

May 10, 2016

Manitoba Mineral Resources
Petroleum Branch
Suite 360, 1395 Ellice Avenue
Winnipeg, MB
T3G 3P2

Dear Sirs:

RE: "AUTHORITY FOR OPERATIONS" CLAUSE AMENDMENT
Amending Agreement dated June 1, 2016
Daly Unit No. 1 – Tracts 9-4, 10-4, 15-4, 16-4, 4-10, 5-10
Our File: UN001, M1425 & M1427

Corex Resources Ltd. ("Corex"), as Unit Operator and on behalf of the Working Interest Owners of Daly Unit No. 1, (the "Unit") propose to amend Clause 2.04 of the Plan of Unit Operation dated July 1, 1971, hereinafter referred to as the ("Operations Clause"), to allow for the drilling, completion, production and injection of wells across spacing units within the Unit and outside the Unit boundary. If approved, this amendment will add more drilling locations to the Unit's inventory resulting in additional revenue for the Daly Unit No. 1 owners.

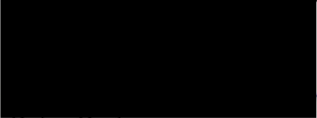
It is obvious, horizontal wells were not contemplated when this Unit was formed in 1971. Due to the configuration of the Unit boundary, there are lands that will be sterilized and others will not be developed optimally without this amendment. The amendment of the Authority for Operations clause will allow the Unit Owners to locate the horizontal wells in the most optimum locations for the highest recovery of the resource without any restrictions due to Unit borders.

As such, we are pleased to enclose for your review and approval an Amending Agreement dated June 1, 2016 that will replace the Authority for Operations clause and form part of the Plan of Unit Operation. We would request you sign both copies of the execution page where indicated, returning one copy of same to the writer at your earliest convenience in the envelope enclosed herein. The Amending Agreement, once approved, will be incorporated into the Plan of Unit Operation. Please note your tract factor or Unit interest will not be affected by this amendment.

Thank you for your assistance in this matter, and should you have any questions please do not hesitate to contact me directly at (403) 718-6371 or peterp@corexresources.ca.

Yours truly,

COREX RESOURCES LTD.


Peter Parkinson
Land Manager