

Form 51-102F3
Material Change Report

1. Name and Address of Company

Mag One Products Inc.
600 – 777 Hornby Street
Vancouver, BC V6Z 1S4

2. Date of Material Change

January 22, 2019

3. News Release

A press release was issued on January 22, 2019 and disseminated through Market News and Stockwatch.

4. Summary of the Material Change

Mag One concludes Technology Acquisition Agreement with Tech Magnesium.

5. Full Description of the Material Change

Mag One Products Inc. (CSE: MDD) (the “Company” or “Mag One”) announced that the Company has finalized an agreement with Tech Magnesium (the “Agreement”), creating the roadmap for Mag One’s acquisition of its silicothermic and aluminothermic reduction processes for low cost, environmentally-friendly production of primary magnesium metal (the “Tech Mag Technology”). The Agreement outlines three phases of development and demonstration work with the final phase involving the design, construction and start-up of Mag One’s first 5,000 tonne per year primary Mg metal module with additional modules being brought online to coincide with market pull. During the term of the Agreement Mag One has an exclusive, worldwide license to the Tech Mag Technology as well as the exclusive right to acquire full ownership of the Tech Mag Technology and all associated intellectual property (IP).

Tech Magnesium is an Ontario-based company, founded by Dr. Douglas Zuliani. Dr. Zuliani has nearly forty years of experience in metals production and processes. From 1985 to 2000, he held a number of senior management positions with Timminco Ltd., the most recent being Vice President – Manufacturing and Technology. In this position, he had responsibilities for Timminco’s magnesium and specialty metals facilities as well as for the company’s R&D, market development and capital/engineering programs. Between 2007 and 2013, Dr. Zuliani collaborated with Gossan Resources on the initial development of the Zuliani Process. After completion of the Gossan contract, Dr. Zuliani decided to pursue other partnership options and subsequently brought the process and the other technologies back under the Tech Magnesium umbrella.

Gillian Holcroft, President & CEO of Mag One, said: “This agreement is the product of months of discussions with Dr. Zuliani, one of Canada’s foremost magnesium production experts. We both agree that the successful deployment of the Tech Mag Technology, coupled with our game-changing, serpentinite mine tailings-to-magnesium oxide (MgO) production technology, could result in the lowest-cost, greenest primary magnesium metal in the world. Our team looks forward to closely collaborating with Dr. Zuliani in the coming months to make this deployment a reality

and to charting an aggressive path to commercial rollout of magnesium production.”

Dr. Douglas Zuliani, President and Founder of Tech Magnesium said, “The absence of a process that is capable of producing clean Mg at an operating cost that is competitive with other light-weight materials is a huge barrier to wide adoption of the metal for light weighting in vehicles, despite Mg typically providing weight savings of 20-30% over aluminum and 45-50% over HSLA steels in structural applications. Using MgO from mine tailings as a feedstock for our Mg metal production process is highly innovative, cost-effective, and will ultimately be hugely disruptive for the transportation industry. Mag One has put together a solid technical and business team in Quebec to move toward environmentally-sustainable Mg metal production, and I look forward to building this business together with Mag One.”

This Agreement follows on the May 15, 2018 press release which announced the initiation of the relationship between Tech Magnesium and Mag One. Technical and commercial data between the two parties were exchanged in 2018, and terms negotiated, leading to the Agreement described herein.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51 – 102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Gillian Holcroft
President and Chief Executive Officer
Tel: (514) 928-6512

9. Date of Report

October 31, 2019