

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

MGX Minerals Inc. (the “**Issuer**”)
#303, 1080 Howe Street
Vancouver, BC V6Z 2T1

Item 2: Date of Material Change

May 17, 2018

Item 3: News Release

A news release was issued and disseminated on May 24, 2018 and filed on SEDAR (www.sedar.com). A copy of the news release is attached as Schedule “A” hereto.

Item 4: Summary of Material Changes

On May 17, 2018, the Issuer acquired the Gibraltar property located approximately 95 kilometers northeast of Cranbrook, BC (the “**Property**”) from Glen Rodgers and Andris Kikauka (together, the “**Vendors**”) in exchange for the issuance of 100,000 common shares in the capital of the Issuer (the “**Shares**”) to the vendors of the property (the “**Transaction**”).

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

The Issuer announced it had acquired the Property from the Vendors in exchange for the issuance the Shares to the Vendors.

(b) the purpose and business reasons for the transaction:

The Transaction will allow the Issuer to expand its silicon portfolio in BC.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The Transaction will allow the Issuer to explore the Property for snow white coloured, high purity silica that contains >98.8% SiO₂ and < 1.2% impurities such as Al₂O₃, Fe₂O₃, CaO, MgO, Na₂O, K₂O.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

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 consideration for the Property.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Prior to the completion of the Transaction, Mr. Kikauka held 458,000 Common Shares and 775,000 options. Upon closing of the Transaction, Mr. Kikauka holds an aggregate of 508,000 Common Shares, representing approximately 0.48% of the issued and outstanding Common Shares on an undiluted basis. In the event that Mr. Kikauka exercises his options, he would hold an aggregate of 1,283,000 Common Shares, or approximately 1.21% of the issued and outstanding Common Shares of the Issuer, on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

No special committee was established in connection with the transaction. Mr. Kikauka abstained from voting on the transaction.

- (f) **A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the agreement to acquire the Property, the Issuer did not enter into any other agreement with an interested party or a joint actor with an interested party in connection with the Transaction. To the Issuer's knowledge, no related party to the Issuer entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Transaction.

- (i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Transaction constituted a related party transaction within the meaning of MI 61-101, as an insider of the Issuer was issued an aggregate of 50,000 Common Shares. The Issuer is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in subsections 5.5(a) and 5.7(1)(a), of MI 61-101, respectively, as the fair market value of the subject matter of, or the fair market value consideration for, the Transaction, insofar as it involves an interested party, did not exceed 25 per cent of the Issuer's market capitalization.

A material change report in respect of this related party transaction could not be filed at least 21 days prior to the closing of the Transaction due to the fact that the Transaction was approved by the board of directors of the Issuer immediately prior to its execution and closing.

Item 5: Full Description of Material Change

See the news release attached as Schedule "A".

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7: Omitted Information

None

Item 8: Executive Officer

Jared Lazerson, Chief Executive Officer
Telephone: 604 681 7735

Item 9: Date of Report

May 25, 2018

Schedule "A"



MGX Minerals Provides Update on B.C. Silicon Project Portfolio; Drilling and Metallurgical Programs Planned for 2018

VANCOUVER, BRITISH COLUMBIA / May 24, 2018 / **MGX Minerals Inc.** (“MGX” or the “Company”) ([CSE: XMG](#) / [FKT: 1MG](#) / [OTCQB: MGXMF](#)) is pleased to provide shareholders with a progress report on its expanding silicon portfolio in British Columbia along with planned 2018 development activities. 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.

Acquisition of New High-Grade Silicon Property

The Company 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% SiO₂ and < 1.2% impurities such as Al₂O₃, Fe₂O₃, CaO, MgO, Na₂O, K₂O.

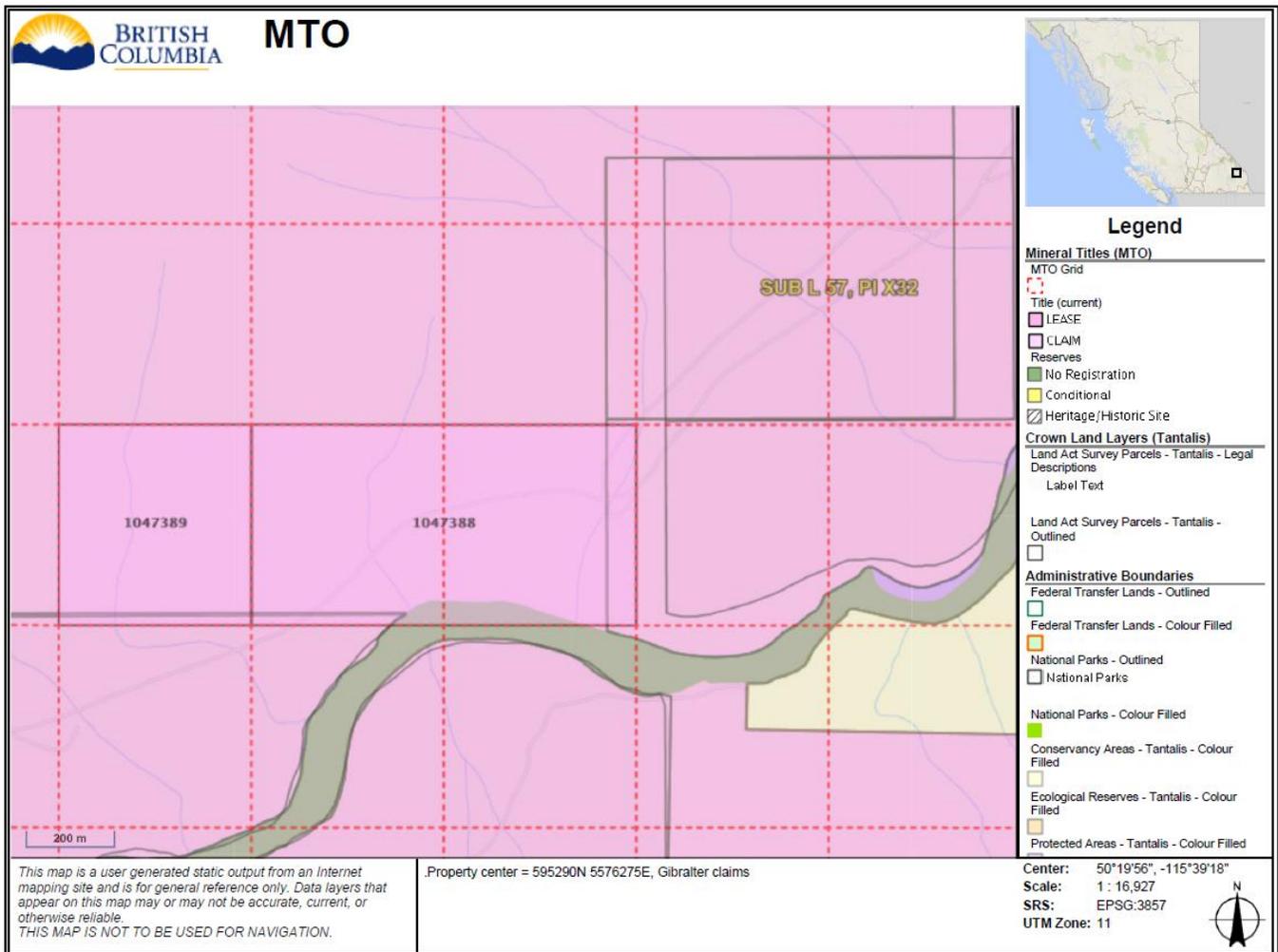
The Gibraltar quartzite unit is located in the foreland thrust zone of the Hughes Range of the Rocky Mountains. It covers a sedimentary clastic-carbonate rock package located near the confluence of Kootenay and White River. Sedimentary rocks generally have a north-northwest strike, but locally a north-northeast strike is prominent. Minor folding was noted in the carbonate sequence immediately adjacent to quartzite unit. Two westerly dipping thrust faults (Hay, Carter, 1988) are believed to run north-south close to the eastern edge of the Gibraltar property.

The main exploration target on Gibraltar includes a moderately dipping, 20-30 meter wide high purity quartzite bed exposed over a strike length of approximately 420 meters. Fieldwork carried out in 2017 consisted of geological mapping (approximately 10 hectares), geochemical sampling (7 rock chip samples submitted for whole rock geochemical analysis, ALS code ICP06), and GPS surveying quartzite outcroppings. A total of 7 rock chip quartzite samples (ID numbers 15GIBR-1 to 15GIBR-7) were taken from the base of the Main Zone. Whole rock geochemical analysis is summarized as follows:

Sample ID	% SiO₂	% Al₂O₃	% Fe₂O₃	% MgO	% CaO	Na₂O	K₂O	% LOI	% Total	SiO₂/ Total
17GIBR-1	99.8	0.24	0.39	0.1	0.04	0.02	0.07	0.28	100.97	98.84
17GIBR-2	100	0.16	0.32	0.11	0.26	0.02	0.06	0.51	101.46	98.56
17GIBR-3	98.1	0.25	0.4	0.09	0.39	0.02	0.11	0.56	99.96	98.14
17GIBR-4	88.5	0.08	0.34	0.02	0.07	<0.01	0.03	0.27	99.68	88.78

17GIBR-5	98.7	0.33	0.52	0.04	0.01	0.01	0.12	0.11	99.89	99.23
17GIBR-6	99	0.06	0.4	0.01	0.02	0.02	0.01	0.15	99.76	98.91
17GIBR-7	99	0.3	0.41	0.03	0.03	0.02	0.1	0.18	100.09	98.75

Based on sum of SiO₂%/Total% values, the mean value of the SiO₂%/Total% for 6 out of 7 rock chip samples analyzed is 98.8%. The relatively high SiO₂ content of 6 out of 7 samples (17GIBR-1 to 3, and 17GIBR 5 to 7) taken along approximately 300-meter strike length of well exposed Mt Wilson Formation quartzite, compares favourably with other silica producers such as Moberly, Hunt and HCJ Properties near Golden, BC. Impurity compounds of interest (Al₂O₃, MgO, CaO, Fe₂O₃) approach specifications required for producing ferrosilicon alloy. Based on the range of %SiO₂ and impurity values such as MgO, CaO, P₂O₅, Al₂O₃, and Fe₂O₃, it is possible that the Gibraltar quartzite silica is suitable for use as a raw material for ferrosilicon or silicon metal production.





As consideration, MGX has issued 100,000 common shares of the Company 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 Company by virtue of being a Director and Vice President of Exploration of the Company. 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 Company 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

MGX 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 Company 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 (SiO₂). Whole rock analysis of composite samples in six of seven shallow diamond drill holes returned values ranging between 98.7% and 99.3% SiO₂ ([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 Company's expansion into low cost energy mass storage systems, MGX 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 the Company's wholly owned subsidiary **ZincNyx Energy Solutions Inc.** ("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.

Qualified Person

The technical portions of this press release were reviewed by Andris Kikauka (P. Geo.), Vice President of Exploration for MGX Minerals. Mr. Kikauka is a non-independent Qualified Person within the meaning of National Instrument 43-101 Standards.

About MGX Minerals

MGX Minerals is a diversified Canadian resource company with interests in advanced material and energy assets throughout North America. Learn more at www.mgxminerals.com.

Contact Information

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Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "potentially" and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors. The reader is referred to the Company's public filings for a more complete



discussion of such risk factors and their potential effects which may be accessed through the Company's profile on SEDAR at www.sedar.com.