Pioneering Lithium in Alberta: MGX Minerals Teams Up

On Monday, MGX Minerals Inc. disclosed the principal investors of a strategic financing at 10 cents, including renowned Canadian investor Robert Hirschberg, legendary mining veteran Dr. K. Sethu Raman, and Sam Sahota. Hereupon, MGX traded >2.5 million shares in the last 2 days, up 36% from Friday’s close at 11 cents. Last Thursday, MGX announced the receipt of an initial Process Design and Scoping Study from engineering consultant Cementation AG in regards to lithium carbonate production at MGX’s Alberta Lithium Projects. Cementation has been engaged to analyze the extraction of minerals from the heavily mineralized brine of the Fox Creek and Swan Hills areas within the company’s portfolio of Alberta lithium properties. MGX stated that “the Study provides for a positive basis to move forward.” Also on Thursday last week, MGX acquired 160,000 hectares of additional properties prospective for lithium-rich brines and now controls over 300,000 hectares in Alberta.
According to MGX’s press-release (April 14, 2016):

“The newly acquired properties encompass known historic high-grade lithium values (>100 mg/L) as reported in the Province of Alberta Industrial Minerals database. MGX now controls a significant portion of lithium bearing areas throughout the Province of Alberta. This includes large strategic land blocks located throughout Mackenzie County of northwestern Alberta with close proximity to historic oil fields. MGX’s lithium brine bearing land position now spans over 300,000 hectares (1,160 square miles) with significant holdings in the geologically-favorable areas of Mackenzie, Fox Creek and Red Deer.

Major existing infrastructure including wells, roads and power are available on MGX’s lithium properties along with the support of nearby oil field services. MGX continues to focus on leveraging existing infrastructure in cooperation with oil and gas operators and all levels of government with the explicit goal of moving to immediate test production and test processing of lithium brine.

Alberta offers the unique advantage in the global lithium race of massive existing infrastructure associated with lithium brine bearing areas and large existing historical databases essentially, in these areas, eliminating the need for conventional exploration drilling.

In connection with the Agreement [with the Brookes Heyman Lithium Syndicate], MGX has agreed to issue one million common shares of the Company, with 333,000 shares due at closing and an additional 333,000 shares due on the first and second anniversaries. The Company will also issue cash payments totaling CA$60,000, with CA$20,000 due at closing and an additional CA$20,000 due on the first and second anniversaries. MGX has also granted a 2% Net Smelter Royalty to the Syndicate, of which 1% may be repurchased by the Company for a one-time cash payment of CA$1 million.”
On the same day, MGX separately announced the receipt of an initial Process Design and Scoping Study (April 14, 2016):

“The Study includes flowsheet recommendations and operational expenditure (OPEX) calculations to process lithium-bearing brine of 20,000 bpd (barrels per day) in a commercial plant. The process proposes to significantly reduce the process time versus traditional solar evaporation, which is up to 18 months. The process is designed to rapidly separate brine minerals to produce various compounds including lithium carbonate, sodium chloride and calcium chloride. The implementation of multiple product lines is designed to maximize potential revenue and reduce the lithium carbonate equivalent cost of production. Utilizing significant literature searches, solubility models and in-house brine expertise, a workable process was developed by Cementation AG. A flowsheet, non-iterative mass balance, evaporator load, pond sizing, equipment list and operating costs were also developed based on water analyses from historic central wells located on MGX’s Fox Creek Property.

‘The proposed process developed by Cementation AG provides for a modern industrial process that would reduce evaporation time and provide for a number of product lines to offset potential costs and increase potential long term profits,’ stated MGX President & CEO Jared Lazerson.

About Cementation AG
Cementation AG holds expertise in the handling and processing of industrial and energy minerals from scoping study through construction, operations, and maintenance. The lithium plant engineering team is being led by Cementation AG’s process engineers with extensive experience in process design, metallurgy and operations. Cementation AG process engineers have supported projects with Suncor, Intrepid Potash, Copper Mountain, Rio Tinto, Phelps Dodge, HudBay Minerals and others. Cementation is a wholly owned subsidiary of Murray & Roberts. Murray & Roberts is a leading engineering and construction services company with offices in South Africa, Namibia, Botswana, Mozambique, Zambia and Ghana, the United Emirates, Australia and South Korea, Scotland, Canada, the USA and Chile. Cementation AG was formed to complement the Cementation Underground Group as well as pursue other bulk material handling and minerals processing opportunities globally.”

CONCLUSION
Monday’s announced strategic investment involving Canadian entrepreneur Robert Hirschberg and mining legend Dr. Sethu Raman (see profiles on next pages) may signal the starting shot of rapidly developing MGX’s Alberta projects into thriving lithium carbonate production centres. In February, MGX engaged the oil and gas veteran Dr. Larry Marks, who spent 30 years in executive roles with Shell Canada implementing strategies for the sale and transportation of energy and co-products exceeding $3 billion in annual revenues. Larry Mark’s Lamar Corporation of Calgary is leading the development strategy for MGX’s lithium properties near Fox Creek in Alberta.

Notably, MGX has accelerated in attracting strong partners, both financially and experience-wise, all of which may assist in bringing back Alberta as a major well hub, this time also pumping for North America’s green energy revolution. Adaptation is key to survival – Alberta has the brine to do so, while MGX brings a pioneering brain.

LITHIUM TECHNICAL CONSULTANTS

The Lamar Corporation
The Lamar Corporation is led by Dr. Larry Marks, a 35-year industry veteran of the oil and gas sector. Dr. Marks spent 30 years in various executive roles for Shell Canada Ltd. and various Shell Group companies, including General Manager and Vice President of Marketing and Transportation for Shell Canada.

Cementation AG
Cementation AG (Above Ground Division) has been retained for process and pilot plant engineering of a 20,000 bpd lithium, potassium and magnesium extraction plant. The plant is projected to produce up to 500 tonnes of lithium carbonate annually and provide sufficient data for development of a large scale commercial facility.

Mr. Derek Stonehouse
Mr. Stonehouse has over 26 years of experience in the oil and gas industry in western Canada, including the identification and drilling of over 140 horizontal wells.
ME AND MY MONEY:
Investor in junior resource stocks rides commodity market’s swings

By Larry Macdonald on March 4, 2016, special to The Globe and Mail

Robert Hirschberg
Occupation
Owner/manufacturer of promotion-al-clothing company.

The portfolio
More than a dozen junior resource companies, including Lithium X Energy Corp., Pure Gold Mining Inc. and NRG Metals Inc.

The investor
The book Reminiscences of a Stock Operator describes how the legendary Jesse Livermore made and lost fortunes in the stock market. Toronto resident Robert Hirschberg has a similar story. And the trading slips to go with it, as he told Me and My Money.

His market adventure first came to light in a 2015 interview by CEO.ca. There was also a mention in the investment book, Market Masters (ECW Press, 2016). Here is a timeline for Robert Hirschberg’s story.

Beginning in 1981, a commodities boom sweeps his $20,000 in junior-mining stocks to a value of $850,000 in five years. But this is zapped by a margin call during the market plunge in October, 1987. (The value of his stocks fell below the loan value so the brokerage that had lent him money asked him to put in more or it would do a forced sale – which it did, at a loss to him).

In 2001, he put $20,000 of his wife’s money into Noront Resources Ltd. and Waseco Resources Inc. They, and some other trades, surge to $1.1-million by 2007 – thanks to another commodities bull market. The crash of 2008 slashes the portfolio to $350,000. He takes $200,000 out and leaves the rest in the market because there are no bid-ask quotations for the remaining stocks. The market roars back and by 2011, the “worthless $150,000 portfolio” has skyrocketed to a “magical” $15-million. Then a correction drives the portfolio down 70 per cent by 2014.

Currently, he is biding his time, waiting for the next upswing.

How he invests
Mr. Hirschberg looks for four things in a company: 1) executives with successful track records building up junior companies; 2) good assets; 3) access to funding; and 4) lots of upside (“blue sky potential”).

Lithium X Energy is headed by Paul Matysek, a geologist with a solid track record of developing junior miners over the past 30 years; lithium demand is rising due to new technologies such as electric cars.

Pure Gold Mining has properties close to a large, proven deposit; several million dollars are in the bank.

NRG Metals has property near a graphite producer, and small-scale production on a Guyana gold property with a potential for expansion.

Mr. Hirschberg monitors newsletters and websites (his favourite is CEO.ca). He also talks on the phone several times a day with people in the industry. And he attends industry conventions, such as the one run by the Prospectors & Developers Association of Canada.

Best move
It was getting in early on discoveries made by junior resource companies, such as when Diamond Fields Resources Inc. found the Voisey Bay nickel deposit.

Worst move
“Not getting out at the height of bull resource markets.”

Advice
“Play with money you can afford to lose.”

Want to be in Me and My Money? Contact Larry MacDonald at mccolumn@yahoo.com or his website.
Dr. Sethu Raman

Dr. K. Sethu Raman is a serial mine finder and a successful entrepreneur with more than 46 years of international experience in all phases of exploration, mine development, acquisitions and operations as well as experience in financial and legal areas.

He has pioneered many new exploration concepts and strategies which have led to the discovery of eleven significant gold, silver, copper, zinc, phosphate and uranium deposits located near established mining camps, seven of which went on to become producing gold mines in Canada.

As President and CEO of Holmer Gold Mines Ltd (1985-2004) and Director and Advisor to Lake Shore Gold Corp (2004-2016), Dr. Raman has been the driving force behind the discovery and development of the Timmins West Gold mine in a previously unknown faulted extension of the Timmins Mining Camp. The surrounding area hosts several deposits and profitable mines operated by Lake Shore Gold with an annual production of 180,000 ounces of gold in 2014. On April 1, 2016 Lake Shore accepted a friendly $945M takeover offer by Tahoe Resources Inc.

Dr. Raman previously spent 13 years with Campbell Chibougamau Mines/ Campbell Resources and the Royex Gold Mining Group of companies controlled by Ned Goodman.

He joined as a Research Geologist and held various management positions including Vice President from 1980 to 1986. Here he played a key role in the discovery and development of six gold mines in Quebec, Ontario and the Canadian Arctic increasing the market cap from $25M to $1B. Subsequently these companies were sold to Home Stake Mining (now Barrick Gold) and Patino Mining Corp.

He holds a Ph.D. in Geology from Carleton University and a UNESCO Post-Graduate Diploma from the University of Vienna, Austria.

About MGX Minerals Inc.

MGX Minerals Inc. is a diversified Canadian mining company engaged in the acquisition and development of industrial mineral deposits that offer near-term production potential, minimal barriers to entry and low initial capital expenditures. MGX’s flagship property is the Driftwood Creek Magnesium Deposit, which is being rapidly advanced towards production. MGX has also consolidated key mining claims throughout the Driftwood district and now controls the majority of known magnesite occurrences in British Columbia, Canada.

• Located in historic Brisco-Driftwood Mining District of southeastern British Columbia;
  • Excellent infrastructure including access to rails, road, labor and electricity; potentially amenable to low-cost, open pit mining methods.

The Driftwood Creek project is hosted by the Precambrian-aged Mount Nelson Formation. This sedimentary formation is approximately 1,300 meters thick and intruded by younger felsic and mafic igneous dykes. Magnesite mineralization occurs in the upper half of the formation and is well exposed at surface along as an isolated topographic ridge. Magnesite has been traced over a strike length of 1,900 meters and to a maximum width of 220 meters. Mineralization occurs in two discrete zones that are believed to have been remobilized and enriched during a period of metamorphic recrystallization.

Analyst Coverage:

Research #5 “Time to Put a Lithium Production Process in Place”

Research #4 “MGX Minerals Taps Into Canada’s Potentially Largest High-Grade Lithium Resources”

Research #3 “MGX Minerals Receives Mining Lease for 20 years (in British Columbia)”

Research #2 “MGX Minerals Accelerates Towards Production”

Research #1 “MGX Minerals Plans To Enter The Magnesium Market In 2016”
Why is This Becoming the Mineral of Choice?

By Kal Kotecha on April 14, 2016, for the Junior Gold Report

According to Business Insider: Lithium is a critical component of the lithium-ion batteries made by Tesla used to power its high-performance electric cars and the Powerwall, its home power storage unit. Lithium has been one of the few commodities for which prices have been sustained over recent months in the global commodities rout. Australian fund manager Paragon estimates that demand will continue to increase by around 10% a year.

The truth is that Tesla will not be a significant user of lithium compared to other major procurers, such as China. Of course this is comparing one company against the largest populous country in the world -- A David versus Goliath scenario and we know who won that battle. But it demonstrates the fact that lithium is an increasingly desirable commodity for businesses and nations across the globe. This trend will greatly increase the demand for junior mining companies that work toward developing lithium properties - such as MGX Minerals Inc.

Jared Lazerson continues his brilliant quest of acquiring properties poised for production. His latest coup was to purchase lithium properties. As per the recent news release: MGX previously entered into a purchase agreement for a 100-per-cent undivided interest in 12 metallic and industrial mineral permits encompassing 96,000 hectares throughout the province of Alberta (see press release dated Feb. 1, 2016). These permits were acquired based on compilation of historic exploration for lithium by the province, as well as oil and gas well data and known geology. MGX’s current lithium-brine-bearing land position by way of permits and permit applications now stands at over 540 square miles (141,000 hectares). The permits and permit applications are all geologically associated with current and past-producing oil fields.

On April 14th the company announced: MGX Further Expands Lithium Land Position to 300,000 hectares in Alberta

The Permits encompass known historic high-grade lithium values (>100 mg/L) as reported in the Province of Alberta Industrial Minerals database. MGX now controls a significant portion of lithium bearing areas throughout the Province of Alberta. This includes large strategic land blocks located throughout Mackenzie County of northwestern Alberta with close proximity to historic oil fields. MGX’s lithium brine bearing land position now spans over 300,000 hectares (1,160 square miles) with significant holdings in the geologically-favorable areas of Mackenzie, Fox Creek and Red Deer.

Major existing infrastructure including wells, roads and power are available on MGX’s lithium properties along with the support of nearby oil field services. MGX continues to focus on leveraging existing infrastructure in cooperation with oil and gas operators and all levels of government with the explicit goal of moving to immediate test production and test processing of lithium brine. Alberta offers the unique advantage in the global lithium race of massive existing infrastructure associated with lithium brine bearing areas and large existing historical databases essentially, in these areas, eliminating the need for conventional exploration drilling.

In connection with the Agreement, MGX has agreed to issue one million common shares of the Company, with 333,000 shares due at closing and an additional 333,000 shares due on the first and second anniversaries. The Company will also issue cash payments totaling CA$60,000, with CA$20,000 due at closing and an additional CA$20,000 due on the first and second anniversaries. MGX has also granted a 2% Net Smelter Royalty to the Syndicate, of which 1% may be repurchased by the Company for a one-time cash payment of CA$1 million.

Also on April 14th, the Company announced: MGX Minerals Receives Initial Process Design and Scoping Study for Production of Lithium Carbonate

The Study includes flowsheet recommendations and operational expenditure (OPEX) calculations to process lithium-bearing brine of 20,000 bpd (barrels per day) in a commercial plant. The process proposes to significantly reduce the process time versus traditional solar evaporation, which is up to 18 months. The process is designed to rapidly separate brine minerals to produce various compounds including lithium carbonate, sodium chloride and calcium chloride. The implementation of multiple product lines is designed to maximize potential revenue and reduce the lithium carbonate equivalent cost of production.

Utilizing significant literature searches, solubility models and in-house brine expertise, a workable process was developed by Cementation AG. A flowsheet, non-iterative mass balance, evaporator load, pond sizing, equipment list and operating costs were also developed based on water analyses from historic central wells located on MGX’s Fox Creek Property.

“The proposed process developed by Cementation AG provides for a modern industrial process that would reduce evaporation time and provide for a number of product lines to offset potential costs and increase potential long term profits,” stated MGX President and CEO Jared Lazerson.
The lithium property from MGX contains dozens of oil wells with significant previous production of brine from hundreds to thousands of barrels per well per day. Past production indicates very low oil production of generally less than 3% resulting in very high brine production. MGX is focused on leveraging the massive existing infrastructure including wells, roads, power and fluids handling expertise in the Fox Creek region, where unemployment rates have risen dramatically due to a shrinking of the oil and gas industry in recent years. Today, MGX announced the identification of 16 past producing wells for test production in the lithium-bearing Swan Hills Formation near Fox Creek. A central well of the 8 x 3 km well-cluster reported historical lithium grades of 130 mg/L, another well 3 km away reported 117 mg/L, and a third well 10 km away showed 130 mg/L again. Past production of brine in the most recent wellhead production reports for the cluster totaled 17,000 barrels per day (“bpd”), which would be 6.2 million barrels or 740 million litres per year. Assuming a grade of 130 mg/L, ~96 t of lithium could be produced each year which equates to ~511 t of lithium carbonate at 100% recovery (at $14,000/t lithium carbonate valued at $7.2 million USD, which number appears to be a good cost scale for a pilot plant). The costs of drilling a new well at this depth could easily exceed $2 million USD (plus pipelines, water re-injection equipment, permitting etc.). Thus, 16 new wells could cost more than $32 million USD, however MGX does not plan to incur those costs because the existing wells are operational. MGX could just pump and go; thus utilizing existing pipelines and other infrastructure near-by. From a business and environmental standpoint, this would be highly advantageous. MGX is in discussion with specialized engineering firms for initial design process flow and equipment list to build a 20,000 bpd plant for the extraction of lithium, potassium and magnesium compounds. MGX aims to design a conventional high efficiency, high recovery extraction facility.

We at JGR have had the pleasure of interviewing Mr. Lazerson:

(1) JGR: Can you tell us about the lithium properties—where are they located? Do they contain oil?

JL: The properties are throughout Alberta with a central block near Fox Creek. This is an old oil producing area so there is still some oil in the wells but they are primarily producing brine on average 98% brine / 2% oil. There are a variety of well categories, currently operating, shut-in and abandoned. Our preference is to use existing wells with operators in place but in time we will operate our own wells or acquire operating wells and this may include the oil or gas as well.

(2) JGR: How did you receive these lithium claims? What did you have to give up in return?

JL: We acquired the claims from various parties that were working together. The initial claims covering 96,000ha were acquired for 1.5M shares (over 3 years) and $20,000 cash. We just staked an additional 45,000ha to connect and expand certain claims and expect to have these formalized within 30 days. We are excited about our initial process design and scoping study as stated on our news release on April 14th.

(3) JGR: Can you monetize if so, exactly how and when?

JL: We are just completing our initial plant design and will do some metallurgy testing. We focused on leveraging existing technologies but combining them in a new way to produce lithium and other industrial minerals so we expect our CAPEX and operating numbers to be quite strong particularly in light of a potentially vast resource base. So, in short we would aim for cash flow within the year.

(4) JGR: What are the start-up costs?

JL: We are working with various parties on the financing of the initial commercial plant. Our potential partners each have various interests which have brought us together, some are local so they are focused more on regional or oil business opportunities others just want to be in battery commodities such as lithium. Although there are a number of items to address in terms of permitting, construction and production, it is our strategic goal of being in production within the year.

(5) JGR: Can you let us know about the oil – start-up costs, monetization etc.?

JL: The oil, in the ratios we have discussed, would represent about 25% of the potential revenue so it is significant but the acquisition of oil rights and wells or drilling of wells is a significant undertaking so we see this as a long term or regional opportunity, in areas where there is essentially no production but good lithium grades. Right now we are working with existing operators where they have the oil rights and we have the mineral rights. We will look to acquire oil rights in the right scenario at the right time.

(6) JGR: Please let us know about the patents? What is it for? How is it useful for MGX? How will MGX use it and monetize?

JL: At this time we are developing a proprietary process and it is likely we will file patents. The process we are using, to our knowledge, has never been used before. It is complex but essentially conventional solution that is specifically designed for highly mineralized brine leveraging inputs from western Canada. It is the in-between step between brine evaporation, which is cheap but takes a year and a half to produce, and hard-rock, which is
underground mining and very expensive.

As my readers are aware, XMG Minerals is a diversified company that holds magnesium claims (please see news release dated April 14 below)

(7) JGR: Can you please let us know is happening with the bulk tonnage of magnesium?

JL: We tried to get this done in the dead of winter and it just wasn’t possible to get the road development completed with the snow. Right now haul road construction is underway as part of our comprehensive development agreement with Dominion Excavating a local First Nation’s owned company. We would expect this to be completed within a few weeks and blasting and loading to commence shortly thereafter

MGX Minerals Inc. (CSE: XMG) offers high potential near-term share gains as a result of its movement to the development and production phase of their project. As stated by CEO Jared Lazerson himself, the Company intends to enter production within the year, and upon the announcement of this production, it’s expected that the share price of $0.10 will not stay there for too long. MGX’s greatest strategic advantage is the diversification of minerals housed within its properties, which effectively sets the Company up with multiple streams of revenue that can be fully exploited based on market conditions. The Company’s management team has continually demonstrated clear strategic planning and execution, and we expect shareholders will benefit greatly when investing in MGX Minerals Inc.

Please visit the in-depth corporate presentation

Happy Investing! Kal Kotecha PhD, Editor of the Junior Gold Report email: kal@juniorgoldreport.com website: www.juniorgoldreport.com

Kal Kotecha, PhD, is the editor and founder of the Junior Gold Report, a publication about small cap mining stocks that is read and enjoyed by thousands of investors. He was the editor and creator of the MolyGold Report, which focused on critical analyses and open journalism of companies profitting from the precious and base metals sector. The scope of his current activities includes worldwide onsite analyses and reporting of developing companies. Kal has previously held leadership positions with many junior mining companies. After completing his MBA in Finance in 2007, Kal completed his PhD in Business Administration in January 2016. His thesis was on the Affective Heuristics of the 2008 stock market crash. He also lectures Economics at the University of Waterloo and Niagara College where he was voted Professor of the Year 2013/2014.

Disclaimer © 2010 Junior Gold Report Junior Gold Report® Newsletter: Junior Gold Report’s Newsletter is published as a copyright publication of Junior Gold Report (JGR). No Guarantee as to Content: Although JGR attempts to research thoroughly and present information based on sources we believe to be reliable, there are no guarantees as to the accuracy or completeness of the information contained herein. Any statements expressed are subject to change without notice. JGR, its associates, authors, and affiliates are not responsible for errors or omissions. Consideration for Services: JGR, its editor, affiliates, associates, partners, family members, or contractors may have an interest or position in featured, written-up companies, as well as sponsored companies which compensate JGR. JGR has been paid by the company written up. Thus, multiple conflicts of interests exist. Therefore, information provided here-within should not be construed as a financial analysis but rather as an advertisement. The author’s views and opinions regarding the companies featured in reports are his own views and are based on information that he has researched independently and has received, which the author assumes to be reliable. No Offer to Sell Securities: JGR is not a registered investment advisor. JGR is intended for informational, educational and research purposes only. It is not to be considered as investment advice. Subscribers are encouraged to conduct their own research and due diligence, and consult with their own independent financial and tax advisors with respect to any investment opportunity. No statement or expression of any opinions contained in this report constitutes an offer to buy or sell the shares of the companies mentioned herein. Links: JGR may contain links to related websites for stock quotes, charts, etc. JGR is not responsible for the content of or the privacy practices of these sites. Release of Liability: By reading JGR, you agree to hold Junior Gold Report its associates, sponsors, affiliates, and partners harmless and to completely release them from any and all liabilities due to any and all losses, damages, or injuries (financial or otherwise) that may be incurred. Forward Looking Statements: Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including “will”, “believes”, “may”, “expects”, “should”, “seeks”, “anticipates”, “has potential to”, or “intends” or by discussions of strategy, forward looking numbers or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and strategic ventures and statements regarding future performance. Junior Gold Report does not take responsibility for accuracy of forward looking statements and advises the reader to perform own due diligence on forward looking numbers or statements.
Disclaimer and Information on Forward Looking Statements:

All statements in this report, other than statements of historical fact should be considered forward-looking statements. Much of this report is comprised of statements of projection. Statements in this report that are forward looking include that magnesium, lithium and metal prices are expected to increase; that MGX Minerals Inc. or its partner(s) can and will start exploring further; that exploration has or will discover a mineable deposit; that the company can raise sufficient funds for exploration or development; that any of the mentioned mineralization indications or estimates are valid or economic. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in these forward-looking statements. Risks and uncertainties respecting mineral exploration and mining companies are generally disclosed in the annual financial or other filing documents of MGX Minerals Inc. and similar companies as filed with the relevant securities commissions, and should be reviewed by any reader of this report. In addition, with respect to MGX Minerals Inc., a number of risks relate to any statement of projection or forward statements, including among other risks: the receipt of all necessary approvals and permits; the ability to conclude a transaction to start or continue development; uncertainty of future magnesium, lithium and metal prices, capital expenditures and other costs; financings and additional capital requirements for exploration, development, construction, and operating of a mine; the receipt in a timely fashion of further permitting for its legislative, political, social or economic developments in the jurisdictions in which MGX Minerals Inc. carries on business; operating or technical difficulties in connection with mining or development activities; the ability to keep key employees, joint-venture partner(s), and operations financed. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Rockstone and the author of this report do not undertake any obligation to update any statements made in this report.

Disclosure of Interest and Advisory Cautions:

Nothing in this report should be construed as a solicitation to buy or sell any securities mentioned. Rockstone, its owners and the author of this report are not registered broker-dealers or financial advisors. Before investing in any securities, you should consult with your financial advisor and a registered broker-dealer. Never make an investment based solely on what you read in an online or printed report, including Rockstone’s report, especially if the investment involves a small, thinly-traded company that isn’t well known. The author of this report is paid by Zimtu Capital Corp., a TSX Venture Exchange listed investment company. Part of the author’s responsibilities at Zimtu is to research and report on companies in which Zimtu has an investment. So while the author of this report is not paid directly by MGX Minerals Inc., the author’s employer Zimtu will benefit from appreciation of MGX Minerals Inc.’s stock price. In addition, the author owns shares of MGX Minerals Inc. and would also benefit from volume and price appreciation of its stock. MGX Minerals Inc. may have one or more common directors with Zimtu Capital Corp. Thus, multiple conflicts of interests exist. Therefore, the information provided herewithin should not be construed as a financial analysis but rather as advertisement. The author’s views and opinions regarding the companies featured in reports are his own views and are based on information that he has researched independently and has received, which the author assumes to be reliable. Rockstone and the author of this report do not guarantee the accuracy, completeness, or usefulness of any content of this report, nor its fitness for any particular purpose. Lastly, the author does not guarantee that any of the companies mentioned will perform as expected, and any comparisons made to other companies may not be valid or come into effect. Please read the entire Disclaimer carefully. If you do not agree to all of the Disclaimer, do not access this website or any of its pages including this report in form of a PDF. By using this website and/or report, and whether or not you actually read the Disclaimer, you are deemed to have accepted it. Information provided is educational and general in nature.