (see Table 2, section C – Expenditure Requirements – Claims, of the MTRR). At the end of year one a claim will be reviewed and renewed for a subsequent term and work requirements for that 2nd year will be

displayed on the Disposition details page of MARS ($15/ha/yr for years 2 -10 – see also Table 2 of the MTRR). Work requirements for a claim increase to $25/ha/yr (minimum $400) in years 11-21.
-Steve Porter, Tenure Services Manager, Lands & Mineral Tenure, Ministry of the Economy, Saskatchewan

SCHEDULE "B"

MATERIAL PROVISIONS OF THE JOINT VENTURE AGREEMENT

Capitalized terms that are used in this Schedule "B" and not defined herein shall have the meanings ascribed to them in the Mining Option Agreement executed by the Owner and the Optionee on July 10, 2014 (the "**Agreement**").

It is understood and agreed that the provisions set forth hereinafter shall be included in the Joint Venture Agreement that may be executed by the Owner and the Optionee if the Optionee exercises the Option and acquires the Initial Interest or the Production Decision has been made.

1. Participating Interests

Initial interests will be as set forth in the Option Agreement to which this is Schedule attached, subject to variation from time to time as provided herein. The Optionee's initial expenditures for the purposes of the dilution formula will be its actual expenditures. The Owner's initial expenditures will be deemed to be an amount equal to its interest multiplied by the amount determined by dividing the Optionee's expenditures by the Optionee's interest.

2. Management Committee

The Joint Venture will be under the management of a management committee consisting of **[**one**]** representative of each participant and at least one alternate representative. A quorum for any management committee meeting shall be present if at least one of the representatives of all parties is present. The representative of the Operator shall be the chairman of management committee meetings. The management committee shall decide every question submitted to it by a vote with each representative being entitled to cast that number of votes which is equal to his or her principal's interest percentage. Generally, the management committee shall make decisions by simple majority. In the case of an equality of interests, unanimous approval will be required. In the case of a deadlock with respect to approval of a work budget and any exploration and development program or construction program proposed to be completed on the Property, either party may propose a budget and work program and undertake to fund such program. If one party funds such program, the dilution formula under Section 4 of this Schedule B will apply in respect of all such expenditures under such program.

3. Operator

The Management Committee will appoint a person or company to act as the daily manager and administrator of the exploration and development work on the Genesis Property (the "Operator"), and the first Operator will be the Owner, starting in the second year, the owner will be operator if the parties mutually agree on an annual basis, until its resignation or removal by the Management Committee.

Operator Fees will be payable to the Operator in accordance with the terms set forth in the Option Agreement to which this Schedule is attached, provided that no Operator Fee shall be payable to the Optionee at any time when the Optionee is required to carry the Owner's Remaining Interest pursuant to Section 4 of Option Agreement.

4. Participation in Programs and Dilution

(a) The parties acknowledge that the Owner is not required to contribute any funds until a Production Decision is made and multi-year dilution formula set forth shall not apply during the period prior to the Production Decision pursuant to the Option Agreement.

(b) Parties will have an election, within 60 days of the Management Committee's approval for a work program and / or budget, as to whether to participate in any approved exploration and development program or approved construction program in the amount of its interest at such time.

(c) Electing to participate in an approved program will make a participant liable for its agreed cost share of all expenditures for that program.

(d) Electing not to participate in an approved exploration and development program will result in dilution of interest, i.e. each party's interest will be calculated as follows:

$$\frac{AB + Y}{B + C}$$

(Where:

A* = the interest of the party prior to the start of the Relevant Program, as defined below;

B = the sum of all deemed and actual contributions of all parties prior to the start of the Relevant Program;

Y = the actual contributions (if any) of the party to the Relevant Program; and

C = the total amount actually contributed by all parties to the Relevant Program; and

(a) A shall initially be equal to <@> for the Optionee and equal to <@> for the Owner. **[To be determined pursuant to Section 1 above]**

"**Relevant Program**" means a program which a party elected not to fund by contributions to the full extent of its interest and which program is subsequently funded by the other party increasing its contribution by the amount of the shortfall.)

(e) A participant’s failure to fund the percentage of an approved exploration and development program or an approved construction program it elected to fund will constitute default and result in double dilution of the defaulting party’s interest, such that the defaulting party's interest will be:

$$\frac{AB + Y}{2[B + C]}$$

(A, B, Y and C having the meanings given above.)

and the non-defaulting party's interest will be correspondingly increased.

(f) Dilution below 10% will effect a deemed surrender of an interest in the Joint Venture, and conversion of such interest to a 2.0% net smelter returns royalty. At any time thereafter the NSR royalty can be reduced to 1.0% through the purchase from the holder of the NSR for CDN$2,000,000.

(g) There will be no election as to participation in an approved operating program.

(h) A participant’s failure to fund the percentage of an approved operating program will constitute default and result in accelerated dilution of the defaulting party’s interest, such that the defaulting party's interest will be:

$$\frac{AB + Y}{B + 2C}$$

(A, B, Y and C having the meanings given above.)

and the non-defaulting party's interest will be correspondingly increased.

5. Disposition of Production

(a) Each participant shall have the right to take its interest share of production in kind.

(b) The Operator will be free to sell the share of production of any participant who fails to take its share in kind or make arrangements for sale, deducting its costs and expenses from the proceeds.

6. Transfers of Interests

(a) Any transfer of interest in the Property and the Joint Venture Agreement cannot be made without the consent of the other party, which consent cannot be unreasonably withheld, and is subject to the transferee agreeing to be bound by the terms of the Joint Venture Agreement.

(b) No encumbrances of any interest will be permitted except for financing of development and then subject to the Joint Venture Agreement and the operator's lien.

7. Withdrawal and Winding Up

No withdrawal by a party or winding up of the Joint Venture will be permitted without adequate payment of or security for reclamation and closure costs.

8. Dispute Resolution

Arbitration administered by the British Columbia International Commercial Arbitration Centre.

SCHEDULE "C"

AREA OF INTEREST