

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: **139,069,193**

Date: **January 2, 2019**

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 December 3, 2018, the Company announced a discovery at the Fran Gold Property in British Columbia, 30 kilometers southwest of the Mount Milligan Gold-Copper mine. Drill hole FR18-95 has returned a broad intercept from 227.0 to 241.0 meters of gold mineralization at depth in the Bullion Alley Gold Zone. This has confirmed extension of gold mineralization in auriferous veins from near surface to depth. The highest-grade gold mineralization was contained within a quartz-pyrite vein which averaged 21 g/t Au over 2.2m including 35.9 g/t Au across 0.76m and 26.70 g/t Au over 0.75m. The hole was drilled at an inclination of 55 degrees and depth of 314m. Drill data from the Fall 2018 drill program is currently being reviewed and correlated with the existing database of 87 previous drill holes.

On December 4, 2018, the Company announced that its wholly owned subsidiary MGX Renewables, Inc. ("MGXR") has entered the final phase of development for its next generation zinc-air mass storage systems. All components of the system have been designed, tooled and received with the exceptions of the fuel cell and regenerator plates which comprise the housings, and the final system enclosure. Housings were expected to arrive in December, followed by subsystem testing, this will be preceded by system level testing in January. All components are designed for mass production. Many of the most sophisticated and proprietary components such as the cathode are manufactured in-house.

On December 5, 2018, the Company announced that drilling will recommence shortly at its 100% owned Fran Gold Property. Initial Winter 2018 drilling will drill a twin vertical hole to confirm and test below historic drill hole FR-027 from 2002. Hole FR-027 was drilled in the Hilltop Zone. Historic drill hole FR-027 assayed 13 meters of 3.76 g/t Au from 153.00m - 166.00m including 5.10 meters of 12.89 g/t Au and 18.70 g/t Au over 1.0 meter.

On December 10, 2018, the Company announced receipt of the independent, 3rd party scale up and technology engineering review of the Company's rapid lithium extraction technology for geothermal implementation in the Western United States. The report provides recommendations to implement large-scale application of the technology, including:

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

Contract Renewed with Senator Richard Polanco (Ret.)

The Company has renewed its contract with former California Senate Majority Leader Richard Polanco as an advisor and consultant to the Company. Senator Polanco continues

to lead negotiations with the State of California and local municipalities regarding targeted exploration locations and sites identified by the Company as potential partnerships and acquisition targets to secure geothermal feedstock and operating sites. Senator Polanco will also continue to advise the Company on local environmental solutions and support ongoing community and stakeholder relations.

On December 12, 2018, the Company reported additional drill results from its Fall 2018 drill program at the Fran Gold Property in British Columbia.

On December 13, 2018, the Company announced that joint venture partner Chilean Lithium Salars (“CLS”) is drilling at the Francisco Basin Project located 30 kilometres south of the Salar de Maricunga. The 5-hole program was designed to target the brine aquifer that extends from the Northern Lagoon, where samples in May of 2018 averaged 694mg/L Lithium. (see press release dated September 27, 2018). The drill program is testing lithium mineralization to a depth of up to 300 meters as well as the lateral extent of lithium mineralization.

On December 18, 2018, the Company announced it has received an interim order from the Supreme Court of British Columbia in respect of the Plan of Arrangement (the “Interim Order”) with its wholly-owned subsidiary MGXR whereby the Company will complete a spin-out of 40% of the common shares of MGXR pursuant to a plan of arrangement under the Business Corporations Act (British Columbia) as part of a going public transaction planned for early February 2019.

Pursuant to the Interim Order, the spin-out will require certain approvals by MGX shareholders at the Company’s annual general and special meeting, which is expected to take place on January 11, 2019.

On December 20, 2018, the Company reported it is funding a research consortium with the University of British Columbia (“UBC”) to develop a low-cost and scalable method for fabricating Silicon based anode to improve the energy density of Li-ion batteries. The two-year research program will focus on 1) fabricating nanostructured silicon using low-cost metallurgical silicon as a feedstock and 2) compositing nanostructured silicon with commercial graphite to develop a high-performance silicon anode. The purpose of the research is to replace the graphite anode with silicon and complete a hybrid in the short-term which will not require retooling. The ultimate goal is to enable next-generation Li-ion batteries capable of quadrupling energy density from current 100 Wh/kg up to 400 Wh/kg for use in long-range electric vehicles and grid storage.

Leading research and development will be Dr. Jian Liu, Assistant Professor in the School of Engineering at UBC Okanagan. Dr. Liu is leading a research group focused on advanced materials for energy storage. Dr. Liu was previously the technical lead on the development of surface coating materials by atomic and molecular layer deposition, and their applications in surface and interface engineering on the anode and cathode of Li-ion batteries and beyond, at Western University and Pacific Northwest National Laboratory.

On December 21, 2018, the Company announced, further to its news releases dated November 23, 2018 and November 27, 2018, it has closed the second and final tranche of its previously announced non-brokered private placement financing (the “Offering”). The second tranche generated gross proceeds of \$3,610,449.80 by issuance of 5,008,384 flow through units (the “FT Units”) at \$0.65 per FT Unit and 591,667 non-flow through units (the “NFT Units”) at \$0.60 per NFT Unit. Aggregate proceeds raised under the first and second tranche of the Offering total \$6,806,448.35.

On December 27, 2018, the Company provided an update for its REN Niobium-Tantalum-Titanium-REE Mineral Property (“REN”) located in the northern Monashee Mountains of southeastern British Columbia. The Company has now received initial assay results from

diamond drilling as well as field reconnaissance results from a regional geochemical sampling program completed at REN.

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.

On December 5, 2018, the Company announced that drilling will recommence shortly at its 100% owned Fran Gold Property.

On December 13, 2018, the Company announced that CLS is drilling at the Francisco Basin Project located 30 kilometres south of the Salar de Maricunga.

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.

The Company has renewed its contract with former California Senate Majority Leader Richard Polanco as an advisor and consultant to the Company. Senator Polanco continues to lead negotiations with the State of California and local municipalities regarding targeted exploration locations and sites identified by the Company as potential partnerships and acquisition targets to secure geothermal feedstock and operating sites. Senator Polanco will also continue to advise the Company on local environmental solutions and support ongoing community and stakeholder relations. Richard Polanco is not a Related Person of the Issuer.

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.

None.

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.

On December 18, 2018, the Company announced it has received an interim order from the Supreme Court of British Columbia in respect of the Plan of Arrangement (the “Interim Order”) with its wholly-owned subsidiary MGXR whereby the Company will complete a spin-out of 40% of the common shares of MGXR pursuant to a plan of arrangement under the Business Corporations Act (British Columbia) as part of a going public transaction planned for early February 2019.

Pursuant to the Interim Order, the spin-out will require certain approvals by MGX shareholders at the Company’s annual general and special meeting, which is expected to take place on January 11, 2019.

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.

Security	Number Issued	Details of Issuance	Use of Proceeds
Non Flow Through Units	591,667 common shares	Issued at a price of \$0.60 per non flow through unit	To be used for advancement of the Company's lithium and magnesium assets, including continued investment into extraction equipment and PurLucid, property payments and additional acquisitions, engineering studies, permitting activities, and for general working capital.
	591,667 warrants		
Flow Through Units	5,008,384 common shares	Issued at a price of \$0.65 per flow through unit	To be used for qualified mineral exploration expenses on the Company's projects in Canada.
	2,504,191 warrants		
Finder's Warrants	217,002 finder's warrants	Each finder's warrant exercisable for 36 months at a price of \$0.60	Not applicable
Finder's Shares	217,002 finder's common shares	Issued at a price of \$0.60 per common share	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 January 2, 2019.

Jared Lazerson
Name of Director or Senior Officer

/s/ Jared Lazerson
Signature

President and CEO
Official Capacity

<i>Issuer Details</i> Name of Issuer MGX Minerals Inc.	For Month End December 2018	Date of Report YY/MM/D 19/01/02
Issuer Address Suite 303 – 1080 Howe Street		
City/Province/Postal Code Vancouver, BC V6Z 2T1	Issuer Fax No. N/A	Issuer Telephone No. (604) 681 7735
Contact Name Jared Lazerson	Contact Position President & CEO	Contact Telephone No. (604) 681 7735
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