

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: XMG

Number of Outstanding Listed Securities: 140,385,960

Date: December 5, 2019

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.

Dispute over control of Issuer

The Issuer experienced certain business distractions in October/November, as management disagreed about who was holding the CEO/President position and related matters.

Issuer granted Management Cease Trade Order to Allow for Finalization of pending audited financial statements

In connection with the anticipated late filing of the Issuer's audited annual financial statements and management's discussion and analysis for the financial year ended July 31, 2019, MGX Minerals Inc. has applied for, and has been granted, a temporary management cease trade order ("MCTO") by the B.C. Securities Commission.

The Issuer applied for the MCTO in order to secure additional time to finalize the financial statements. As a result of recent changes to the Issuer's board of directors, the Issuer anticipates a longer-than-anticipated time frame for the audit of the financial statements. However, it is the Issuer's reasonable expectation that the audit of the financial statements will be completed by December 19, 2019.

During the MCTO, the general investing public will continue to be able to trade in the Issuer's listed common shares. However, for the duration of the MCTO, the Issuer's chief executive officer and chief financial officer will not be able to trade the Issuer's common shares.

The Issuer has imposed an insider trading blackout pending the filing of the annual filings. The Issuer will comply with the alternative information guidelines described in National Policy 12-203 *Management Cease Trade Orders* for so long as it remains in default due to the late filing of the annual filings.

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

The Issuer's management team has remained focused on its objectives and operational goals to develop its lithium brine extraction technology which recovers previously unattainable lithium in produced water from hydraulic fracturing, conventional oil and oil sands production, geothermal brine and other lithium-rich wastewaters. Additionally, management is continuing its efforts to raise market awareness and value through research and development and other shareholder outreach initiatives. The Issuer's management also continue to seek new revenue streams and opportunities to develop and increase the stakeholder's value and profitability of the Issuer.

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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

N/A

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.

N/A

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

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

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.

Dispute over control of Issuer

The Issuer obtained an order in the Supreme Court of British Columbia that effectively prevents anybody from issuing news in its name. A judge has temporarily ordered that nobody can issue news releases without obtaining approval from three of the Issuer's four board members. Further a litigation was filed by the Issuer claiming breach of fiduciary duty by two Directors Michael Reimann (CFO) and Lyndon Patrick and related damages for issuance of unauthorized press releases in the minimum of \$2,000,000 due to losses in MGX market capitalization.

The court case centres around a series of competing news releases that came out after a contentious Board meeting. A non-monetary counter-claim / explanation has been filed by the two named directors primarily citing use of funds issues with the CEO even though at all times the CFO was in control of the bank accounts and both defendants had full knowledge of any and all expenditures, signed cheques, approved wires etc., these expenditures having occurred over many months or years.

MGX Minerals sued by AIS over work in Argentina

MGX Minerals Inc. is facing a lawsuit in the Supreme Court of British Columbia from a joint venture partner. The partner, AIS Resources Ltd., claims that MGX has fallen behind on payments for work on a property in Argentina. AIS is seeking the court-ordered payment of the overdue amount.

The allegations are contained in a brief notice of claim that AIS filed at the Vancouver courthouse on November 1, 2019. The suit stems from an agreement for the Salinitas lithium brine project in Argentina. On July 23, 2018, MGX agreed to acquire an interest in the property, with the payment for that interest to include a first-year work program of \$600,000 (U.S.), the suit states.

According to AIS, the program began in 2018, as expected, with AIS carrying out the work on MGX's behalf. MGX agreed that it would pay for the exploration promptly, the suit states. It made an initial \$42,000 (U.S.) deposit for that work.

MGX Minerals issues \$2,985,000 repayment request to Zinc8 Energy Solutions Inc. and provides litigation update

MGX Minerals Inc. has provided a litigation update covering litigations currently involving the Issuer. All claims against the Issuer have been accounted for in the financial statements of the Issuer, as they are vendor payable or consultants' wages and expenses claims. The Issuer has no reason to believe any legal outcome is likely to significantly exceed amounts already accounted for, and amounts may be significantly less as a number

of the claims are contested. As a result of these and other liabilities, MGX has issued a letter of demand to Zinc8 Energy Solutions Inc. for amounts owed of \$2,985,000 dated November 5, 2019, with a request for payment or payment plan within seven days.

Significant outstanding claims against and versus MGX:

- AIS Resources, filed Nov. 1, 2019;
- Lions Gate Management Group Ltd., filed Sept. 12, 2019;
- Randy Keller, filed Sept. 11, 2019;
- Blue Sun Productions Inc., filed June 18, 2019;
- Marc Bruner, filed May 18, 2018.

Significant outstanding claims by MGX:

- Lyndon Patrick and Michael Reimann, filed Oct. 10, 2019.

In addition, MGX is currently in arbitration with Dawson Geophysics Inc., regarding a planned geophysics program for its Utah petrolithium project in 2017/2018 that was never executed. Dawson claims approximately \$250,000 (U.S.) in direct preparation costs and has requested additional amounts for additional preparation and lost opportunity because the program was never executed. MGX claims that it was not the operator and that, by expert opinion, the program was six times as large as it should have been for no practical reason and that MGX was taken advantage of due to limited experience in oil and gas exploration by both Dawson and the operator.

MGX denies wrongdoing in security guard lawsuit

MGX Minerals Inc. and its president, Jared Lazerson, deny that they owe anything to Lions Gate Risk Management Group Ltd., a company that provided security guards for Mr. Lazerson. They say that MGX has already paid \$1.59-million to Lions Gate, an amount that exceeds what it is entitled to. They also say that Lions Gate did not obtain approval for all of the work that it did.

The denials from MGX and Mr. Lazerson come in response to a lawsuit that Lions Gate filed in the Supreme Court of British Columbia on Sept. 19, 2019. The brief suit sought damages for a contract in which Lions Gate provided a "protection specialist" and a driver for Mr. Lazerson. According to the suit, MGX cancelled the services on April 1, 2019, without providing any notice. The cancellation resulted in \$176,398 becoming payable, but MGX refused to pay, the suit claimed.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted. **N/A**

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾

(1) State aggregate proceeds and intended allocation of proceeds.

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 5, 2019.

Jared Lazerson
Name of Director or Senior
Officer

"Jared Lazerson"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
MGX Minerals Inc.	November 2019	19/12/05
Issuer Address		
303 – 1080 Howe Street (Registered and Records Address)		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No.
Vancouver, BC, V6Z 2T1		604-558-1406
Contact Name	Contact Position	Contact Telephone No.
Jared Lazerson	Chief Executive Officer	604-681-7735
Contact Email Address	Web Site Address	
jared@mgxminerals.com	www.mgxminerals.com	