

MGX Minerals Inc.

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MGX Minerals advances on many fronts as world embraces renewable technology

- Diversified group at the forefront of developing industrial technologies
- Wastewater business is revenue-generating
- Strong management

MGX Minerals Inc (CSE:XMG) (OTCQB:MGXMF) is a multi-layered company with many interests. The corporate presentation describes it as leading the modern shift to renewables from fossil fuels via its investments in battery commodities, extraction processes and cleantech.

It has four divisions: mineral extraction (including from brines), wastewater purification, energy storage and conventional mining. The company believes its investors have recognised its shift away from more conventional mining assets, which it still holds, toward tech and industrial technology.

Petrolithium

An area of the group's operations, which has seen significant progress in recent months is in petrolithium, a new approach to gleaning lithium and other elements from wastewater, or brines, that are produced by the oil and gas sector

To give some perspective, the North American oil and gas industry is said to generate over 80 million barrels of brine a day, while it is expected that demand for lithium, used in batteries and everyday modern gadgets, will rise 650% between now and 2027, so the potential here is enormous.

MGX has considerable lithium assets, which span over 2.1 million acres across North and South America. These have come about via acquisitions and strategic joint ventures. In the eastern USA, MGX and Eureka Resources (CVE:EUK) struck a 50: 50 joint venture to recover lithium from water produced at nonconventional oil and gas sites across the Marcellus and Utica shales.

Wastewater

Operations here are also going well. The first wastewater treatment system has been commissioned and is in use at an oilsands SAGD (steam assisted gravity drainage) operation in Alberta. A second is on its way.

And in March this year, the group said contracts were currently being negotiated for more systems.

The process consists of a series of filtration methods that separates impurities from oil and gas wastewater to yield clean water as a final product. MGX has said it expects revenue of C\$2 million in 2019 from these two systems alone, with much more to come. The North American wastewater treatment industry is said to be worth \$29 billion.

Energy storage

MGX has three silicon projects in south-eastern British Columbia, called Koot, Wonah and Gibraltar. Silicon is a vital part of renewable energy. It is used to make solar panels, as an adhesive on wind turbines, and as an insulation on electrical power lines.

Price: 0.095

Market Cap: \$13.34 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: XMG

Listing: CSE

52 week	High	Low
	0.405	0.04

Sector: Rare earths & specialist minerals

Website: www.mgxminerals.com

Company Synopsis:

MGX Minerals Inc. (CSE: XMG / OTC:MGXMF / FKT: 1MG) is a diversified company engaged in battery mass storage technology, treatment and extraction of minerals from wastewater and brines, as well as conventional mining exploration and development.

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A breakthrough was seemingly made recently in a collaborative research partnership between the company and the University of British Columbia (UBC) in work to develop a silicon, lithium battery rather than a lithium graphite one. A new silicon-based anode part of the battery would improve energy density -- namely, last longer, which is what all consumers are looking for.

Elsewhere, MGX's subsidiary MGX Renewables Inc. is advancing zinc-air flow batteries (20 patents granted so far) designed for high capacity and long duration. They can be used in a wide range of energy storage applications in the fields of renewable energy, industrial backup power and grid-scale energy.

The group is spinning off MGX Renewables and received last month conditional approval to list on the Canadian Securities Exchange.

Mining

In conventional mining, the group is poised to become the next producer of magnesium oxide in North America, via its Driftwood Creek project in southeastern British Columbia.

Magnesium is lighter than aluminium and steel but still very strong. It is used in alloys for vehicles and also consumer tech products.

The MGX project boasts a pre-tax NPV (net present value) of \$529.8 million, IRR (internal rate of return) of 24.5% with a 3.5-year payback, according to a preliminary economic assessment. It would be a quarry pit mine with a 1,200 tonne per day (tpd) process plant using conventional methods to produce a saleable product

The company says the project offers MGX the potential to mine a highly strategic metal in a geopolitically stable, mining-friendly jurisdiction.

What the CEO says:

Jared Lazerson told Proactive Investors last month: "We look for near commercialisation projects. We like to pay the money, to commercialise, prove out the science in a business way, with a business case, in a real world environment. We like that role."

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