

## 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**

December 18, 2019

3. **NEWS RELEASE**

A press release was issued on December 18, 2019 and disseminated via the facilities of [news@baystreet.com](mailto:news@baystreet.com) and [news@Stockwatch.com](mailto:news@Stockwatch.com).

4. **SUMMARY OF MATERIAL CHANGE**

Mag One Correction Amended Q3 FS and MDA and Continuous Disclosure Requirements

5. **FULL DESCRIPTION OF MATERIAL CHANGE**

Vancouver, B.C., Canada – December 18, 2019 – Mag One Products Inc. (the “**Company**” or “**MOPI**”) is pleased to announce that the Company has recently concluded the following agreements in preparation for relaunching its ground-breaking magnesium-based development activities:

- **Processing Agreement with Mine Jeffrey Inc. and Beausite Metal Inc.** to access, recover and process up to 50,000,000 tonnes of serpentine mine tailings from Mine Jeffrey in Asbestos, Quebec – update to revised agreement from 2018.
- **Processing Agreement with Asbestos Corporation Limited** to access, recover and process up to 60,000,000 tonnes of serpentine mine tailings in the Thetford Mines region - update to 2017 agreement
- **Sale-Purchase Agreement with Dundee Sustainable Technologies** for the reacquisition of a Tailings Technical Report for the Thetford Mines area – update to initial agreement announced in June 2017. (This news was originally announced on December 13, 2019.)

“The conclusion of these agreements, with updated terms and conditions, is the first building block to relaunching our activities to implement our game-changing technologies for the production of high value, environmentally sustainable magnesium, magnesium oxide, amorphous silica and other by-products.” said Gillian Holcroft, MOPI’s President and CEO. “Admittedly, 2019 has been a difficult period for Mag One as it reorganizes its structure and its cash position. Having said this, our above partners have been patient with us, and the conclusion of these agreements is proof-positive of their belief in Mag One’s vision for a greener, cost-effective production of valuable goods from serpentine mine tailings,” she added.

Please find below a summary of each agreement. The agreements are now available on SEDAR with commercially sensitive information having been redacted.

Processing Agreement with Mine Jeffrey Inc. and Beausite Metal Inc.

- Exclusive access to recover up to 25M tonnes of serpentine tailings from Mine Jeffrey site
- Option to have exclusive access to recover an additional 25M tonnes of serpentine tailings – To be exercised by November 30, 2024
- CA\$1.00/tonne of tailings to be paid, with inflationary rider based on the Consumer Price Index from statistics Canada to be implemented on each January 1<sup>st</sup> of the calendar years subsequent achieving production
- A pre-payment of \$100,000 for the first 100,000 tonnes of tailings was paid in 2017 under the terms of the previous agreement
- Option to sell a portion of the former mine processing area for a future Mag One production site.

Processing Agreement with Asbestos Corporation Limited (ACL)

- Non-exclusive access to recover up to 60M tonnes of serpentine tailings from an estimated 160M tonnes owned by ACL in the Thetford Mines area
- A fixed cost per tonne of tailings was negotiated. The exact terms are considered confidential.
- A deposit to secure this option has previously been paid under the original contract.
- Agreement in place to sell a site under ACL's ownership for a future Mag One production site.

Sale-Purchase Agreement with Dundee Sustainable Technologies (DST)

- Reacquisition by Mag One of DST's NI 43-101 Technical Report prepared by Systèmes Geostat International Inc. on October 15, 2007 called "Resources Estimation of the Nickel Content in Asbestos Mine Tailings, Thetford Mines, Quebec, Canada" after Mag One gave notice to DST of its interest to re-acquire the report.
- An additional payment will be made to DST within 8 months of the date of the agreement.

Redacted versions of the aforementioned agreements will be made available on SEDAR.

6. **RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**  
Not applicable.
7. **OMITTED INFORMATION**  
Not applicable.
8. **EXECUTIVE OFFICER**  
Gillian Holcroft, President & CEO  
Telephone: 514-928-6512
9. **DATE OF REPORT**  
December 18, 2019