

FORM 7

**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: MGX Minerals Inc. (the "Issuer" or the "Company").

Trading Symbol: XMG

Number of Outstanding Listed Securities: 124,503,734

Date: September 4, 2018

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**On August 1, 2018 the Company announced that it had engaged Hatch Ltd. to advise the Company on the scaling of the Company's rapid lithium extraction technology in the Western United States. Hatch will provide strategic review and recommendations to implement large-scale application of the technology, including:**

- a. **Comprehensive review of rapid lithium extraction technology including flow systematics, processes and more to further establish confidence in the scaling of technology and processes; and**
- b. **High level project engineering scope and timeline schedule for buildout**

**On August 2, 2018, the Company announced that drilling had commenced at the Kibby Basin, Nevada lithium brine property. The drill program is being conducted by Harris Exploration Drilling & Associates Inc. Eight drill targets were generated based on results from a Quantec MT geophysical survey completed in January. The proposed drill holes are designed to test a large MT conductor which may represent aquifers containing lithium brines. The drill holes have been designed to intercept the MT anomaly starting at depths of 325 m (1065 ft.) and continue to as deep as 760 m (2500 ft.). The objective is to determine the nature of the conductor, collect sediment samples for lithium analyses, identify aquifers and sample water and any brines encountered.**

**On August 7, 2018, the Company announced that it had increased its ownership in engineering partner PurLucid Treatment Solutions ("PurLucid") to 55% with the investment of \$2.6M. MGX and PurLucid also announced that site preparation and integration engineering of the first wastewater and lithium extraction system is near completion. The system is being installed at a steam-assisted gravity drainage ("SAGD") operation in the Alberta oilsands to treat heavy oil evaporator blowdown wastewater.**

**On August 8, 2018, the Company announce it had entered into an Memorandum of Understanding (the "MOU") to acquire 50% of the issued shares of Chilean Lithium Salars SpA ("CLS"). CLS is a wholly owned subsidiary of Chilean Lithium Salars Holdings Ltd. ("CLSH") and holds a 100% interest in three prospective lithium exploration Projects (the "Projects") located in Chile, including Francisco Basin, Laguna Brava and Laguna Escondida Lithium Projects.**

**To acquire an undivided 50% interest in CLS, MGX has agreed to make Option Payments totaling US\$1.5 million. The first US\$100,000 portion of the Option Payments are payable in cash at the discretion of CLS while the remainder of Options Payments will be payable in common shares of the Company. MGX has agreed to incur exploration expenditures totaling**

US\$2 million and also complete an NI 43-101 resource estimate on at least one of the Projects no later than 20 months after the Effective Date of the MOU. MGX will act as project operator and appoint Mr. Aldo Boitano, current project manager for CLS, as project manager to work alongside Kura Minerals. CLSH shall contribute an equal amount of expenditures to maintain its respective interest in CLS. MGX also maintains the right to participate as a service provider of the engineering, construction and/or procurement of a brine processing plant using its rapid lithium extraction technology.

On August 9, 2018, the Company announced that its wholly owned subsidiary ZincNyx Energy Solutions, Inc. (“ZincNyx”) received the first shipment of components for its 20Kw output / 120Kwh storage zinc-air fuel cell battery. The core regenerator and fuel cell module components were manufactured using high volume injection molding. The design for manufacturing of these components was completed at the end of June and transition to tooling and production has proceeded smoothly.

The Company also provided an update on the proposed spin out of its wholly owned subsidiary ZincNyx into a publicly traded company (the “Transaction”) and the dividend payment in kind of ZincNyx shares to MGX shareholders of record (the “Proposed Distribution”). The financial audit of ZincNyx has been completed and filing of the preliminary prospectus is expected shortly. The proposed Transaction is being structured of which 66.6% of outstanding shares will be owned by MGX and 33.3% will be paid as a dividend to MGX shareholders of record at June 29, 2018.

On August 10, 2018, the Company reported results of diamond drilling from its Koot silicon project north of Cranbrook, British Columbia. Nine drill holes were completed across 50 meter spacings to further expand known mineralization within the North and South zones. Five drill holes were located in the North Zone and were collared in quartzite and ended in quartzite. Four holes collared in the South Zone started in quartzite and two out of four holes ended in quartzite.

On August 13, 2018, the Company reported completion of the previously announced Time Domain Electromagnetic (TDEM) survey at the Salinitas lithium brine project located in the Salinas Grande Salar of northwest Argentina. The TDEM geophysical survey was conducted across 52 stations at 500 meter totaling approximately 26 kilometers. Based on interpretation of the TDEM data, the Company announced it was preparing to carry out trenching as well as an auger drilling program to test for shallow, near surface brines that contain anomalous concentrations of lithium and other elements correlated with geophysics in preparation for definition of drill targets.

On August 21, 2018, the Company announced that ZincNyx engaged the CSA Group for testing, inspection and certification with respect to obtaining regulatory approval under the UL 1973 standard for its 20kW output / 120kWh storage Zinc-Air Fuel Cell Battery. The UL (Underwriters Laboratories) standard applicable to this mass storage battery is titled “Standard for Batteries for Use in Light Electric Rail (LER) Applications and Stationary Applications” and provides the basis on which flow-batteries may obtain approval for deployment in North America and abroad.

On August 23, 2018, the Company and PurLucid announced the engagement of Dr. Vuay Mehta, former Process Development Technology Leader at FMC Lithium Corporation, to oversee final phase product upgrading and commercial scale-up operations for the Company’s rapid lithium brine extraction technology. The Company announced that Dr. Mehta will also oversee Hatch Engineering’s scale-up of the technology and buildout.

On August 27, 2018, the Company announced that joint venture partner Belmont Resources has reported that drilling has reached a depth of 1,798 feet (548 metres) into the playa sediments in hole KB-3, the first hole of the 2018 drilling program at Kibby Basin. The first section of the hole was drilled to a depth of 1,270 feet using a mud rotary method, and the

remaining 528 feet was completed with a diamond core tail. A total of 126 samples of drill cuttings from the mud-rotary section of the hole have been collected and shipped to ALS Global lab facility in Reno, Nevada for assaying. Lithium and multi-element assay results from these samples will be compiled once testing is complete.

On August 29, 2018, the Company and PurLucid reported that continued research and development utilizing newly developed molecular sieve technology has consistently achieved >99% lithium recovery from complex global source brines. It was also reported that continued development of polymeric membranes had reduced the cost of the lithium and mineral extraction components of the systems by 90% when compared to originally formulated stainless steel or titanium membrane platforms required for these caustic brines.

2. Provide a general overview and discussion of the activities of management.

**Please see item 1 above.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**Please see Item 1 above.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**Please see item 1 above.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**Please see Item 1 above.**

8. Describe the acquisition of new customers or loss of customers.

**None.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None.**

11. Report on any labour disputes and resolutions of those disputes if applicable.  
**None.**
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
**None.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**None.**
14. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
Common Shares	200,000	Issued at a deemed price of \$0.89 per share	Not applicable
Stock Options	1,000,000	Issued at an exercise price of \$0.78 per share with a term of 3 years	Not applicable

15. Provide details of any loans to or by Related Persons.  
**N/A.**
16. Provide details of any changes in directors, officers or committee members.  
**N/A.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
**N/A.**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 4, 2018.

Jared Lazerson  
Name of Director or Senior Officer

/s/ Jared Lazerson  
Signature

President and CEO  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>MGX Minerals Inc.</b>	For Month End <b>August 2018</b>	Date of Report YY/MM/D <b>18/09/04</b>
Issuer Address <b>Suite 303 – 1080 Howe Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6Z 2T1</b>	Issuer Fax No. <b>N/A</b>	Issuer Telephone No. <b>(604) 681 7735</b>
Contact Name <b>Jared Lazerson</b>	Contact Position <b>President &amp; CEO</b>	Contact Telephone No. <b>(604) 681 7735</b>
Contact Email Address <b>jared@mgxminerals.com</b>	Web Site Address <b>www.mgxminerals.com</b>	