

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: **133,252,140**

Date: **December 3, 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 November 1, 2018, the Company announced it has entered into an arrangement agreement, dated October 31, 2018 (the "Arrangement Agreement") with its wholly-owned subsidiary, MGX Renewables Inc. (formerly ZincNyx Energy Solutions Inc.) ("MGX Renewables") whereby the Company will complete the previously announced spin-out of 40% of the common shares of MGX Renewables ("MGX Renewables Shares") pursuant to a plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Jared Lazerson has been appointed as CEO of MGX Renewables. As at the date hereof, there are 30,000,000 MGX Renewables Shares issued and outstanding. Under the spin-out, MGX shareholders of record on June 29, 2018 will receive one MGX Renewables Share for each 12.4163 MGX common shares ("MGX Shares") then held, and MGX shareholders of record on October 22, 2018 will receive one MGX Renewables Shares for each 59.8186 MGX Shares then held. The spin-out will require certain approvals by MGX shareholders at the Company's annual general and special meeting, expected to take place on December 20, 2018. Further information regarding the transaction will be included in the management proxy circular to be mailed to MGX shareholders for the Meeting.

In connection with the Plan of Arrangement, the Company is also pleased to announce a non-brokered private placement by MGX Renewables of up to 12,000,000 subscription receipts (the "Subscription Receipts") at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of up to \$3,000,000 (the "Subscription Receipt Offering"). Each Subscription Receipt will represent the right to automatically receive, upon closing of the Plan of Arrangement, one unit of MGX Renewables (each, a "Unit"), each Unit being comprised of one MGX Renewables Share ("Unit Share") and one half of one MGX Renewables Share purchase warrant (each whole warrant a "Warrant"). Each Warrant will entitle the holder to acquire one MGX Renewables Share at a price per MGX Renewables Share of \$0.35 until the earlier of November 30, 2020. The Warrants will contain an accelerator clause whereby, if at any time after the date of issuance and prior to the expiry of the Warrants the volume weighted average trading price of the Common Shares exceeds \$0.50 for a period of ten consecutive trading days, the Company shall be entitled, at the option of the Company, to accelerate the expiry date of the Warrants by delivering written notice to the holders of Warrants, to a date that is not less than 30 days following the delivery of such written notice. The Subscription Receipt Offering is expected to close on November 30, 2018.

On November 6, 2018, the Company announced it had submitted an application to list the shares of MGX Renewables Inc. on the CSE.

On November 7, 2018, the Company and engineering subsidiary PurLucid Treatment Solutions Inc. ("PurLucid") provided an update on manufacturing of its third petrolithium

and advanced wastewater treatment system. Manufacturing of nanofiltration membrane housing is underway and primary nano-flotation, piping and structural components are expected to commence fabrication in the second half of November. Control systems are expected to commence fabrication in December.

On November 14, 2018, the Company and PurLucid announced they have received notice of publication of its patent for a new method to produce boiler feed water using low energy water treatment. The technology will facilitate using poor quality water to tri-generate electricity, pure water and minerals. The system was designed within a consortium, including the Company, PurLucid and David Bromley Engineering Ltd for the generation of electricity and excess steam for thermal oil recovery and extraction of lithium, vanadium and other minerals. The design, utilizing highly charged Replaceable Skin Layer (RSL™) membranes as a replacement for softening and ultrafiltration, substantively reduced cost and energy requirements while providing electricity for sale or internal use.

On November 15, 2018, the Company announced its increased its ownership stake in PurLucid to 60%. This ownership increase was recently approved by PurLucid shareholders under Phase V of the investment agreement through the issuance of 1,001,000 common shares of the Company.

On November 21, 2018, the Company and Highbury Energy Inc. (“Highbury”) reported completion of a comprehensive study analyzing beneficial gasification routes from Petroleum Coke (“Petcoke”) to three products of value: Hydrogen, FT Liquids and Fuel Gas. Each of these products has potential markets in the oil sands and heavy oil industry. The report outlines a variety and comparison of plant design parameters and a Petcoke-to Hydrogen process with metals concentration via gasification, utilizing Highbury’s patented dual-bed gasification technology, which requires no fine grinding or air separation unit. The goal of ongoing joint research with Highbury is to develop fuel source alternatives and concentrated battery metals by-products including vanadium, nickel and cobalt, which can be seamlessly integrated into existing refinery operations. The study is viewed as positive and the project will now move to the demonstration plant design phase and preliminary prefeasibility analysis.

On November 23, 2018, the Company announced it intends to complete a non-brokered private placement to raise gross proceeds of up to \$4,020,000 on a non-flow through basis and a concurrent non-brokered flow through private placement to raise gross proceeds of \$4,000,750, for aggregate gross proceeds of up to \$8,020,750.

On November 26, 2018, the Company reported that engineering partner PurLucid had processed the first shipment of 40m3 of wastewater brine from an oilsands customer. The 5m3 system treated highly concentrated evaporator blowdown wastewater and will provide significant cost savings for the customer. The system is currently operating at a 3rd party industrial location and the Company is pleased to report that the same steam assisted gravity drainage operator recently received an operating permit for the equipment from the Alberta Energy Regulator. A new 10m3 high temperature, high pressure system, is near completion and is expected to be deployed on site in January. The current 5m3 system will continue to operate and process water from customers. Additional systems are expected to be deployed approximately every other month through first and second quarter of 2019, with a significant acceleration of deployments thereafter.

On November 28, 2018, the Company reported that joint-venture partner A.I.S. Resources (TSX.V: AIS) has commenced drilling at the Salinitas lithium project in Argentina. Samples recovered thus far from a 43-meter interval show a porous coarse sand which is conducive to the transmission of brines. The trenching program completed in October confirmed the presence of these porous sands. Resistivity of these sands is expected to be encountered at depth. The objective of the drill program is to test two geophysical anomalies generated from the previously completed TEM (Transient Electromagnetic Survey) survey. These

anomalies represent potential aquifer structures based on interpretation of the geophysical profiles. Brines will be sampled down to 400m, with specific yield and other porosity tests. Subject to brine composition and flow rate, one well will commence a 30-day pump test.

The Company also announced that, further to its news release dated November 23, 2018, it has closed the first tranche of its previously announced non-brokered private placement financing.

On November 29, 2018, the Company reported that joint venture partner Chilean Lithium Salars has mobilized a drill to the Francisco Basin Project located 30 kilometres south of the Salar de Maricunga. The 5-hole drill program will target the Northern Lagoon, where samples in May of 2018 averaged 694mg/L Lithium. (see the Issuers press release dated September 27, 2018). The drill program will test lithium mineralization to a depth of up to 300 meters as well as the lateral extent of lithium mineralization. The data will be used to define the hydrogeological model for the Francisco Basin.

The Company also announced it has filed financial results and operating highlights for the fiscal year ended July 31, 2018. The Company's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended July 31, 2018, are available for download on the Company's website at [www.mgxminerals.com](http://www.mgxminerals.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). All figures are reported in Canadian dollars unless otherwise stated.

On November 30, 2018, the Company provided an update for its Gibraltar and Wonah silicon properties located in British Columbia. MGX is investigating the potential to source high-grade silica as a feedstock to be used in industrial silicon metal and solar silicon metal applications.

The Company also provided an update regarding its previously announced arrangement agreement, dated October 31, 2018 with MGX Renewables whereby the Company will complete the spin-out of 40% of the common shares of MGX Renewables ("MGX Renewables Shares") pursuant to a plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). The spin-out will require approval by MGX shareholders at the Company's annual general and special meeting, which is will take place on January 11, 2019 and the non-brokered private placement by MGX Renewables of up to 12,000,000 subscription receipts (the "Subscription Receipts") at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of up to \$3,000,000 which is planned to close on January 31, 2019. MGX has submitted an application to list the shares of MGX Renewables on the CSE. Listing of the MGX Renewables shares remains subject to CSE approval.

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.

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**September 27, 2018). The drill program will test lithium mineralization to a depth of up to 300 meters as well as the lateral extent of lithium mineralization. The data will be used to define the hydrogeological model for the Francisco Basin.**

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 trade-marks.

**On November 14, 2018, the Company and PurLucid announced they have received notice of publication of its patent for a new method to produce boiler feed water using low energy water treatment.**

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>
Non Flow Through Units	2,000,000 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.
	2,000,000 warrants		
Flow Through Units	3,070,767 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.
	1,535,383 warrants		
Finder's Warrants	202,831 finder's warrants	Each finder's warrant exercisable for 36 months at a price of \$0.60	Not applicable
Finder's Shares	202,831 finder's common shares	Issued at a price of \$0.60 per common share	Not applicable
Common Shares	15,645 common shares	Issued at a deemed price of \$0.63 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 December 3, 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>November 2018</b>	Date of Report YY/MM/D <b>18/12/03</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>	