



**MAG ONE PRODUCTS INC. CSE: MDD | Frankfurt: 304, Equity | OTC MGPRF**

**PRESS RELEASE**

**MAG ONE PRODUCTS ENTERS INTO DEFINITIVE AGREEMENT WITH BLUE LAGOON RESOURCES TO FORM JOINT VENTURE WITH ITS WHOLLY OWNED QUEBEC SUBSIDIARY, MAG ONE OPERATIONS**

Vancouver, B.C., Canada – January 7, 2020 – Mag One Products Inc. (the “**Company**” or “**MOPI**”) is pleased to announce that further to its news release dated November 26, 2019, the Company and its wholly owned subsidiary, Mag One Operations Inc. (“**Mag One Ops**”) and Blue Lagoon Resources Inc. (“**Blue Lagoon**”) have signed a definitive earn-in and operating agreement (the “**Agreement**”) dated January 6, 2020. Pursuant to the Agreement, Blue Lagoon may acquire up to a 70% equity interest in Mag One Ops by purchasing up to \$5.25 million of shares of Mag One, a wholly owned subsidiary of MOPI (the “**Transaction**”).

Mag One Ops is a private company existing under the laws of Quebec that has an exclusive license with Tech Magnesium and is currently testing its proprietary process for the production of pure magnesium metal (99.9% Mg) from mine tailings. Funds invested by Blue Lagoon would allow Mag One Ops to rapidly complete this phase of test work and move towards larger scale pilot plant demonstration testing. Mag One Ops has already done extensive pilot scale testing of its patent pending high purity magnesium oxide (MgO) and amorphous silica (SiO<sub>2</sub>) process from these tailings and will use the funds provided by Blue Lagoon to complete this work and begin engineering efforts towards a commercial scale demonstration facility.

Pursuant to the Agreement, Blue Lagoon may purchase a 50% interest in Mag One Ops by making cash investments in Mag One Ops as follows: \$100,000 upon the initial closing (the “**Closing Date**”); \$300,000 within 3 months of the Closing Date; \$750,000 within 8 months of the Closing Date; \$1.1 million within 12 months of the Closing Date; and \$1.5 million within 18 months of the Closing Date. Blue Lagoon may acquire an additional 20% interest in Mag One, subject to MOPI obtaining shareholder approval, by making an additional payment of \$1.5 million within 24 months of the Closing Date. Closing of the Transaction is subject to various conditions, including completion of due diligence investigations, receipt of all necessary corporate and regulatory approvals, and compliance with stock exchange requirements.

Upon the Closing Date, the board of Mag One Ops will be reconstituted to include two directors nominated by MOPI and one director nominated by Blue Lagoon. Blue Lagoon may nominate an additional director upon earning a 50% interest in Mag One Ops, and thereafter may nominate an additional fifth director upon earning a 70% interest in Mag One Ops.

The parties agreed to enter into a shareholder agreement prior to the consideration payment due 8 months from the Closing Date. Mag One Ops will be solely funded through investments by Blue Lagoon under the Agreement until it completes its 70% earn-in, and thereafter each party will be responsible to fund its pro-rata share of operations or alternatively have its interest diluted on a straight-line dilution basis. Any party whose interest is diluted below a 10% ownership interest in Mag One Ops will have its equity interest converted into a 1.5% gross revenue royalty.

“As mentioned in the November 26, 2019 news release, Mag One Ops is excited to work with Blue Lagoon who are prepared to support the Company’s efforts to continue the development of its technology to produce magnesium (Mg) metal and value-added products and by-products” said Gillian Holcroft, MOPI’s President and CEO. “It is well known that 85% of the global magnesium production comes from China using a process that is highly polluting and not sustainable.

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MAG ONE

Our technology is designed to be cost effective in transforming waste tailings into products without producing any waste and its target is to produce Mg metal in a low cost and environmentally friendly manner” she said.

On behalf of the Board, “*Gillian Holcroft*”, President & CEO, Mag One Products Inc.

*Neither the Canadian Securities Exchange nor CNSX Markets accepts responsibility for the adequacy or accuracy of this news release.*

### **About Mag One Products Inc.**

**Mag One Products Inc.** is a technology, processing & production company. Using its game-changing technology, Mag One Products aims to be the most environmentally friendly & sustainable producer of magnesium (Mg) metal, ultrapure Mg compounds, by-products and vertically integrated co-products. For further information or questions respecting the Company kindly contact the Company via email at: [info@MagOneProducts.com](mailto:info@MagOneProducts.com). Additional information can be found on the Company’s website at [www.MagOneProducts.com](http://www.MagOneProducts.com) or by viewing the Company’s filings at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Information**

Information set forth in this press release may involve forward-looking statements, including statements relating to reinstatement for trading on the CSE. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a company’s expected future business and financial performance, and often contain words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with marketing and sale of securities; the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; and the volatility of common share price and volume. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date that statements are made and except as required by law, the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements. For further information on risk, investors are advised to see the Company’s MD&A and other disclosure filings with the CSE regulators which are found at [www.sedar.com](http://www.sedar.com).