

**MONTHLY PROGRESS REPORT**Name of Listed Issuer: **MGX Minerals Inc.** (the "Issuer").Trading Symbol: **XMG**Number of Outstanding Listed Securities: **106,523,818**Date: **June 1, 2018**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**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 May 2, 2018, the Issuer announced its acquisition of an additional 3,455 acres of oil and gas leases as a result of successful bidding at a recent State of Utah School and Institutional Trust Land Administration (SITLA) auction.**

**On May 8, 2018, the Issuer announced it had acquired an additional 10,331.32 acres of Oil and Gas Leases ("Leases") located within the Issuer's unitized 80,380-acre Blueberry Unit ("Blueberry Unit"). The newly acquired leases are located within the proposed 3D seismic geophysical survey area, which is scheduled to commence in August and will include approximately 9,000 data points. To date, the Issuer has conducted a paleontology survey and is nearing completion of the archeological survey.**

**Under terms of the Purchase and Sale Agreement (the "Agreement"), the Issuer has the option to earn a Net Revenue Interest ("NRI") on 9,158.4 gross/net acres within the Issuer's area of mutual interest. Details of the Agreement are as follows:**

- **Purchase Price of US\$145,000. An initial installment of \$50,000 has been paid with the remaining installments due on September 5, 2018 (\$50,000) and March 5, 2019 (\$45,000).**
- **Seller delivered 83.0% NRI on 8,481.53 acres, and 82.5% on remaining 677.31 acres.**

- On or before December 15, 2021, the Issuer will drill a well on the largest of the acquired leases to a TVD of 8,000' or to a depth sufficient to test the Cane Creek Shale (Cycle 21) of the Paradox Formation. The Issuer has the option to extend the drilling obligation for an additional three years in exchange for payment of an additional \$100,000.
- The Issuer also has an option to acquire an additional lease covering 1,172.48 acres if and when that lease is issued by the BLM.

The Blueberry Unit (oil, gas and lithium) and Lisbon Valley Claims (lithium) now consists of approximately 115,000 acres of oil and gas leases and 118,000 acres of largely overlying and contiguous mineral claims.

The Project is being simultaneously explored for oil, gas, lithium and other brine minerals to determine locations for deployment of the Issuer's lithium and mineral extraction technology.

The Issuer also announces it has granted 4,100,000 incentive stock options (the "Options"), vesting immediately, in accordance with the terms of the Issuer's stock option plan. The Options can be exercised into common shares of the Issuer at a price of \$0.89 per share for a period of three years from the date of grant. Directors and officers of the Issuer received 2,300,000 of the Options granted.

On May 14, 2018, the Issuer reported that its 100% wholly-owned subsidiary ZincNyx Energy Solutions, Inc. ("ZincNyx") has quadrupled the capacity of its fuel cell modules.

On May 16, 2018, the Issuer and its 51% owned engineering partner PurLucid Treatment Solutions Inc. ("PurLucid") provided a progress report related to the deployment of lithium recovery and wastewater treatment systems in Alberta, Canada.

The first scheduled deployment is with a major oil and gas operator in Alberta to operate an integrated wastewater treatment and lithium recovery system. Sufficient data has been collected to allow for engineering designs specific to the deployment site and PurLucid has completed fabrication of the combined system. Delivery of the system remains on track and is scheduled for commissioning shortly.

The second scheduled deployment represents a contract and agreement between a consortium including government, oil and gas operator, the Issuer and PurLucid to receive and treat evaporator blowdown wastewater ("EBD"). The contract will include installation of three treatment systems.

The first system is an EBD treatment system (10 m<sup>3</sup> /hr) which will take highly concentrated evaporator brine and treat it to a level suitable for reinjection on site.

The second system is a high temperature system that will be installed to treat produced water following oil-water separation. The technology provides superior treatment outcomes when compared to conventional technology and can do so without cooling water first. This will result in significantly less energy use for water treatment and also eliminate the single major operational challenge of a steam assisted gravity drainage ("SAGD") facility, which is heat exchanger fouling. By eliminating the need for cooling, heat exchangers are also eliminated. The high temperature system will also be used to test the patent-pending combined power generation design. This design will fill the void in electrical capacity as coal is phased out while generating enough steam for a combined heavy oil recovery project. With the high-pressure water treatment and co-gen design facilitated by this treatment approach, heavy oil production will have a lower GHG footprint than conventional oil.

The third system is a larger-scale version (35 m<sup>3</sup> /h) of the first system and is intended for deployment to treat one-through steam generator (“OTSG”) boiler blowdown. This blowdown represents the largest water loss at any SAGD facility.

The goal is to create treated water suitable for reuse, saving the majority of water loss in most SAGD projects. The system will also greatly reduce both the complexity and cost for new and expansion SAGD projects while at the same time demonstrating large-scale treatment capabilities suitable for other thermal and industrial wastewaters. The Projects represent significant cost savings for oilfield operators in water handling and revenue for the Issuer and Purlucid in wastewater treatment with additional opportunity for lithium and mineral recovery.

On May 18, 2018, the Issuer announced that it is unifying the expiry date of common share purchase warrants issued in multiple tranches of its private placement financing from December 2017 (the “Private Placement”). As a result, 3,092,192 warrants having an expiry date of December 8, 2020 and 4,079,000 warrants issued on December 20, 2020, will be amended to have an expiry date of December 27, 2020. In total there were 9,900,454 warrants issued under the Private Placement, which have an exercise price of \$1.15 and will now have the same expiry date of December 27, 2020.

The Issuer also announced that Chairman Marc Bruner has filed a Petition against the Issuer in British Columbia Supreme Court on Wednesday, May 16, 2018. Mr. Bruner is seeking a declaration that the Issuer was unfairly prejudicial and acted in bad faith by withholding shares that he alleges were owed to him and an order to direct the Issuer to issue the shares and to compensate him for any losses that he may have suffered. The Issuer has reviewed the Petition with counsel and believes that the grounds to Mr. Bruner's claims are without merit. The Issuer is required to file a response to the Petition within 21 days after service.

On May 18, 2018, the Issuer announced that it has won the Base and Specialty Metals Industry Leadership Award at the 2018 S&P Global Platts Global Metals Awards, held in London on May 17. Hosted by S&P Global Platts, a leading global energy, metals and commodities information provider, the annual awards program honors exemplary performance in fifteen categories spanning the entire steel, metals and mining complex.

Metals and steel industry executives from around the globe attended the 2018 black-tie awards ceremony at the Marriott Grosvenor Square in central London. Winners in fifteen performance categories received honors on stage, having been selected by an independent panel of judges. For the full list of 2018 S&P Global Platts Global Metals Awards winners, including the judges' rationale, visit the Platts Global Metals Awards website.

On May 23, 2018, the Issuer announced that joint venture partner Power Metals Corp. (“Power Metals”) has reported and commenced a geological mapping program at the Paterson Lake lithium property (“Patterson Lake”) located 60 km north of Kenora, Ontario. The geological mapping program at Paterson Lake will be followed by a similar program at the Gullwing-Tot Lakes property located 30 km northeast of Dryden, Ontario. The purpose of the mapping programs is to confirm known locations of spodumene/petalite pegmatite dyke outcrops, locate additional lithium mineralization, and identify historic drill collars for future drill programs.

On May 24, 2018, the Issuer provided shareholders with a progress report on its expanding silicon portfolio in British Columbia along with planned 2018 development activities. The Issuer is investigating the potential to source high-grade silica as a feedstock to be used in industrial silicon metal and solar silicon metal applications.

#### **Acquisition of New High-Grade Silicon Property**

The Issuer is pleased to report it has acquired the Gibraltar property (the “Property”) located approximately 95 kilometers northeast of Cranbrook, BC (B.C. MINFILE

082JSW001). The Property features high purity quartzite that has potential for technological applications, consisting of snow white coloured, high purity silica that contains >98.8% SiO<sub>2</sub> and < 1.2% impurities such as Al<sub>2</sub>O<sub>3</sub>, Fe<sub>2</sub>O<sub>3</sub>, CaO, MgO, Na<sub>2</sub>O, K<sub>2</sub>O.

As consideration, the Issuer has issued 100,000 common shares of the Issuer to the vendors of the Property. The vendors were Glen Rodgers and Andris Kikauka. Mr. Kikauka, is a non-arm's length party to the Issuer by virtue of being a Director and Vice President of Exploration of the Issuer. Mr. Kikauka is entitled to 50% of the purchase price of the Property. The acquisition of the Property was considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Issuer was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with Mr. Kikauka's participation in the transaction in reliance of sections 5.5(a) and 5.7(a) of MI 61-101.

### Wonah and Koot Silicon Project Updates

The Issuer is also pleased to report it has received permits to conduct drill programs at its Wonah ("Wonah") and Koot ("Koot") silicon properties (collectively the "Projects") located in British Columbia. The Issuer will complete 13 combined drill holes and along with a metallurgical program to test the Projects for suitability of upgrading to silicon metal and solar grade silicon.

At Wonah, the main target includes the ridge where steeply dipping Ordovician age quartzite is exposed over a strike length of approximately 850 meters. Geological mapping, geochemical sampling, and surveying identified a series of white quartzite outcroppings (Wonah Quartzite Formation) that form 2 lenses, the 'Central Zone' that has been traced for approximately 500 m, and South Zone traced for 350 m along strike. The Central and South Zones consist of a highly competent quartzite unit that trends N to NNE, is approximately 50 meters in width, and has a steep east dip.

At Koot, historic Exploration conducted by Cominco (now Teck-Cominco) during the 1980's outlined a mineralized zone spanning approximately 400 meters consisting of high-purity silicon dioxide (SiO<sub>2</sub>). Whole rock analysis of composite samples in six of seven shallow diamond drill holes returned values ranging between 98.7% and 99.3% SiO<sub>2</sub> (Assessment Report 10160). The zone remains open along strike and at depth to the north, east and west. Cominco also conducted decrepitation testing of rock fragments at 1,000 degrees Celsius from three quartzite outcrops and noted no decrepitation.

### Metallurgy Test Design

A metallurgy program has been designed to test for suitability of upgrading to silicon metal and solar grade silicon. A bulk sample requirement of two tonnes has been requested by the evaluation laboratory. The evaluation laboratory is qualified to complete process and plant design should the silica be found suitable for upgrading to silicon metal.

### Energy Applications

To further the Issuer's expansion into low cost energy mass storage systems, the Issuer has prioritized evaluation and development of its silicon projects for silicon metal potential. One of the primary uses of silicon metal is in solar panels. Solar panels are a cornerstone to remote and distributed energy solutions. Solar, combined with a mass storage system such as that currently under development by ZincNyx, serves to replace or augment diesel generators, as well as having broad applications in energy storage for residential and commercial grid load balancing and backup, and in providing primary and backup power for industrial sites, telecommunications, large scale computer server arrays and military bases. Additional information on the integration of solar with ZincNyx energy storage systems is available at [www.zincnyx.com](http://www.zincnyx.com).

On May 25, 2018, the Issuer announced that ZincNyx and its research partners will receive a grant from Canada's Natural Science and Engineering Research Council ("NSERC") to develop nanostructured material for their next generation Zinc-air energy storage.

The drive toward a renewable energy economy was recently given a big push by NSERC in this year's Strategic Partnership Grants announcement. ZincNyx, in a consortium with researchers from the Universities of Waterloo, Calgary, and Simon Fraser University, are exploring and developing materials for their next-generation Zinc-air energy storage system. The project, titled Grid-scale Energy Storage Using Zinc-air Fuel Cells with Nanostructured Electrodes, will receive a grant of \$580,000 over the next three years to support research. The consortium will be studying the use of graphene-based materials that have shown impressive performance in the lab, and are ready to graduate to commercial applications.

The Team includes two Canada Research Chairs (Drs. Viola Birss and Erik Kjeang) as well as veteran electrochemical engineer Ted Roberts.

On May 31, 2018, the Issuer and engineering partner PurLucid reported that, prior to deployment, demonstration of the NFLi-5 commercial-scale rapid lithium extraction system, capable of processing 750 barrels per day (120 cubic meters), is scheduled to take place immediately with oil and gas companies, industrial customers, lithium brine owners and international media scheduled to view the system. Demonstration of the lithium and petrolithium extraction and water treatment system will take place in the first half of June at the PurLucid manufacturing facility in Calgary, Alberta.

In addition to the NFLi-5 system, the Issuer and PurLucid have fabricated three customized wastewater treatment systems unique to each client / partner's needs and all capable of lithium, minerals, slop oil and heavy metals separation. The first system, which is scheduled for deployment to an oil and gas operation in Alberta, is an evaporator blowdown wastewater treatment system (10 m3 /hr) which will take highly concentrated evaporator brine and treat it to a level suitable for reinjection on site. The second system, which represents a contract between a consortium of partners, is a high temperature system that will be installed to treat produced water following oil-water separation. The third system is a larger-scale version (35 m3 /h) of the first system intended for deployment to treat one-through steam generator ("OTSG") boiler blowdown.

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.

**None.**

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 trademarks.

**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.

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	10,816 common shares	Issued at a deemed price of \$0.89 per share	Not applicable
Common Shares	100,000 common shares	Issued at a deemed price of \$1.01 per 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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **June 1, 2018** \_\_\_\_\_.

Jared Lazerson  
Name of Director or Senior Officer

/s/ Jared Lazerson  
Signature

President and CEO  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<b>MGX Minerals Inc.</b>	<b>May 2018</b>	<b>18/06/01</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, CEO &amp; Director</b>	Contact Telephone No. <b>(604) 681 7735</b>
Contact Email Address <a href="mailto:jared@mgxminerals.com">jared@mgxminerals.com</a>	Web Site Address <a href="http://www.mgxminerals.com">www.mgxminerals.com</a>	