

MONTHLY PROGRESS REPORTName of Listed Issuer: **MGX Minerals Inc.** (the "Issuer").Trading Symbol: **XMG**Number of Outstanding Listed Securities: **93,509,760**Date: **January 5, 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 December 1, 2017, the Issuer announced that it has retained former California Senate Majority Leader Richard Polanco as an advisor and consultant, as further described in Item 2 below.

On December 4, 2017, the Issuer reported that joint venture partner Power Metals Corp. ("Power Metals") has announced assay results confirming the presence of high-grade spodumene in the Northeast Dyke at Case Lake, Cochrane, Ontario, as further described in Item 2 below.

On December 11, 2017, the Issuer announced it has closed the first tranche of its previously announced private placement financing for proceeds of up to \$7,500,000 (the "Offering"), as further described in Item 2 below.

On December 13, 2017, the Issuer announced it has signed a definitive agreement (the "Agreement") with 8230137 Canada Inc. and the minority shareholders of ZincNyx Energy Solutions Inc. ("ZincNyx") to acquire all the issued and outstanding shares of ZincNyx, as further described in Item 2 below.

On December 15, 2017, the Issuer announced that the initial ground survey is nearing completion in preparation for a detailed 3D seismic survey of its Utah Petrolithium project (the "Project"), as further described in Item 2 below.

On December 18, 2017, the Issuer announced that development activity has commenced at its Kootenay and Wonah Silicon Projects located near Canal Flats, British Columbia, as further described in Item 2 below.

On December 21, 2017, the Issuer announced that it has closed the second and final tranche of a non-brokered, private placement for 4,079,000 units ("Units") at a price of \$1.00 per Unit for gross proceeds of \$4,079,000 (the "Offering"), as further described in Item 2 below.

On December 28, 2017, the Issuer announced that it has closed the second and final tranche of a non-brokered, private placement for 2,434,716 flow through units ("FT Units") at a price of \$1.05 per FT Unit for gross proceeds of \$2,556,451.80 (the "Offering"), as further described in Item 2 below.

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

On December 1, 2017, the Issuer announced that it has retained former California Senate Majority Leader Richard Polanco as an advisor and consultant. Mr. Polanco will lead direct negotiations with the State of California and local municipalities regarding targeted exploration locations and sites identified by the Issuer as potential partnerships and acquisition targets to secure feedstock and operating sites. These sites will utilize the Issuer's patented rapid recovery process to concentrate lithium and other minerals and metals from brine. Mr. Polanco will also advise the Issuer on local environmental solutions and support ongoing community and stakeholder relations.

Mr. Polanco is a former California State Assembly Member and Senator, having been first elected in 1986. He served in the State Assembly for eight years and in 1994 was elected to the State Senate where he served as Senate Majority Leader from 1998 until his retirement in 2002. Prior to elected office, Mr. Polanco also served on the staff of Los Angeles County Supervisor Ed Edelman, Assemblyman Richard Alatorre and former Governor Jerry Brown.

The Issuer currently controls over two million acres of known lithium-bearing brine areas throughout North America. The Issuer's rapid recovery process concentrates lithium, magnesium and other minerals from a variety of wastewaters using low energy, low cost nano-filtration technology. This proprietary design process is currently covered under patent and patent-pending applications. The Issuer and engineering partner PurLucid Treatment Solutions have integrated this design process with exclusively licensed and patented nanoflotation technology that purifies wastewaters. Combined, this Cleantech has global implications as it can be utilized in a variety of different scenarios, ranging from oilfield operations to municipality treatment centers, or as standalone lithium and mineral extraction units with clean water by-product.

On December 4, 2017, the Issuer reported that joint venture partner Power Metals has announced assay results confirming the presence of high-grade spodumene in the Northeast Dyke at Case Lake, Cochrane, Ontario.

Power Metals reports that the assay results range from 6.04% to 7.14% Li₂O for spodumene rock samples on surface. The assays in Table 1 represent almost pure spodumene and drilling is required to determine the lithium grade of the Northeast pegmatite dyke. Power Metals has planned a 2,000 metre drill program that will commence on the Northeast dyke in early January 2018.

On the south outcrop, one green spodumene crystal 32 cm long by 2 cm wide, sample number 529463 has 6.04% Li₂O. ON the north outcrop, the quartz core of the pegmatite dyke contains up to 40% spodumene megacrystals with cross sections up to 14 cm across. This was sample 529461 with 6.79% Li₂O. The highest grade spodumene sample came from the western edge of the south outcrop with 7.14% Li₂O.

Table 1. Lithium assays for spodumene rock samples from Northeast Dyke (UTM NAD 83, Zone 17)

Waypoint	Easting (m)	Northing (m)	Sample No.	Li ₂ O (%)
JK-17-43	579053	5432292	529459	7.14
JK-14-45	579104	5432372	529460	6.75
JK-17-53	579065	5732293	529461	6.79
JK-14-52	579055	5432295	529463	6.04

In a press release dated November 13th, 2017, Power Metals announced that it has discovered spodumene megacrystals (up to 32 cm long) on the Northeast Dyke located 900 m northeast along strike of the current drill program on the North and Main Dykes and is within the same tonalite dome as the North and Main Dykes. Since the Northeast, North and the Main Dykes are along the same strike and within the same dome, this indicates that they were emplaced along the same deep-seated structure. The Northeast Dyke has a pair of parallel pegmatite dykes: north and south outcrops similar to the North and Main Dykes that were recently drilled.

Quality Control

The rock samples were delivered to Actlabs preparation lab in Timmins by Power Metals' geologists. The core was crushed and pulverized in Timmins and then shipped to Actlabs analytical lab in Ancaster which has ISO 17025 certification. The ore grade Li₂O% was prepared by sodium peroxide fusion with analysis by ICP-OES with a detection limit of 0.01% Li₂O.

Case Lake

Case Lake Property is located in Steele and Case townships, 80 km east of Cochrane, NE Ontario close to the Ontario-Quebec border. The Case Lake pegmatite swarm consists of five dykes: North, Main, South, East and Northeast Dykes. The Northeast Dyke contains very coarse-grained spodumene. The Issuer currently has a paid up 20% working interest in Case Lake and four other lithium hard rock properties in Ontario controlled by Power Metals as well as any additional properties acquired prior to August 2020. The Issuer has the right to acquire an additional 15% working interest, for a total of 35%, in Case Lake Lithium and the other lithium properties by making a one-time payment of \$10M prior to August 2020. The Issuer holds an option to acquire 10,000,000 shares of Power Metals at \$0.65.

Qualified Person

The technical portions of the news release were prepared and reviewed by Andris Kikauka (P. Geo.), Vice President of Explorations for the Issuer. Mr. Kikauka is a non-independent Qualified Person within the meaning of National Instrument (N.I.) 43-101 Standards.

On December 11, 2017, the Issuer announced it has closed the first tranche of the Offering.

The first tranche generated raising gross proceeds of \$6,304,801.60 by issuance of 3,092,192 flow through units (the "FT Units") at \$1.05 per FT Unit and 3,058,000 non flow through units (the "NFT Units") at \$1.00 per NFT Unit. The Issuer anticipates closing its second and final tranche of the Offering before December 15, 2017.

Under the Offering, the Issuer planned to issue up to an aggregate of 5,000,000 NFT Units and 2,380,852 FT Units. The FT Units were oversubscribed by 711,240 FT Units in the first tranche.

Each NFT Unit is comprised of one common share of the Issuer (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire one additional Common Share of the Issuer for a period of 36 months from the date of closing at an exercise price of \$1.15. Each FT Unit is comprised of one Common Share issued on a flow-through basis pursuant to the Income Tax Act (Canada) and one-half of one Common Share purchase warrant (each whole warrant, a “FT Warrant”). Each FT Warrant will entitle the holder to acquire one additional Common Share, on a non-flow through basis, for a period of 36 months at a price of \$1.15.

The securities issued under the Offering will be subject to a hold period of four-months and one day.

In connection with the Offering, the Issuer will provide a finder’s fee to EMD Financial Inc. (“EMD”) equal to a cash payment of 8% of the gross proceeds of the Offering raised from purchasers introduced to the Issuer by EMD, Common Shares equal to 4% of the total number of NFT Units and FT Units sold to EMD purchasers, and non-transferable warrants equal to 4% of the total number of NFT Units and FT Units sold to EMD purchasers (the “Finder Warrants”). Each Finder Warrant will entitle the holder to purchase one common share at a price of \$1.15 for a period of 36 months following the closing date.

The FT Unit proceeds will be used for qualified mineral exploration expenses on the Issuer’s projects in Canada. The NFT Unit proceeds are expected to be used for advancement of the Issuer’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.

On December 13, 2017, the Issuer announced it has signed an Agreement with 8230137 Canada Inc. and the minority shareholders of ZincNyx to acquire all the issued and outstanding shares of ZincNyx. Upon closing of the Agreement, ZincNyx will become a 100% owned subsidiary of the Issuer

ZincNyx is a Canadian company that has developed a modular energy storage system (ESS) designed for energy storage in the 5 kW to 1 MW range for extended periods of time. This innovative regenerative zinc-air flow battery can be scaled from kilowatt to megawatt range to provide low cost energy storage. ZincNyx has developed a patented regenerative zinc-air fuel cell battery technology that efficiently stores energy in the form of zinc particles and contains none of the traditional high cost battery commodities such as lithium, vanadium, or cobalt. The technology allows for low cost mass storage of energy and can be deployed into a wide range of applications, including:

- Utility-scale storage and power grid load stabilization
- Long term backup power for industrial, commercial, and military facilities
- Remote location off grid and micro grid applications
- Diesel generator replacement or hybridization

ZincNyx Technology

ZincNyx’s technology consists of three main subsystems that use zinc and air to store energy in the form of zinc particles. When the system is delivering power, the zinc particles are combined with oxygen drawn from the surrounding air. When the system is recharging, zinc particles are regenerated and oxygen is returned to the surrounding air.

Unlike conventional batteries, which have a fixed energy/power ratio, ZincNyx’s technology uses a fuel tank system that offers flexible energy/power ratios and scalability. The technology emits no greenhouse gases or pollutants.

ZincNyx has secured over 20 patents to date and received nearly C\$15 million in financial support from its shareholders and Sustainable Development Technology Canada. (SDTC) to develop its technology.

Acquisition Terms

To acquire a 100% interest in ZyncNyx, the Issuer will make a one-time payment of C\$250,000 and issue 1,293,333 million restricted shares. The Issuer will further issue 2,450,925 restricted stock units to be vested over 24 months as part of compensation and incentive plan to retain key employees. The transaction is expected to close on or before December 20th.

To learn more about ZincNyx technology visit www.zincnyx.com.

On December 15, 2017, the Issuer announced that the initial ground survey is nearing completion in preparation for a detailed 3D seismic survey of its Project. The survey of the Project includes approximately 9,000 source points. This model will outline subsurface geological formations and structures favorable for accumulations of oil and gas as well as lithium brine bearing formations.

The Project is located next to the Lisbon Valley oilfield located within the Paradox Basin, Utah which has shown historical brine content as high as 730 ppm lithium (Superior Oil 88-21P) and past production of oil exceeding 50 million barrels. The Issuer's cumulative Project land position comprises over 110,000 acres of oil and gas leases and 118,000 acres of largely overlying mineral claims, including 80,380 acres of unitized Federal, State and Private lands within the Blueberry Unit ("Blueberry") where the Issuer controls the overwhelming majority of mineral claims. This represents the first large scale integrated petroleum and lithium project ever developed in the United States.

NFLi-5 Rapid Lithium Extraction System

The Issuer and engineering partner PurLucid Treatment Systems ("PurLucid") are nearing completion of the first commercial scale rapid lithium extraction plant and are currently in flow and pressure testing. The Issuer expects delivery and deployment in January 2018. This system is capable of processing up to 750 barrels per day (120 cubic meters) and serves as the commercial platform for the first 7500 barrels per day (1200 cubic meters) now in fabrication. This technology has been extensively tested in pilot plant phase since July 2017 on all types of lithium bearing brine throughout the Issuer's extensive project portfolio including high hydrocarbon evaporator blowdown (EBD) wastewater from SADG oilsands production, traditional oil and gas wastewater, traditional lithium brine, and high magnesium wastewater concentrate from mine tailings among other sources throughout North America. As the Issuer's Paradox Petrolithium project advances, systems will be deployed for hydrocarbon separation and mineral extraction. The Project relies heavily on the Issuer-PurLucid patented and patent-pending water handling and rapid lithium extraction technology capable of processing complex brines in conjunction with oil and gas development that produces a clean water by-product aimed at mitigating water handling and disposal cost and providing an innovative clean water solution to the oil and gas industry. It has been suggested that Paradox Basin unconventional oil and gas development has been hindered by high total dissolved solids and water handling challenges and costs¹.

Integrated Petrolithium Engineering

Initial engineering studies have been completed by SigmaCubed of Denver, Colorado modeling of simultaneous (brine / oil and gas) production scenarios aimed at drawing brine and oil from a single well. Reservoir simulations were run for the different scenarios to determine the sensitivity of the results to the input assumptions. There are three main variables – lateral horizontal length (feet), net reservoir height (feet) and permeability (millidarcies). A base case was run for a vertical well. Production rates (BWPD) were then calculated for different combinations of these three variables. For the purposes of this study, a 1,500-psi pressure differential drawdown at the perforation interval was assumed. A pressure drawdown across perforations can be achieved by various different production methods (i.e. rod pump, gas lift, hydraulic pump, jet pump, etc.). The study found that it did not matter how the pressure differential is achieved, reservoir conditions will ultimately determine production volumes. Also, for the purposes of this study, the tubing size was limited to one case (2 7/8" O.D.) primarily because the 2 7/8" tubing x 5 1/2" production casing configuration is one of the most common wellbore configurations utilized by the petroleum industry. Upon reviewing the results of this study, it became increasingly apparent of the multitude of variable combinations resulting from the study of just one tubing size. The results of this study can be ratioed up or down to obtain relative production volumes for 2 3/8" or 3 1/2" tubing strings.

Produced water density, oil API gravity and water oil ratios were found to have negligible effects on total production volumes. The biggest effect these variables had would be in the fluctuation of the producing fluid level in the wellbore. For the purposes of this study, a full column of 100% petroleum brine water weighing 11.0 ppg was assumed.

Type of Wellbore	Production Rate (BWPD)	Ratio Increase
Vertical	1,064	
1,500' lateral	3,673	3.5
3,000' lateral	5,211	4.9
5,000' lateral	6,858	6.4

¹Analysis of a Long Cane Creek Horizontal New Insight into an Unconventional Tight Oil Resource Play, Paradox Basin, Utah, Whiting Oil & Gas Corp; 2010

Assumptions

10 md permeability
 55' net h
 7,000' TVD
 2 7/8" tubing to 7,000' TVD MD
 4 1/2" liner in lateral 7,000' to TD
 1,500 psig pressure differential
 Drawdown across perforations

Additional engineering work will focus on the effect of large diameter casing and related costs on a per barrel basis starting with 7 1/2" and consideration of techniques and scale currently utilized in geothermal brine wells.

Lisbon Valley and Paradox Basin Geology

The Lisbon Valley Field has approximately 140 wells. According to production statistics, as reported by the Utah Department of Natural Resources, Oil, Gas and Mining Division, cumulative lifetime production within the Lisbon Valley oilfield has totaled 51.4 million barrels of oil as of June 2017 ("Oil Production by Field, Utah Department of Natural Resources, Division of Oil, Gas and Mining", June 2017). The Paradox Basin has been noted by the USGS as having one of the largest undeveloped oil and gas fields in the United States ("Assessment of Oil and Gas Resources in the Paradox Basin Province..."; USGS; 2011). The Issuer is currently earning a 75% working interest in the Project, with the remaining interest primarily controlled by a private Utah corporation (the "Paradox Partner"). The Paradox Partner has been engaged by the Issuer as a subcontractor operator of the Project (as previously announced on March 23, 2017).

The Project is host to National Instrument 51-101 estimated prospective resources (the "Estimate") consisting of leasehold and royalty interest in San Juan County, Utah and Miguel County, Colorado. The estimate was prepared by the Ryder Scott Company, L.P. ("Ryder Scott"), an independent qualified reserves evaluator within the meaning of N.I. 51-101 Standards of Disclosure for Oil and Gas Activities ("N.I. 51-101"), with an effective date of June 30, 2017. The Estimate was prepared in accordance with N.I. 51-101 and the Canadian Oil and Gas Evaluation Handbook.

Estimated Gross Volumes**Unrisked Prospective (Recoverable) Hydrocarbon Resources****Leasehold Interests in San Juan County, Utah and San Miguel County, Colorado of the Issuer****As of June 30, 2017**

Formation	ULTIMATE RECOVERY OIL – MMBO			ULTIMATE RECOVERY GAS – BCF			COC*
	LOW	BEST	HIGH	LOW	BEST	HIGH	
Paradox Clastics							
CB2	41.799	59.498	85.324	33.441	47.602	68.266	0.075
CB3	41.915	60.641	85.833	33.536	48.517	68.671	0.075
CB4	12.766	18.745	26.692	10.213	14.781	21.355	0.075
CB5	33.185	48.065	68.841	26.548	38.453	55.74	0.075
CB6	6.603	9.607	13.874	5.283	7.686	11.100	0.045
CB7	1.892	2.735	3.948	1.514	2.188	3.158	0.032
CB8	19.108	27.525	39.079	15.287	22.022	31.264	0.068
CB9	11.452	16.671	23.711	9.162	13.337	18.970	0.068
CB10	14.565	21.169	30.088	11.652	16.936	24.073	0.068
CB11	2.021	2.929	4.244	1.617	2.344	3.396	0.032
CB12	9.352	13.609	19.525	7.482	10.887	15.620	0.045
CB13	9.333	13.158	19.297	7.468	10.815	15.438	0.045
CB14	3.195	4.621	6.634	2.556	3.697	5.308	0.045
CB15	6.455	9.432	13.633	5.164	7.546	10.908	0.045
CB16	2.752	3.987	5.768	2.202	3.190	4.615	0.045
CB17	3.770	5.390	7.835	3.016	4.313	6.269	0.040
CB18	4.673	6.728	9.572	3.739	5.383	7.658	0.045
CB19	16.690	24.226	34.542	13.358	19.381	27.636	0.068
CB20	2.931	4.253	6.118	2.435	3.402	4.895	0.040
CB21 (Cane Creek)	35.336	51.338	73.971	28.272	41.073	59.177	0.097
CB22	5.635	8.261	11.957	4.508	6.609	9.566	0.045
Leadville	1.000	2.100	4.000	153.000	231.700	341.600	0.066

*COC – Chance of Commerciality = Chance of Discovery * Change of Development

Qualified Person

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The Issuer may decide to advance its petrolithium projects into production without first establishing mineral resources supported by an independent technical report or completing a feasibility study. A production decision without the benefit of a technical report independently establishing mineral resources or reserves and any feasibility study demonstrating economic and technical viability creates increased uncertainty and heightens economic and technical risks of failure. Historically, such projects have a much higher risk of economic or technical failure.

On December 18, 2017, the Issuer announced that development activity has commenced at its Kootenay and Wonah Silicon Projects located near Canal Flats, British Columbia. Exploration design and permitting activities have commenced. Archaeological assessment (AOA) and environmental assessment are expected to commence shortly. Infrastructure evaluation is currently underway including assessment of the bulk commodity load out facility at Canal Flats, inclusive of ten railcar siding, previously used for gypsum loading. High grade silica is the feedstock used in industrial silicon metal and solar silicon metal applications.

Energy Applications

To further the Issuer's expansion into low cost energy mass storage systems, following the acquisition of ZincNyx, 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 intergration of solar with ZincNyx energy storage systems is available at ZincNyx.com.

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.

Wonah Silicon

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 forms 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 highly competent quartzite unit that trends N to NNE, is approximately 50 meters in width, and has a steep east dip. There is an ESE trending fault between the Central and South Quartzite Zones that has an approximate 200 m sinistral, horizontal displacement. A total of 11 rock chip quartzite samples were taken from the Central and South Zones by the Issuer's VP of Exploration Andris Kikauka (P. Geo.) shortly after acquisition in 2015. Rock chip samples were analyzed by ALS Minerals, North Vancouver, BC, using Li Borate fusion, whole rock analysis ME-XRF-06 (XRF26), results of significant elements are summarized by percentage as follows:

Sample ID	SiO2	Fe2O3	MgO	CaO	P2O5	LOI	Total
15WONAH-1	99.4	0.04	0.02	0.01	<0.01	0.14	99.76
15WONAH-2	99.2	0.04	0.01	0.01	<0.01	0.12	99.51
15WONAH-3	99.7	0.03	0.01	<0.01	<0.01	0.08	99.87
15WONAH-4	99.5	0.04	0.01	0.01	<0.01	0.1	99.76
15WONAH-5	99.5	0.06	0.02	0.02	0.01	0.21	100.1
15WONAH-6	98.9	0.03	0.01	<0.01	<0.01	0.1	99.14
15WONAH-7	99.2	0.05	0.01	<0.01	<0.01	0.06	99.43
15WONAH-8	99.9	0.04	0.01	0.01	<0.01	0.11	100.17
15WONAH-9	99.3	0.05	0.01	0.01	<0.01	0.21	99.73
15WONAH-10	99.5	0.03	0.01	<0.01	<0.01	0.11	99.74
15WONAH-11	99.3	0.05	0.01	<0.01	<0.01	0.13	99.59

Kootenay Silicon

The property was previously drilled by COMINCO with a total of 477.16 meters of NQ core with 8 holes drilled from 7 different locations 1981. The Kootenay property consists of a total area of 165.7 hectares (409.4 acres). Fieldwork was performed in 2015, shortly after the acquisition of the property by the Issuer's VP of Exploration Andris Kikauka (P. Geo) which consisted of geochemical sampling and geological mapping. Geochemical sampling was carried out on exposed surface bedrock located in close proximity to historic diamond drilling performed by Cominco. A total of 8 rock chip samples were collected from surface outcrop near previous drilling, and rock chip samples were analyzed by ALS Minerals, North Vancouver, BC, using Li Borate fusion, whole rock analysis ME-XRF-06 (XRF26). Highlights of significant results from Koot North, Middle and South Zones are listed by percentage:

Sample ID	SiO2	Fe2O3	MgO	CaO	P2O5	LOI	Total
Koot-15-AR-1	97.97	0.53	0.01	0.03	0.01	0.24	99.17
Koot-15-AR-2	98.82	0.44	<0.01	0.05	0.01	0.2	99.91
Koot-15-AR-3	98.39	0.48	<0.01	0.01	0.01	0.25	99.75
Koot-15-AR-4	97.87	0.46	<0.01	0.01	0.01	0.28	99.14
Koot-15-AR-5	97.95	0.46	0.01	0.01	<0.01	0.34	99.36
Koot-15-AR-6	97.89	0.55	0.01	0.01	0.01	0.31	99.32
Koot-15-AR-7	97.61	0.52	0.01	0.01	0.01	0.33	99.36
Koot-15-AR-8	97.63	0.51	<0.01	0.01	0.01	0.4	99.16

Exploration and Development Plan

Both properties are located near infrastructure and centralized loadout facility. The Issuer is prepared for immediate 10-hole drill program at each property followed by small bulk sample for metallurgical testing. Upon completion of suitable metallurgy infill drilling is planned for the purpose of generating a NI 43-101 Resource Estimate. The properties are generally suited for quarry type operation. Development strategy is largely dependent on the outcome of metallurgy. Evaluation of potential strategic partnerships within the silicon metal and solar sectors is underway which would play a significant role in development plan should silica be found suitable for the targeted applications in the silicon metal industry.

Qualified Person

The technical portions of the press release were prepared and reviewed by Andris Kikauka (P. Geo.), Vice President of Exploration for the Issuer. Mr. Kikauka is a non-independent Qualified Person with the meaning of National Instrument (N.I.) 43-101 Standards.

The Issuer may decide to advance its silicon projects into production without first establishing mineral resources supported by an independent technical report or completing a feasibility study. A production decision without the benefit of a technical report independently establishing mineral resources or reserves and any feasibility study demonstrating economic and technical viability creates increased uncertainty and heightens economic and technical risks of failure. Historically, such projects have a much higher risk of economic or technical failure.

On December 21, 2017, the Issuer announced that it has closed the second and final tranche of Units of the Offering. The aggregate gross proceeds raised under the Offering was \$7,137,000 through the issuance of an aggregate 7,137,000 Units. The Offering was made concurrently with a private placement of flow through units, of which a second and final tranche is also expected to close this week.

Each Unit consists of one common share of the Issuer (each, a “Share”), and one transferable common share purchase warrant (each whole warrant, a “Warrant”), with each Warrant entitling the holder to acquire one common share of the Issuer (each, a “Warrant Share”) at a price of \$1.15 per Warrant Share for a period of 36 months from the closing of the Offering.

The Issuer will use the proceeds of the Offering for advancement of the Issuer’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.

In connection with the Offering, the Issuer paid a finder’s fee to EMD equal to a cash payment of 8% of the gross proceeds raised from purchasers of the Units introduced to the Issuer by EMD, common shares of the Issuer equal to 4% of the total number of Units sold, and non-transferable warrants equal to 4% of the total number of Units sold under the Offering (the “Finder Warrants”). Each Finder Warrant entitles the holder to purchase one common share at a price of CA\$1.15 for a period of 36 months following the closing date.

The securities issued pursuant to the Offering and the other above matters are subject to a hold period of four months and one day.

On December 28, 2017, the Issuer announced that it has closed the second and final tranche of FT Units of the Offering. The aggregate gross proceeds raised under the Offering was \$5,803,253.40 through the issuance of an aggregate of 5,526,908 FT Units. The FT Offering was made concurrently with a private placement of non-flow through units (“NFT Units”), which raised aggregate gross proceeds of \$7,137,000.

Each FT Unit is comprised of one Common Share issued on a flow-through basis pursuant to the Income Tax Act (Canada) and one-half of one Common Share purchase warrant (each whole warrant, a “FT Warrant”). Each FT Warrant will entitle the holder to acquire one additional Common Share, on a non-flow through basis, for a period of 36 months at a price of \$1.15.

The FT Unit proceeds will be used for qualified mineral exploration expenses on the Issuer’s projects in Canada.

In connection with the private placements for NFT Units and FT Units, the Issuer paid a finder's fee to EMD equal to a cash payment of 8% of the gross proceeds raised from purchasers of the NFT and FT Units introduced to the Issuer by EMD, common shares of the Issuer equal to 4% of the total number of NFT and FT Units sold to purchasers introduced by EMD, and non-transferable warrants equal to 4% of the total number of NFT and FT Units sold to purchasers introduced by EMD (the "Finder Warrants"). Each Finder Warrant entitles the holder to purchase one common share at a price of CA\$1.15 for a period of 36 months following the closing date. In connection with the NFT and FT Unit financings, EMD received a total of \$722,740.27 in commission, 439,556 finder's shares and 439,556 Finder's Warrants. EMD also received a corporate finance fee of \$50,000.

The securities issued pursuant to the Offering and the other above matters are subject to a hold period of four months and one day.

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 2 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.

On December 13, 2017, the Issuer announced that it has signed the Agreement with 8230137 Canada Inc. and the minority shareholders of ZincNyx. The Issuer has entered into a contractual relationship with 80230137 Canada Inc. and the minority shareholders of ZincNyx and both are non-related parties 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.

Please see Item 2 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 trademarks.

None.

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

On December 1, 2017, the Issuer announced it has retained Richard Polanco as an advisor and consultant.

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
Non Flow Through Units	7,137,000 common shares	Issued at a price of \$1.00 per non flow-through unit ⁽¹⁾	To be used for advancement of the Issuer's lithium and magnesium assets, continued investment into extraction equipment and PurLucid, property payments and additional acquisitions, engineering studies, permitting activities, and for general working capital
	7,137,000 warrants		
Flow Through Units	5,526,908 common shares	Issued at a price of \$1.05 per flow through unit ⁽²⁾	To be used for mineral exploration activities on the Issuer's Canadian projects
	2,763,454 warrants		
Finder's Warrants	439,556 finder's warrants	Issued at a price of \$1.15 per share for a period of 36 months following the closing date	N/A
Finder's Shares	218,480 finder's common shares	Issued at a deemed price of \$1.00 per share	N/A
Finder's Shares	221,076 finder's common shares	Issued at a deemed price of \$1.05 per share	N/A
Common Shares	1,293,333 common shares	Issued at a deemed price of \$0.99 per share	Acquisition

(1) Each Non Flow Through Unit consists of 1 Non Flow-through common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$1.15 per share for a period of 36 months from the closing of the offering.

(2) Each Flow Through Unit consists of one common share issued on a flow-through basis pursuant to the Income Tax Act (Canada) and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share, on a non-flow through basis, for a period of 36 months at a price of \$1.15.

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: **January 5, 2018**_____.

Jared Lazerson
Name of Director or Senior Officer

"Jared Lazerson"
Signature

President and CEO
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
MGX Minerals Inc.	December 2017	18/01/05
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 & Director	Contact Telephone No. (604) 681 7735
Contact Email Address jared@mgxminerals.com	Web Site Address www.mgxminerals.com	