



**LISTING STATEMENT
MGX RENEWABLES INC.**

JUNE 28, 2019

TABLE OF CONTENTS

ABOUT THIS LISTING STATEMENT.....	3
CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS	4
NOTICE TO INVESTORS IN THE UNITED STATES	5
ELIGIBILITY FOR INVESTMENT.....	6
SUMMARY OF LISTING STATEMENT.....	7
GLOSSARY OF TERMS.....	9
CORPORATE STRUCTURE.....	12
DESCRIPTION OF THE BUSINESS.....	12
USE OF AVAILABLE FUNDS	16
MARKET FOR SECURITIES.....	18
DIVIDENDS OR DISTRIBUTIONS.....	19
MANAGEMENT’S DISCUSSION AND ANALYSIS	19
CAPITALISATION OF THE COMPANY	19
PRINCIPAL SECURITYHOLDER AND DISTRIBUTING SECURITYHOLDER	23
DIRECTORS AND OFFICERS	23
CAPITALISATION	26
EXECUTIVE COMPENSATION	28
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	30
AUDIT COMMITTEE AND CORPORATE GOVERNANCE	30
RISK FACTORS.....	32
PROMOTER.....	38
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	38
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	38
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	39
MATERIAL CONTRACTS	39
INTERESTS OF EXPERTS	39
OTHER MATERIAL FACTS	39
FINANCIAL STATEMENTS	39
CERTIFICATE OF THE COMPANY	40
CERTIFICATE OF THE PROMOTER	41

APPENDIX A – FINANCIAL STATEMENTS

APPENDIX B – MANAGEMENT’S DISCUSSION AND ANALYSIS

APPENDIX C – AUDIT COMMITTEE CHARTER

APPENDIX D – STOCK OPTION PLAN

APPENDIX E – ARRANGEMENT AGREEMENT

ABOUT THIS LISTING STATEMENT

General Matters

No person has been authorized to give any information other than that contained in this Listing Statement, or to make any representations in connection with the Company, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company. The Company is not distributing the Renewables Shares in any jurisdiction where such distribution is not permitted. The information contained in this Listing Statement is accurate only as of the date of this Listing Statement, regardless of the time of delivery of this Listing Statement. The Company's business, financial conditions, results of operations and prospects may have changed since the date of this Listing Statement.

This Listing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer. Neither the filing of this Listing Statement nor any distribution of the securities referred to in this Listing Statement will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Listing Statement.

All capitalized terms used in this Listing Statement, including the Appendices hereto, but not otherwise defined have the meanings set forth under "*Glossary of Terms*".

No person should construe the contents of this Listing Statement as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the matters contained in this Listing Statement.

This Listing Statement and the transactions contemplated in connection with the Arrangement, including the securities issued pursuant to the Arrangement, have not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the merits or fairness of such transactions or upon the accuracy or adequacy of this Listing Statement. Any representation to the contrary is an offence.

Currency

Unless otherwise noted herein and in the documents incorporated by reference, all dollar amounts refer to lawful currency of Canada. All references to "US\$" are to the currency of the United States.

Financial Information and Accounting Principles

This Listing Statement includes the following financial statements, attached to this Listing Statement as Appendix "A":

- audited financial statements of the Company as at and for the years ended December 31, 2018 and 2017; and
- unaudited condensed interim financial statements for the three months ended March 31, 2019 and 2018.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). International Accounting Standards (IAS) were issued by the antecedent International Accounting Standards Council (IASC), and endorsed and amended by the IASB.

The financial information is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the SEC which would apply if the Renewables Shares were being registered with the SEC.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Listing Statement contains “forward-looking statements” within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except in accordance with applicable securities laws.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “occur” or “achieve”.

Forward-looking statements may include, but are not limited to, statements with respect to the Arrangement; the issuance, delivery and transfer of Renewables Shares; the expenses of the Arrangement; the eligibility for investment of the Renewables Shares; the tax consequences of the Arrangement and related matters; the impact of applicable securities laws on holders of Renewables Shares; the Company’s dividend policy; corporate governance; Renewables’ technology, intellectual property, business plan, objectives and strategy including, without limitation, the New System; Total Funds Available; working capital; sources of funding, including government funding; Renewables’ dividend policy; Renewables’ capitalisation; escrowed Renewables Shares; certain securityholders of Renewables, including their interests in Renewables; the Board; and the Compensation Program, Audit Committee and Compensation Committee.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations in relation to which they are made will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements including, among others, adverse industry events; marketing costs; loss of markets; future legislative and regulatory development; the inability to access sufficient capital from internal and external sources, and/or the inability to access sufficient capital on commercially reasonable terms, as applicable; income tax and regulatory matters; the ability of Renewables to implement its business strategies; competition; delays in completing the build out of its networks and or other facilities; currency and interest rate fluctuations; and other risks and unforeseen eventualities for which the Company is uninsured or for which insurance is unavailable.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Readers are cautioned that the foregoing lists are not exhaustive. The information contained in this Listing Statement, including the information provided under the heading “*Risk Factors*” herein, discusses certain of the items identified above and their impact more fully and identifies additional factors and uncertainties that could affect the performance and operating results of Renewables. Readers are urged to carefully consider those factors and the other information contained or incorporated by reference in this Listing Statement.

Furthermore, this Listing Statement includes industry data that has been obtained from third-party sources, including industry publications as well as industry data prepared by management on the basis of its knowledge of and experience in these markets. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although believed to be reliable, management of the Company has not independently verified any of the data from third-party sources.

Renewables does not give any assurance nor make any representation or warranty that the expectations conveyed by the forward-looking statements will prove to be correct and actual results may differ materially from those anticipated in the forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements in this Listing Statement, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Listing Statement and in the documents incorporated by reference herein are qualified by these cautionary statements. The forward-looking statements included herein are made as of the date of this Listing Statement and Renewables does not undertake any obligation to publicly update or revise any forward-looking statements to reflect new information, subsequent events or otherwise, unless so required by applicable securities laws.

NOTICE TO INVESTORS IN THE UNITED STATES

The Renewables Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available.

This Listing Statement does not contain all of the information that would be included in a prospectus for an offering registered under the U.S. Securities Act. These securities have not been recommended by the SEC or any state or other regulatory authority, nor has the SEC or any state or other regulatory authority passed on the accuracy or adequacy of this document or endorsed the merits of the Arrangement. Any representation to the contrary is a criminal offence under the laws of the United States.

The Renewables Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable state securities laws, pursuant to registration or an exemption therefrom. All of the securities will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act and therefore may not be transferred by a holder within the United States or to a U.S. person unless such transfer is made pursuant to registration under the U.S. Securities Act, pursuant to an exemption therefrom, or in a transaction outside the United States pursuant to the resale provisions of Regulation S.

Prospective investors in the United States should be aware that the acquisition of the Renewables Shares may have tax consequences both in the United States and in Canada. Such consequences for investors who are residents in, or citizens of, the United States may not be fully described herein. The contents of this Listing Statement are not to be construed as legal, business or tax advice and this Listing Statement is not intended to provide the sole basis for any evaluation of an investment in the Renewables Shares. Each prospective U.S. investor should consult its own attorney, investment, accounting and tax advisor to determine the potential benefits, burdens and other consequences of the Arrangement or an investment in the Renewables Shares.

Enforceability of Civil Liabilities

The Company and MGX exist under the laws of the Province of British Columbia, and all of their executive offices, administrative activities and assets are located outside the United States. In addition, many of the directors and officers of the Company and MGX are residents of jurisdictions other than the United States and all or a substantial portion of the assets of those persons are or may be located outside the United States.

As a result, an individual may have difficulty serving legal process within the U.S. jurisdiction upon the Company, MGX or certain of their directors or officers, as applicable, or enforcing judgments obtained in courts in the U.S. jurisdiction against any of them or the assets of any of them located outside the U.S. jurisdiction, or enforcing against them in the appropriate Canadian court judgments obtained in courts of the U.S. jurisdiction, including, but not limited to, judgments predicated upon the civil liability provisions of the federal securities laws of the United States, or bringing an original action in the appropriate Canadian courts to enforce liabilities against the Company, MGX or any of their directors or officers, as applicable, based upon the United States federal securities laws.

Available Information

The Company does not intend to register its securities with the SEC under the United States *Securities Exchange Act of 1934*, as amended, and, consequently, will not be filing periodic or current reports with the SEC. The Company

files reports and other information with the Canadian provincial and territorial securities commissions. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

The securities issued pursuant to the Arrangement have not been approved or disapproved by the U.S. Securities and Exchange Commission or the securities regulatory authority of any state of the United States, nor has the U.S. Securities and Exchange Commission or the securities regulatory authority of any state passed on the adequacy or accuracy of this Listing Statement. Any representation to the contrary is an offence.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act and all specific proposals to amend the Tax Act and the regulations which have been publicly announced by or on behalf of Canada's Minister of Finance prior to the date hereof, provided that the Renewables Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the CSE) at all relevant times, the Renewables Shares will be "qualified investments" under the Tax Act and the regulations for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), deferred profit sharing plans ("DPSPs"), registered disability savings plans ("RDSPs"), and tax-free savings accounts ("TFSAs"), all as defined in the Tax Act (collectively, the "**Registered Plans**"). The listed status of the Renewables Shares as of a particular time cannot be guaranteed. The Renewables Shares will also be "qualified investments" for Registered Plans at a time when Renewables is a "public corporation" for purposes of the Tax Act, and for this purpose, Renewables will file an election, in its tax return for its next taxation year, to be deemed to have been a public corporation from the beginning of such year.

Notwithstanding the foregoing, if the Renewables Shares are a "prohibited investment" for a Registered Plan for the purposes of the Tax Act, the annuitant, subscriber or holder, as the case may be, of a Registered Plan will be subject to a penalty tax as set out in the Tax Act. A Renewables Share will generally not be a "prohibited investment" unless the annuitant, subscriber or holder, as the case may be, does not deal at arm's length with Renewables for the purposes of the Tax Act or if the annuitant, subscriber or holder, as the case may be, has a "significant interest" (within the meaning of the Tax Act) in Renewables. In addition, the Renewables Shares will generally not be a prohibited investment if they are "excluded property", as defined in the Tax Act. Annuitants, subscribers or holders, as the case may be, of a Registered Plan should consult their own tax advisors with respect to whether the Renewables Shares would be prohibited investments for the purposes of the Tax Act.

SUMMARY OF LISTING STATEMENT

The following is a summary of the principal features of this Listing Statement and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Statement.

The Company

MGX Renewables Inc. (“**Renewables**” or the “**Company**”) was incorporated on December 8, 2011 pursuant to the BCBCA. Renewables’ head office and registered office is located at Unit-1, 8765 Ash Street, Vancouver, BC V6P 6T3. Renewables was formerly a wholly-owned subsidiary of MGX Minerals Inc. (“**MGX**”). Pursuant to the Arrangement Agreement dated October 31, 2018 between MGX and Renewables, MGX completed its previously announced reorganization, pursuant to which it spun-out approximately 40% of its Renewables Shares.

Principal Business

Renewables is executing the development and commercialization of a dependable, low cost zinc-air battery. Renewables believes that this mass storage system will offer both environmental and economic benefits.

Renewables’ technology has been developed around the utilization of zinc as the anode fuel, which is expected to offer numerous advantages over other forms of metals due to its unique attributes, which include high energy density, abundant availability, low cost, and ease of storage and handling. The regenerative system does not require fuel replacement and offers scalable energy capacity through the simple introduction of additional fuel tanks.

Renewables has commenced development of a scaled-up 20 kilowatt (“**kW**”)/160 kilowatt hour (“**kWh**”) system for use in utility-scale battery storage. The 20kW/160kWh modules represent a four-times increase in both energy and power as compared to its current 5kW systems. The 20kW system is expected to retain all attributes of Renewables’ existing 5kW systems, while providing additional benefits, including lower costs and higher energy density along with adaptability for new applications beyond mass energy storage. The containerized system may be easily scaled to megawatt storage and output capacities. To date, Renewables has been awarded 20 patents covering its mass storage technology.

Use of Available Funds

The funds currently available to Renewables consist of its working capital. As of March 31, 2019, Renewables reported net assets of \$5,258,462 and a working capital deficit of \$234,884. As at October 31, 2018, Renewables had a working capital deficit of \$54,084 and as at May 31, 2019, the Company had a working capital deficit of approximately \$844,000. Renewables believes it will have adequate working capital to maintain existing operations for approximately 12 months without requiring additional funding. See “*Use of Available Funds*”.

Risk Factors

The business of Renewables, and therefore investment in it, is subject to certain risks, including but not restricted to risks related to: Renewables continuing as a going concern; the market for Renewables Shares; requirements associated with being a public company; dilution; dividends; effective control of Renewables by MGX; eligibility for investment of Renewables Shares; volatility in capital markets; Renewables’ limited operating history; no history of earnings by Renewables; negative cash flow; ability to raise additional funds; development; operations and suppliers; results of early testing; market acceptance; emerging market issues; product liability; dependence on key personnel; competition; manufacturing; cost targets; protection of intellectual property; regulations; conflicts of interest; foreign exchange rates; and legal proceedings. See “*Risk Factors*”.

Summary of Financial Information

The following information sets out selected financial information of Renewables that is derived from, and should be read in conjunction with, and is qualified in its entirety by reference to: the audited financial statements for the years ended December 31, 2018 and 2017; and the unaudited financial statements for the three months ended March 31, 2019 and 2018, including the accompanying notes to financial statements, and MD&A. These financial statements

and MD&A can be found in their entirety in Appendices “A” and “B” of this Listing Statement, respectively. See “About This Listing Statement - Financial Information and Accounting Principles”.

Selected Financial Information of Renewables

	Year Ended	Year Ended	Three Months Ended	Three Months Ended
	Dec 31, 2018	Dec 31, 2017	Mar 31, 2019	Mar 31, 2018
Revenue	Nil	448,783	Nil	Nil
Net Income (Loss)	(2,595,544)	(8,040,182)	(905,383)	(401,181)
Net Loss per Basic & Diluted Share	(0.09)	(0.27)	(0.03)	(0.01)
Total Current Assets	59,043	36,413	107,342	424,779
Total Assets	5,220,115	4,986,547	5,258,462	5,375,834
Total Long Term Liabilities	4,104,558	NIL	4,954,453	Nil
Total Liabilities	4,352,949	1,523,837	5,296,679	2,314,305
Working Capital	(189,348)	(1,487,424)	(234,884)	(1,889,526)
Net Increase (Decrease) in Cash	35,213	(113,428)	11,394	343,102
Cash End of Period	37,502	2,289	48,896	345,391
Shareholder’s Equity	867,166	3,462,710	(38,217)	3,061,529

GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the respective meanings set forth below when used in this Listing Statement and the Appendices hereto. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“**Arrangement**” means the arrangement, completed on June 26, 2019, under the provisions of Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, the Arrangement Agreement or made at the direction of the Court in the Final Order.

“**Arm’s Length Party**” means Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held).

“**Arrangement Agreement**” means the arrangement agreement dated October 31, 2018, between MGX and Renewables (including the schedules thereto), in the form attached as Appendix “E” hereto, as amended or supplemented in accordance with its terms.

“**Audit Committee**” means the audit committee of the Board.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Board**” means the board of directors of the Company, as constituted from time to time.

“**Business Objectives**” has the meaning given in the section entitled “*Use of Available Funds - Principal Purposes - Business Objectives*”.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Circular**” means MGX’s Management Information Circular, dated November 30, 2018, in respect of the Meeting.

“**Company**” or “**Renewables**” means MGX Renewables Inc., a corporation existing under the laws of British Columbia.

“**Compensation Committee**” means the compensation and corporate governance committee of the Board.

“**Compensation Program**” has the meaning given in the section entitled “*Executive Compensation*”.

“**Court**” means the Supreme Court of British Columbia.

“**CSE**” means the Canadian Securities Exchange.

“**DPSP**” has the meaning given in the section entitled “*Eligibility for Investment*”.

“**Effective Date**” means June 26, 2019, the date of closing of the Arrangement.

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date.

“**Employment Agreements**” has the meaning given in the section entitled “*Executive Compensation*”.

“**Final Order**” means the final order of the Court made January 29, 2019 or, if appealed, the final order of, or the order affirmed by, an appellate court, made in connection with the approval of the Arrangement, including all amendments thereto duly made prior to the Effective Time.

“**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Company or shareholder of the Company that promote or reasonably could be expected to promote the purchase, or

sale of securities of the Company, but does not include: (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company (i) to promote the sale of its products or services, or (ii) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase, or sale of securities of the Company; (b) activities or communications necessary to comply with (i) applicable securities legislation, or (ii) the requirements of the CSE or the requirements of any other regulatory body having jurisdiction over the Company; (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or (d) such other activities or communications that may be specified by the CSE.

“**IPO**” means initial public offering, the definition of which includes the Arrangement for the purposes of the policies of the CSE.

“**Listing Statement**” means this listing statement, including all appendices attached hereto.

“**MD&A**” means management’s discussion and analysis.

“**Meeting**” means the annual general and special meeting of MGX Shareholders held on January 11, 2019, for the purpose of, among other things, considering and, if deemed advisable, approving the Reorganization Resolution.

“**MGX**” means MGX Minerals Inc., a corporation existing under the laws of British Columbia.

“**MGX Shareholders**” means the holders of MGX Shares at the applicable time.

“**MGX Shares**” means common shares in the capital of MGX.

“**Named Executive Officers**” or “**NEOs**” means the named executive officers of Renewables.

“**New System**” means the scaled-up 20kW/160kWh system that Renewables is developing.

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees*.

“**NP 46-201**” means National Policy 46-201 - *Escrow for Initial Public Offerings*.

“**Plan of Arrangement**” means the plan of arrangement of MGX in the form attached Schedule A to the Arrangement Agreement, as amended, varied or supplemented in accordance with its terms, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

“**Preferred Shares**” has the meaning given in the section entitled “*Capitalisation of Renewables - Description of the Renewables Shares*”.

“**Principal**” has the meaning given in the section entitled “*Capitalisation of Renewables - Escrowed Securities*”.

“**RDSP**” has the meaning given in the section entitled “*Eligibility for Investment*”.

“**Registered Plans**” has the meaning given in the section entitled “*Eligibility for Investment*”.

“**Related Entity**” means, in respect of the Company a person that is an affiliated entity of the Company and of which the Company is a control block holder.

“**Related Person**” means, in respect of the Company: (a) a Related Entity of the Company; (b) a partner, director or officer of the Company or Related Entity; (c) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity; and (e) such other person as may be designated from time to time by the CSE.

“Reorganization Resolution” means the special resolution approving the Plan of Arrangement considered and approved at the Meeting, substantially in the form and content set out in Appendix “B” to the Circular.

“Renewables Shares” means common shares in the capital of Renewables.

“Required Shareholder Approval” means the affirmative vote of not less than 66²/₃% of the votes cast at the Meeting by MGX Shareholders to approve the Reorganization Resolution.

“RESP” has the meaning given in the section entitled “*Eligibility for Investment*”.

“RRIF” has the meaning given in the section entitled “*Eligibility for Investment*”.

“RRSP” has the meaning given in the section entitled “*Eligibility for Investment*”.

“SDTC” means Sustainable Development Technology Canada.

“SDTC Grant” means the agreed upon financial contribution provided by SDTC, not exceeding the lesser of \$2,900,000 and 29.09% of eligible project costs upon receipt of invoices and progress reports.

“SEC” means the United States Securities and Exchange Commission.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Stock Option Plan” means an incentive stock option plan, substantially in the form of Appendix “D” hereto.

“Subscription Receipt” means a subscription receipt of Renewables, each Subscription Receipt being convertible into one Unit.

“Subscription Receipt Offering” means the private placement on June 11, 2019 by Renewables of 8,020,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,005,000.

“Tax Act” means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended.

“TFSA” has the meaning given in the section entitled “*Eligibility for Investment*”.

“Total Funds Available” has the meaning given in the section entitled “*Use of Available Funds – Total Funds Available*”

“U.S. Securities Act” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

“Unit” means a unit of Renewables, each such unit being comprised of one Renewables Share and one half of one Warrant.

“Warrant” means a Renewables Share purchase warrant entitling the holder thereof to acquire one Renewables Share at a price per Renewables Share of \$0.35 until November 30, 2020.

CORPORATE STRUCTURE

Name, Address and Incorporation

Renewables' full corporate name is "MGX Renewables Inc." and its head office is located at Unit-1, 8765 Ash Street, Vancouver, BC V6P 6T3. The Company's registered and records office is located at 725 Granville Street, Suite 400, Vancouver, BC V7Y 1G5, and it was incorporated on December 8, 2011 pursuant to the BCBCA. The notice of articles of the Company was subsequently amended on December 24, 2015 and on November 1, 2018 to change the name of the Company from "ZincNyx Energy Solutions Inc." to its current name and to change the share structure of the Company to its current structure. See "*Capitalisation of Renewables - Description of the Renewables Shares*".

Intercorporate relationships

Pursuant to the Arrangement Agreement dated October 31, 2018 between MGX and Renewables, MGX completed its previously announced reorganization, pursuant to which it spun-out approximately 40% of its Renewables Shares. The purpose of the Arrangement was to reorganize MGX into two separate companies: MGX and Renewables. MGX retained 18,000,239 issued and outstanding Renewables Shares following completion of the Arrangement, which constitutes 46.40% of the Renewables Shares (41.72% on a fully-diluted basis). MGX is a corporation existing under the laws of the Province of British Columbia and is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. MGX's common shares are listed on the CSE under the symbol "XMG". The Company does not have any subsidiaries.

In the Circular, MGX provided the following reasons for the Arrangement:

- Renewables' Access to Capital — Independent and potential improved access to capital for Renewables is in the best interests of MGX Shareholders.
- Ownership of Renewables Not Core to MGX Strategy — Following the acquisition of Renewables by MGX, management of MGX continued to assess the appropriate relationship between them. MGX determined that its strategic priorities are such that ownership of Renewables as a wholly-owned subsidiary is not core to its strategy.
- Enhances Strategic Focus — While MGX is focused on strengthening its core mining business, Renewables' strategic focus is on the development and commercialization of a dependable, low cost zinc-air battery. The Arrangement will allow MGX to enhance its focus on its own key strategic growth areas, while better positioning Renewables to pursue its own growth strategy.
- Flexibility for Shareholders — The Arrangement will allow MGX Shareholders to retain similar economic exposure to what they currently have but through interests in two more focused companies, being MGX and Renewables.
- Shareholder and Court Approval — The procedures by which the Arrangement will be approved, including the Required Shareholder Approval, and the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the MGX Shareholders will be considered, offers substantial protection to MGX Shareholders.

DESCRIPTION OF THE BUSINESS

The Business of the Company

Renewables is executing the development and commercialization of a dependable, low cost, zinc-air battery. The Company believes that this mass storage system will offer both environmental and economic benefits.

Renewables' battery technology will use zinc as the anode fuel and will not require fuel replacement. Zinc's high energy density capabilities, together with its abundance, low cost and ease of storage and handling are expected to offer numerous advantages over other battery anode fuels. The capacity of the Company's battery units can be easily

scaled up through the simple introduction of additional fuel tanks. Renewables will, in addition to mass energy storage, also be researching the application of its technology to remote and maritime environments as an alternative to diesel engines.

Renewables Battery System Development

The Company is developing the New System for use in utility-scale battery storage representing a four-times increase in both energy and power as compared to its current 5kW systems. While the 5kW systems have certain value to the Company in respect of intellectual property, the Company does not currently have any inventory of 5kW systems.

The New System is expected to retain all attributes of the Company's existing 5kW systems, while also having a lower cost and higher energy density as well as adaptability for new applications beyond mass energy storage. Renewables will deliver the New System in a containerized format, allowing for the New System to be easily scaled up to megawatt storage and output capacities. To date, Renewables has been awarded 20 patents covering its mass storage technology.

The Company expects that the New System will be available for commercial applications by Q1 2020. The additional steps required to reach commercial production of the New System include, without limitation, design, development, assembly and testing of lab-scale systems; refinement of system design based on results of lab-scale testing; development, assembly and testing of field trial systems; monitoring and support of field trial systems; regulatory testing and refinement of system design, based on results of regulatory and field trial testing; development of ancillary equipment, including each of a water management system, hydrogen management system, temperature management system and secondary containment system; system enclosure options; shipping; installation; commissioning; and support documentation. The Company estimates that the incremental cost of bringing the New System to commercial production will be approximately \$4,452,000.

The Company conducts its research and development using primarily its own full-time staff. When appropriate, non-critical investigations may be performed by independent contractors or through the Company's contracts at certain universities.

The Company plans to sell the New System under long-term sales agreements or to enter into joint ventures and other business relationships in order to generate revenue. Renewables believes that such relationships will allow it to efficiently deploy working capital by minimizing the Company's carried product and inventory. The Company will be producing the New System at its facility in Vancouver, British Columbia.

Employees, Specialized Skill and Knowledge

As at May 31, 2019, Renewables had 21 full-time personnel and four contract personnel.

Renewables is executing the development and commercialization of the New System. The Company believes that its management team has the specialized skills and knowledge required for the development of its business. See "*Directors and Officers – Management of Renewables*".

Competitive Conditions

The Company plans to deploy the New System primarily in Canada and the United States, whether by long-term sales agreements, entering into joint ventures and other business relationships or otherwise. The target markets for the New System include remote communities and off-grid worksites, behind the meter commercial and industrial storage and utility-scale storage.

The battery industry is highly competitive. Renewables competes with a large number of market participants including pure-play battery providers, diversified technology and industrial vendors and strategic joint ventures. The Company's primary competitors include the following manufacturers and system integrators: LG Chem, Panasonic, Tesla, SAFT, BYD, NEC, Samsung, SK Innovation, Toshiba, Leclanche, Mercedes Benz and others.

The Company believes that it occupies a unique position in the marketplace. Its ability to decouple the power and energy attributes of its energy storage system enables it to serve long duration applications for which conventional

secondary cell batteries, such as lead-acid and lithium-ion, are not appropriate. Further, the low cost and wide availability of the Company's zinc-based storage medium is expected to provide a more economical solution than other flow battery chemistries such as vanadium redox. To compete successfully, Renewables plans to leverage the advantages offered by its technology.

Intellectual Property

The following is a list of the material patents issued by the United States Patent and Trademark Office and owned by the Company:

Identification	Description
US 7,470,351	Discrete Particle Electrolyzer Cathode and Method of Making Same
US 7,276,309	Methods and Devices for Controlling Flow and Particle Fluidization in a Fuel Cell
US 7,273,537	Method of Production of Metal Particles Through Electrolysis
US 7,166,203	Controlled Concentration Electrolysis System
US 6,911,274	Fuel Cell System
US 6,873,157	Method of and System for Determining the Remaining Energy in a Metal Fuel Cell
US 6,841,276	Method of and System for Cooling a Backup Power System
US 6,787,260	Electrolyte-Particulate Fuel Cell Anode
US 6,764,785	Methods of Using Fuel Cell System Configured to One or More Loads
US 6,764,588	Method and System for Flushing One or More Cells in a Particle-Based Electrochemical Power Source in Standby Mode
US 6,746,790	Power System Including Heat Removal Unit for Providing Backup Power to One or More Loads
US 6,706,433	Refuelable Electrochemical Power Source Capable of Being Maintained in a Substantially Constant Full Condition and Method of Using the Same
US 6,689,711	Methods of Producing Oxygen Reduction Catalyst
US 6,679,280	Manifold for Fuel Cell System

Identification	Description
US 6,522,955	System and Method for Power Management
US 6,432,292	Method of Electrodepositing Metal on Electrically Conducting Particles
US 6,296,958	Refuelable Electrochemical Power Source Capable of Being Maintained in a Substantially Constant Full Condition and Method of Using the Same
US 6,162,555	Particle Feeding Apparatus for Electrochemical Power Source and Method of Making Same
US 6,153,328	System and Method for Preventing the Formation of Dendrites in a Metal/Air Fuel Cell, Battery or Metal Recovery Apparatus
US 5,952,117	Method and Apparatus for Refueling an Electrochemical Power Source

The Company has also made provisional filings in respect of the following new inventions related to its battery technology since 2015:

Identification	Description
PCT/CA2016/051080	Metal-Air Fuel Cell
PCT/CA2017/050468	Additives for Promotion of Dendrite Growth and Corrosion Suppression
PCT/CA2017/050895	Systems and Methods for Storing Electrical Energy
PCT/CA2017/051105	Apparatus, Systems and Methods for High Efficiency Metal Particle Regeneration

In addition to patents, Renewables may also use copyrights, trademarks, trade secrets and contractual arrangements from time to time in order to protect its intellectual property.

Three Year History

Renewables has been involved in the development of zinc-air battery technology from June 2012 to present. In December 2017, MGX acquired all of the issued and outstanding Renewables Shares from Teck Resources in an arm's length transaction. Pursuant to the Arrangement Agreement, MGX completed its previously announced reorganization, pursuant to which it spun-out approximately 40% of its Renewables Shares. The purpose of the Arrangement was to reorganize MGX into two separate companies: MGX and Renewables.

Recent Developments

Renewables is in the process of commercializing its technology and preparing for volume production.

USE OF AVAILABLE FUNDS

Summary of Financial Information

The following information sets out selected financial information of Renewables that is derived from, and should be read in conjunction with, and is qualified in its entirety by reference to: the audited financial statements for the years ended December 31, 2018 and 2017; and the unaudited financial statements for the three months ended March 31, 2019 and 2018, including the accompanying notes to financial statements, and MD&A. These financial statements and MD&A can be found in their entirety in Appendices “A” and “B” of this Listing Statement, respectively. See “*About This Listing Statement – Financial Information and Accounting Principles*”.

Selected Financial Information of Renewables

	Year Ended	Year Ended	Three Months Ended	Three Months Ended
	Dec 31, 2018	Dec 31, 2017	Mar 31, 2019	Mar 31, 2018
Revenue	Nil	448,783	Nil	Nil
Net Income (Loss)	(2,595,544)	(8,040,182)	(905,383)	(401,181)
Net Loss per Basic & Diluted Share	(0.09)	(0.27)	(0.03)	(0.01)
Total Current Assets	59,043	36,413	107,342	424,779
Total Assets	5,220,115	4,986,547	5,258,462	5,375,834
Total Long Term Liabilities	4,104,558	NIL	4,954,453	Nil
Total Liabilities	4,352,949	1,523,837	5,296,679	2,314,305
Working Capital	(189,348)	(1,487,424)	(234,884)	(1,889,526)
Net Increase (Decrease) in Cash	35,213	(113,428)	11,394	343,102
Cash End of Period	37,502	2,289	48,896	345,391
Shareholder’s Equity	867,166	3,462,710	(38,217)	3,061,529

Proceeds

Other than the proceeds of the Subscription Receipt Offering, neither Renewables nor MGX will receive any proceeds from the Arrangement. See “*Use of Available Funds - Principal Purposes - Other Sources of Funding*”.

Total Funds Available

Renewables believes it will have adequate working capital to maintain existing operations for approximately 12 months without requiring additional funding. As at May 31, 2019, the total funds available to the Company (“**Total Funds Available**”) were as follows:

Estimated consolidated working capital deficit as at May 31, 2019		\$844,000
Total other funds available to be used to achieve those items set out in “ <i>Principal Purposes</i> ” below		\$3,015,000 ⁽¹⁾
Total Funds Available		\$2,171,000

Note:

1. Proceeds of the Subscription Receipt Offering and expected proceeds of the SDTC Grant. See “*Use of Available Funds - Principal Purposes - Other Sources of Funding*”.

Principal Purposes

Use of Total Funds Available

The following table sets out the approximate amounts for which the Total Funds Available will be used by Renewables.

Research and Development for the New System		\$1,471,000
Selling, General and Administrative Expenses		\$400,000
Tools and Equipment		\$300,000
Total Funds Available		\$2,171,000

Research and Development

The major components of the research and development program for the New System, including an estimate of anticipated costs, is as follows.

Salaries		\$900,000
Material		\$300,000
Other		\$271,000
Research and Development for the New System		\$1,471,000

For more information on the Company’s research and development for the New System, see “*Description of the Business - Renewables Battery System Development*”.

Business Objectives

The business objectives that Renewables expects to accomplish using the Total Funds Available (the “**Business Objectives**”) are as follows:

- complete design for manufacturing and cost reduction; and

- build systems for demonstration.

Milestones

In order to accomplish the Business Objectives, the below listed significant events must occur. Renewables expects that each of the significant events will occur, and that the costs related to each event are, as follows:

Significant Event	Estimated Cost
Complete design and release all high-runner parts for injection molding/die casting/extrusion	\$1,500,000
Assemble at least one system using cost-reduced parts	\$500,000

Other Sources of Funding

As at the date of this Listing Statement, the Company does not expect to use any material amounts of other funds in conjunction with working capital, other than the following:

On June 11, 2019, Renewables completed a non-brokered private placement of 8,020,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,005,000. Each Subscription Receipt evidenced the right to automatically receive, upon closing of the Arrangement, one Unit, each Unit being comprised of one Renewables Share and one half of one Warrant. Each whole Warrant entitles the holder thereof to acquire one Renewables Share at a price per Renewables Share of \$0.35 until November 30, 2020. All Warrants issued contain an accelerator clause whereby, if at any time the trading price of Renewables Shares equals or exceeds \$0.50 for a period of ten consecutive trading days, Renewables may provide notice to the holders of Warrants that such warrants will expire 30 days after the date of notice. The Subscription Receipts converted on the Effective Date and Renewables issued 770,200 Renewables Shares and 347,500 Warrants as compensation to certain finders in connection therewith.

In March 2015, Renewables entered into a contribution agreement with SDTC whereby SDTC agreed to provide the SDTC Grant. Renewables expects to receive the balance of the SDTC Grant in the next 12 months, being an additional \$1,010,000, subject to the achievement of certain technical objectives to the satisfaction of SDTC.

As at the date of this Listing Statement, Renewables does not expect to receive any other additional funding or grants other than as may be available under the Government of Canada's Western Diversification Program (which may or may not be available within the next 12 months). In the future, Renewables may find it necessary to obtain debt or equity financing to support its working capital requirements. See "*Risk Factors*"

MARKET FOR SECURITIES

The MGX Shares currently trade on the CSE under the symbol "XMG" and will continue to do so following completion of the Arrangement. The Renewables Shares do not currently trade on the CSE.

Renewables has applied to list the Renewables Shares on the CSE. Listing on the CSE will be subject to Renewables fulfilling all of the requirements of the CSE. There is no guarantee that the CSE or any other exchange will approve the listing of the Renewables Shares or that the Renewables Shares will be listed on the CSE or any other stock exchange.

A market for Renewables Shares may not sustainably develop in the future. If a market for Renewables Shares does not sustainably develop, Renewables shareholders may have difficulty selling their Renewables Shares and the market price for Renewables Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Renewables' control.

DIVIDENDS OR DISTRIBUTIONS

Renewables has not declared or paid any dividends on the Renewables Shares since its incorporation. Any decision to pay dividends on the Renewables Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at such future time. As at the date hereof, there is no plan to change Renewables' dividend policy.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MD&A of the operating and financial results of Renewables for the three months ended March 31, 2019 and 2018 and for the years ended December 31, 2018 and 2017, are attached to this Listing Statement in Appendix "B".

Zinc Air Technology

Renewables' zinc air technology is the process/system that allows Renewables to develop its zinc air batteries. As at the date of this Listing Statement, Renewables has determined the useful life to be indefinite as it is difficult to assess a fixed time period of use for this technology. As an emerging technology, Renewables expects that it can generate economic benefits for the Company for a significant period of time.

Impairment Testing

In December 2017, MGX acquired all of the issued and outstanding Renewables Shares from Teck Resources in an arm's length transaction. Renewables determined that MGX completed the purchase solely for the intangible assets held in Renewables and that the purchase price was reflective of what the market deemed to be the value of Renewables intangible assets at that date. The consideration paid by MGX for Renewables was common shares in the capital of MGX (fair valued at \$4,784,258) and cash consideration of \$250,000, for aggregate consideration of \$5,034,258. Renewables had \$84,124 of net cash available when it was acquired by MGX. This amount was deducted from the total consideration in order to isolate the consideration paid for the intangible assets, thereby determined to have a value of \$4,950,134. Therefore, Renewables was able to determine an actual recoverable amount for the intangible assets and diminish the assets to that value.

Subsequent to 2017, Renewables has carried out further impairment testing. In addressing IAS 36.10, there has been continued research and development in respect of Renewables' intangible assets with a view towards realizing economic benefits. Renewables closed the Subscription Receipt Offering to increase its working capital to, in part, continue developing its intangible assets. The likelihood that current recoverable amounts would be less than the existing carrying value, which is unchanged from the previous impairment, is remote.

By applying the impairment indicators in IAS 36.12, Renewables has determined that there are no indicators for additional impairment at this time. There have been no significant changes to Renewables' technology or to the market for batteries that would indicate a reduction in demand for renewable sources of energy. There are also no internal impairment indicators as Renewables is continuing to develop its technology.

CAPITALISATION OF THE COMPANY

Outstanding Securities

As of the date of this Listing Statement there are 38,790,200 Renewables Shares outstanding and there are 4,357,500 Warrants outstanding.

On June 11, 2019, Renewables completed a non-brokered private placement of 8,020,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,005,000. Each Subscription Receipt evidenced the right to automatically receive, upon closing of the Arrangement, one Unit, each Unit being comprised of one Renewables Share and one half of one Warrant. Each whole Warrant entitles the holder thereof to acquire one Renewables Share at a price per Renewables Share of \$0.35 until November 30, 2020. All Warrants issued contain an accelerator clause whereby, if at any time the trading price of Renewables Shares equals or exceeds \$0.50 for a period of ten consecutive trading days, Renewables may provide notice to the holders of Warrants that such warrants will expire 30 days after the date of notice. The Subscription Receipts converted on the Effective Date and

Renewables issued 770,200 Renewables Shares and 347,500 Warrants as compensation to certain finders in connection therewith.

Description of the Renewables Shares

The authorized share capital of the Company consists of an unlimited number of Renewables Shares (common shares without par value) and an unlimited number of preferred shares issuable in series (“**Preferred Shares**”).

Renewables Shares

Each holder of Renewables Shares is entitled to receive notice of, to attend at, or to vote at meetings of shareholders of the Company on the basis of one vote for each Renewables Share registered in their name on the Company’s list of shareholders.

Subject to the rights of holders of Preferred Shares, all of the Renewables Shares rank equally as to participation in dividends and in the distribution of the Company’s assets on a liquidation, dissolution or winding up, or other distribution of assets for the purpose of winding up the Company’s affairs.

Preferred Shares

The Preferred Shares may be issued in one or more series. The Board may determine by resolution the designation, rights and restrictions attaching to each series of Preferred Shares as well as the number to be issued. The terms determined by the Board include dividends and dividend payments, conversion features, redemption features, voting rights, retraction rights and transfer restrictions.

The holders of the Preferred Shares shall be entitled to receive dividends as and when declared by the directors from time to time. Dividends may be declared and paid on the Preferred Shares to the exclusion of any other class or classes of shares entitled to dividends.

In the event of the liquidation, dissolution or winding up of the Company or other distribution of its assets among the shareholders by way of repayment capital, whether voluntary or involuntary, the holders of the Preferred Shares shall be entitled to receive, before any distribution of any assets of the Company among the holders of any other class of shares, an amount per share equal to the amount stated in the special rights and restrictions relating to the Preferred Shares to be the priority amount for such share in the case of a liquidation, dissolution or winding up, together with all dividends declared thereon and unpaid.

Consolidated Capitalisation

As at the date of this Listing Statement, the Company’s capitalisation consists of 38,790,200 Renewables Shares and 4,357,500 Warrants. See “– Outstanding Securities” and “*Use of Available Funds - Principal Purposes - Other Sources of Funding*”.

Options to Purchase Securities

Other than 4,357,500 Warrants, as at the date of this Listing Statement, there are no options to purchase securities of the Company, or of a subsidiary of the Company. See “– Outstanding Securities” and “*Use of Available Funds - Principal Purposes - Other Sources of Funding*” for information regarding the Subscription Receipt Offering.

Prior Sales

Other than upon conversion of 8,020,000 Subscription Receipts on June 26, 2019 and the issuance of 770,200 Renewables Shares on June 27, 2019, during the 12-month period before the date of this Listing Statement, Renewables did not issue any Renewables Shares or any securities that are convertible or exchangeable into Renewables Shares. On October 15, 2018, the Renewables Shares were split on the basis of 1.66666667 shares for each then outstanding share. See “– *Outstanding Securities*” and “*Use of Available Funds – Principal Purposes – Other Sources of Funding*”.

Escrowed Securities

In accordance with NP 46-201, subject to certain exceptions, all equity securities and convertible securities of an issuer owned or controlled by its Principals (as defined below) are required to be held in escrow in accordance with the escrow regime applicable to IPOs (the definition of which includes the Arrangement for the purposes of the policies of the CSE), unless the securities held by the Principal represent less than 1% of the voting rights attached to an issuer's outstanding securities immediately after its IPO.

Under NP 46-201, a “**Principal**” is defined to include all persons or companies that, on the completion of an IPO, fall into one of the following categories:

- a person or company who acted as a promoter of the issuer within two years before the IPO listing statement;
- a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO listing statement;
- a 20% holder: a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO; and
- a 10% holder: a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

In addition:

- a company, trust, partnership or other entity more than 50% held by one or more Principals will be treated as a Principal; and
- a Principal's spouse and their relatives that live at the same address as the Principal will also be treated as Principals and any securities of the issuer they hold will be subject to escrow requirements.

Immediately after completion of its IPO, an issuer will be classified for the purposes of escrow as an “exempt issuer”, an “established issuer” or an “emerging issuer”. As the Company will be an “emerging issuer”, the following automatic timed releases will apply to the Renewables Shares held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

The automatic time release provisions under NP 46-201 pertaining to “established issuers” (usual case) provide that 25% of each Principal's escrowed securities are released on the listing date, with an additional 25% being released in equal tranches at six month intervals over 18 months. If an emerging issuer becomes an established issuer 18

months or more after its listing date, all escrowed securities will be released immediately. If an emerging issuer becomes an established issuer within 18 months after its listing date, all escrowed securities that would have been released at that time, if the issuer was an established issuer on its listing date, will be released immediately. Remaining escrowed securities will be released in equal instalments on the date that is six months, 12 months and 18 months after the listing date.

The following Renewables Shares are subject to the terms of the escrow agreements:

Name	Number of Shares	Percentage of Shares Issued and Outstanding (on an undiluted basis)
MGX Minerals Inc.	18,000,239	46.40%
Jared Lazerson	489,797	1.26%
Lyndon Patrick	477,869	1.23%
Copper Island Mines Ltd.	386,307	1.00%

Computershare Trust Company of Canada is expected to be the depositary under the escrow agreements.

Pursuant to the terms of the escrow agreements, the securities of the Company held in escrow may not be transferred during the term of the escrow agreements unless the transfers within the escrow are:

- to existing or, upon their appointment, incoming directors or senior officers of the Company or any of its material operating subsidiaries if the Board has approved the transfer;
- to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Company's outstanding securities;
- to a person or company that after the proposed transfer: (i) will hold more than 10% of the voting rights attached to the Company's outstanding securities; and (ii) has the right to elect or appoint one or more directors or senior officers of the Company or of any of its material operating subsidiaries;
- to a trustee in bankruptcy or other person or company entitled to such securities on the bankruptcy of a holder of escrowed securities;
- to a financial institution on the realization of escrowed securities pledged, mortgaged or charged by the holder of escrowed securities to the financial institution as collateral for a loan; or
- to or between a RRSP, RRIF or other similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of the other registered plan or fund are limited to the holder of the escrowed securities and his or her spouse, children and parents or, in the case of a trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund, as applicable, or his or her spouse, children and parents.

If a holder of escrowed securities dies, the holder's escrowed securities will be released from escrow.

In addition, tenders of escrowed securities pursuant to a business combination, which includes: (a) a formal take-over bid for all outstanding equity securities of the issuer or which, if successful, would result in a change of control of the issuer; (b) a formal issuer bid for all outstanding equity securities of the issuer; (c) a statutory arrangement; (d) an amalgamation; (e) a merger; or (f) a reorganization that has an effect similar to an amalgamation or merger, are permitted. In general, escrowed securities subject to a share exchange will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a Principal of the successor entity and the holder holds more than 1% of the voting rights of the successor entity's outstanding securities.

A holder of escrowed securities may exercise any voting rights attached to their escrowed securities and receive distributions on the holder's escrowed securities.

PRINCIPAL SECURITYHOLDER AND DISTRIBUTING SECURITYHOLDER

As at the date of this Listing Statement, to the knowledge of the Company, the following persons beneficially own, or control or direct, directly or indirectly, 10% or more of the Renewables Shares in the amount set opposite their name on both a non-diluted and fully-diluted basis:

Principal Securityholder	Non-Diluted Renewables Shares Held	Diluted Renewables Shares Held
MGX Minerals Inc.	18,000,239 (46.40%)	18,000,239 (41.72%)

To the knowledge of the Company, MGX holds the above-referenced Renewables Shares of record and beneficially.

MGX purchased the Renewables Shares on December 19, 2017 at an aggregate cost of \$5,034,258 and at an average cost-per-Renewables Share of approximately \$0.17.

DIRECTORS AND OFFICERS

Name and Place of Residence	Position Held	Assumed Office ⁽¹⁾	Renewables Shares Held ⁽²⁾	Principal Occupation and Positions for the Past Five Years
Jared Lazerson Vancouver, British Columbia, Canada	Chief Executive Officer and a Director	December 19, 2017	876,104 (2.26%) ⁽³⁾	President and CEO of MGX; Consultant to Manto Resources Ltd.; Independent Investor trading commodities, currencies and indices.
Michael Reimann Vancouver, British Columbia, Canada	Chief Financial Officer and a Director	Effective Date	172,941 (0.45%)	CFO of MGX; CFO of Skana Capital Corp. from 2006-2011; CFO of PNG Gold Corporation from 2011-2012; Director of Triangle Industries from 2008-2018.
Lyndon Patrick Vancouver, British Columbia, Canada	Director	Effective Date	477,869 (1.23%)	Independently practicing lawyer.
Ronald MacDonald Vancouver, British Columbia, Canada	Director	Effective Date	nil	Independent business consultant.

Notes:

- The term of office of all directors will expire on the date of the next annual meeting of Renewables' shareholders or until their successors are elected or appointed in accordance with the BCBCA.
- The figures in this column represent the Renewables Shares that, to the knowledge of the Company, the directors and officers of Renewables beneficially own, or control or direct, directly or indirectly, as at the date of this Listing Statement.
- To the knowledge of the Company, Mr. Lazerson directly owns or controls 489,797 Renewables Shares and indirectly owns or controls 386,307 Renewables Shares through Copper Island Mines Ltd., a company which he controls.

Renewables Board

Pursuant to the Arrangement Agreement, the Board is comprised of Jared Lazerson, Michael Reimann, Lyndon Patrick and Ronald MacDonald.

Management of Renewables

The management of Renewables is composed of the following individuals:

Jared Lazerson - President & CEO - Age: 49

Mr. Lazerson has worked in the mining and technology industries since 1994 with companies including Osprey Systems (GPS and Digital Mapping), United Helicopters, Copper Island Mines and Manto Resources Ltd. He holds a BA in International Relations from the University of Pennsylvania. He is also President and CEO of MGX.

Michael Reimann - CFO - Age: 81

Dr. Reimann graduated in Engineering Physics from the Royal Military College of Canada, and obtained a Ph.D. in Physics from the University of British Columbia. He served as an officer in the Royal Canadian Navy for four years, before returning to civilian life and pursuing a career in business. He has over 45 years of experience in senior corporate management in both public and private companies. He is also CFO of MGX.

John McLeod - VP Engineering - Age: 70

Mr. McLeod is an Electrical Engineer with over 40 years' experience in leading the development of successful commercial products. His product and project experience encompasses telecommunication systems, data processing systems and commercial building operations, among others. His career spans a diverse range of technologies including microwave propagation studies at British Telecom Research Labs (BTRL), software controlled switching systems at BTRL and Mitel, and USB protocol development at Icron Technologies. He is a member of the Institution of Engineering and Technology (IET) and a Chartered Engineer (C.Eng.). He holds a B.Sc. in Electrical Engineering from the University of St. Andrews and a M.Sc. in Telecommunication Systems from the University of Essex.

Serge Drobatschewsky - VP Operations - Age: 71

Mr. Drobatschewsky was the Head of Operations at Metallic Power Inc. (zinc-air fuel cells) from the inception of that company, and established all functions of manufacturing, quality assurance, and facilities. He is intimately knowledgeable with the design, fabrication, materials sourcing, and testing of the proposed zinc-air fuel cell. He has extensive experience with new product introduction in high tech companies, as well as establishing worldwide manufacturing capabilities. He has been a significant contributor to the successful fast growth of several start-up or re-start-up high tech companies. Mr. Drobatschewsky has a bachelor's degree in Electrical Engineering and a M.Sc. in Systems Management. He has held positions as VP of Operations and VP of Quality Assurance in several high tech companies that designed and produced computer systems, wide format color inkjet printers and fuel cells.

Dr. Simon Fan - Principle Process Engineer - Age: 38

Dr. Fan is a Chemical Engineer with over 15 years' experience in electrochemical system research and development and with extensive knowledge of electrochemical characterization and process engineering. As a process engineer, Dr. Fan was responsible for zinc regenerator development in particular and, more generally, for the characterization and development of components critical to the advancement of zinc-air energy storage technology. He also fulfills an invaluable role in bridging the knowledge gap between business requirements and technology capabilities. Following receipt of a B.A.Sc. in Chemical and Biological Engineering from the University of British Columbia in 2003, Dr. Fan completed a M.Eng degree specializing in Engineering Management, and in 2012, completed a Ph.D. from the University of British Columbia, focusing on the performance characterization of electrochemical systems. Dr. Fan is also a registered Professional Engineer in British Columbia.

Steve Edley - Senior Verification Engineer - Age: 49

Mr. Edley is an Electrical Engineer with over 20 years' experience in uninterruptible power system development and testing. His background includes VRLA battery and flywheel based energy storage systems and line interactive inverter and sharing control systems delivering up to 3.6MW with Active Power. He also developed inverters at Alpha Technologies and worked with the Canadian Standards Association. He also has extensive experience with UL, CE, CSA and VDE regulatory compliance projects for various unique products. His lab experience includes designing a multi-megawatt test facility and directing operations for all regulatory, performance and failure testing of UPS products. He holds a B.Eng in Electrical Engineering from the University of Victoria, British Columbia.

Dr. Osam Ghazian - Senior Mechanical Engineer - Age: 34

Dr. Ghazian is a Mechanical Engineer with over 5 years' experience of working in multidisciplinary areas modeling and developing commercial products. His project experience has centered on microfluidics systems, electrohydrodynamics of droplets, thermo-fluids and fuel delivery systems. He is a member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) and the author of more than ten technical papers. He holds a B.Sc. and M.Sc. in Mechanical Engineering from the University of Tehran and a Ph.D. in Electrical and Computer Engineering from the University of Western Ontario.

Tristian Sloan - Senior Mechanical Engineer - Age: 39

Mr. Sloan is a Mechanical Engineer with over ten years of experience in research and development, product development and product manufacturing. His research and development and product development experience has been with hydrogen and metal air fuel cell technologies, for which he co-authored several patents. He is registered as a Professional Engineer in British Columbia and holds a B.Eng. in Mechanical Engineering from the University of Victoria, a M.Sc. in Sustainable Energy Systems from Chalmers University of Technology and a MBA from the Beedie School of Business.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors, officers, insiders or promoters, nor a shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company, nor a personal holding company of any such persons has, within the past ten years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

During the past ten years, none of the Company's directors, officers, insiders, or promoters, or a shareholder holding a sufficient number of the Company's securities to affect materially the control of the Company, was a director, officer, insider, or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

None of the Company's directors or officers or, to the Company's knowledge, shareholders holding sufficient securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Potential Conflicts

The directors and officers of Renewables are engaged in, and will continue to engage in, other activities in the energy industry including, in certain cases, acting as directors and/or officers of MGX and, as a result of these and other activities, the directors and officers of Renewables may become subject to conflicts of interest.

MGX owns or controls Renewables Shares and that ownership or control is material. As a result, MGX will have the ability to control or veto matters submitted to Renewables' shareholders for approval. This may negatively affect the attractiveness of Renewables to third-parties considering an acquisition of Renewables or cause the market price of the Renewables Shares to decline. The interests of MGX may not in all cases be aligned with the interests of Renewables' shareholders. See "*Risk Factors - Risks Related to the Renewables Shares - Effective Control*".

MGX may, from time to time, make investments in other companies and in its own research and development initiatives. As such, MGX may acquire interests in companies or otherwise develop businesses that directly or indirectly compete with all or certain portions of Renewables' business or that are suppliers to, or customers of, Renewables. See "*Risk Factors - Risks related to Renewables - Conflicts of Interest*".

The BCBCA provides that, in the event that a director or officer has an interest in a contract or proposed contract or agreement, the director or officer shall disclose his or her interest in such contract or agreement and a director shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Other than as described herein, as at the date of this Listing Statement, Renewables is not aware of any existing or potential material conflicts of interest between Renewables and a director or officer of Renewables.

CAPITALISATION

Issued Capital

The Company's capitalisation consists of 38,790,200 Renewables Shares and 4,357,500 Warrants.

	Number of Renewables Shares (non-diluted)	Number of Renewables Shares (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	38,790,200	43,147,700	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	19,527,153	19,757,153	50.34%	45.79%
Total Public Float (A-B)	19,263,047	23,390,547	49.66%	54.21%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in	20,124,412	20,651,912	51.88%	47.86%

a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	18,665,788	22,495,788	48.12%	52.14%

Public Securityholders (Registered)

The Company's capitalisation includes approximately 19,263,047 Renewables Shares held by 243 registered public securityholders.

Size of Holding	Number of Holders	Total Number of Renewables Shares
1 – 99 securities	73	2,918
100 – 499 securities	23	7,891
500 – 999 securities	20	17,697
1,000 – 1,999 securities	19	28,112
2,000 – 2,999 securities	12	31,165
3,000 – 3,999 securities	2	6,746
4,000 – 4,999 securities	7	33,153
5,000 or more securities ⁽¹⁾	87	19,135,365
Total	243	19,263,047

Note:

- In Canada, the vast majority of MGX Shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Accordingly, upon completion of the Arrangement, CDS received 9,775,170 Renewables Shares for the benefit of MGX Shareholders entitled to receive such Shares under the Plan of Arrangement. To the knowledge of the Company, approximately 8,763,711 of such Renewables Shares are beneficially owned by public securityholders.

Non-Public Securityholders (Registered)

The Company's capitalisation includes approximately 19,527,153 Renewables Shares held by five registered non-public securityholders.

Size of Holding	Number of Holders	Total Number of Renewables Shares
------------------------	--------------------------	--

5,000 or more securities	5	19,527,153
--------------------------	---	------------

Securities convertible or exchangeable into any class of listed securities:

The Company's capitalisation includes 4,357,500 Warrants.

Convertible Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Renewables Shares Issuable Upon Conversion / Exercise
Warrants	4,357,500	4,357,500

EXECUTIVE COMPENSATION

The Company expects that it will enter into employment or consulting services agreements (the “**Employment Agreements**”) with each of its Named Executive Officers. Renewables expects that the Employment Agreements will be entered into with each Named Executive Officer on mutually acceptable, negotiated terms and that, pursuant to the Employment Agreements, the NEOs will be paid compensation in such amounts and in such manner as is typical for businesses in the same industry and at the same stage of development as Renewables as well as non-competition and non-disclosure provisions. As at the date of this Listing Statement, the Company has not used a peer group to determine compensation.

The Company's director and NEO compensation program (the “**Compensation Program**”) will be developed and determined by the Compensation Committee. The Compensation Program will be reviewed at least annually and then adjusted and modified as necessary from time to time. The Company expects that its Compensation Program will provide executive officers incentives for the achievement of short-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board may note the following factors that could discourage the Company's executives from taking unnecessary or excessive risk: (i) the Company's business strategy and related compensation philosophy; and (ii) the effective balance, in each case, between short-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Summary of Compensation

During the last two completed financial years the only NEO was Suresh Singh, the former Chief Executive Officer of Renewables. Mr. Singh's total compensation was entirely comprised of salary in the amounts of \$153,890 and \$109,979.36 for the years ended December 31, 2018 and 2017, respectively.

As at the date of this Listing Statement, Renewables has not granted any compensation securities for services provided or to be provided to the Company by directors or officers.

Stock Option Plan

The Company has adopted the Stock Option Plan, which is a “rolling” stock option plan under which options may be granted equal in number to 10% of the issued and outstanding capital of the Company at the time of grant of the stock option. Up to 3,879,020 options are issuable under the Stock Option Plan, as the Company's capitalisation consists of 38,790,200 Renewables Shares and 4,357,500 Warrants.

The Stock Option Plan was established to provide incentives to qualified parties to increase their interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan is administered by the Compensation Committee. The Stock Option Plan provides that options may be issued to directors, officers, employees and consultants of the Company.

The objective of the Stock Option Plan is to provide for and encourage ownership of Renewables Shares by its directors, officers, employees and consultants and those of any subsidiary companies so that such persons may increase their stake in the Company and benefit from increases in the value of the Renewables Shares. The Stock Option Plan is designed to be competitive with the benefit programs of the Company's industry peers.

The Company expects that Options will normally be recommended by management and approved by the Board upon the commencement of an individual's employment with the Company based on the individual's level of responsibility within the organization and their contribution to the Company's success. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. Previous grants are taken into account when considering new grants.

The use of options by the Company is expected to result in a significant portion of senior officer compensation being "at risk" and will be directly linked to the achievement of business results and long-term value creation for the Company's shareholders. As at the date of this Listing Statement, there were nil options outstanding under the Stock Option Plan.

The material attributes of the Stock Option Plan are as follows:

- options may be granted to directors, officers, employees and consultants;
- all options granted pursuant to the Stock Option Plan shall be subject to Applicable Laws, and rules and policies of any stock exchange or exchanges on which the Renewables Shares may be listed;
- the exercise price of options shall be determined by the Board, subject to applicable stock exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by Applicable Laws;
- the aggregate number of Renewables Shares issuable upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Renewables Shares from time to time;
- no single participant may be granted options to purchase a number of Renewables Shares equaling more than 5% of the issued Renewables Shares in any 12-month period, unless the Company meets requirements under Applicable Laws;
- options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Renewables Shares in any 12-month period to any one consultant of the Company;
- options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Renewables Shares in any 12-month period to any person conducting investor relations activities (as such term is defined in the policies of the applicable exchange);
- the Board may determine the term of the options, but the term shall in no event be greater than five years from the date of issuance; and
- terms of vesting of the options, the eligibility of directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board.

Other than the Stock Option Plan, Renewables does not have any stock option plan, stock option agreement made outside of a stock option plan, plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units and any other incentive plan or portion of a plan under which awards are granted.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, or any associate or affiliate of any such director or senior officer, is or has been indebted to the Company since the date of its incorporation. No director or executive officer of the Company, or associate or affiliate of any such director or senior officer, is or has been indebted to the Company since the beginning of its last completed financial year.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

The Audit Committee is expected to adopt an audit committee charter, substantially in the form attached to this Listing Statement in Appendix “C”.

Composition of the Audit Committee

The Audit Committee will consist of three individuals, each of whom is financially literate within the meaning of NI 52-110.

The persons below are expected to be the members of the Audit Committee:

Lyndon Patrick ⁽¹⁾	Independent	Financially literate
Ronald MacDonald	Independent	Financially literate
Michael Reimann	Not Independent	Financially literate

Note:

1. Chair of the Audit Committee.

Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Lyndon Patrick – Mr. Patrick is a Vancouver-based, independently practicing lawyer, which has been his primary employment for the last five years. He has practiced in British Columbia since 2001 in the areas of litigation and real estate. He holds an LLB from the University of Alberta, and an MA and BA from the University of British Columbia. Mr. Patrick is an independent director of Renewables.

Ronald MacDonald – Mr. MacDonald has over 35 years of both public and private sector experience, ranging from international roles within the Parliament of Canada to serving on the boards of numerous publicly listed resource companies.

Michael Reimann – Dr. Reimann graduated in Engineering Physics from the Royal Military College of Canada, and obtained a Ph.D. in Physics from the University of British Columbia. He served as an officer in the Royal Canadian Navy for four years, before returning to civilian life and pursuing a career in business. He has over 45 years of experience in senior corporate management in both public and private companies.

Reliance on Section 6.1

Pursuant to section 6.1 of NI 52-110, as a venture issuer Renewables will rely on the exemption from the audit committee composition requirements and certain reporting obligations found in Parts 3 and Part 5 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee will adopt specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter.

External Auditor Service Fees

As at December 31, 2018, Renewables had not incurred any Audit Fees, Audit Related Fees, Tax Fees or Other Fees, each within the meaning of NI 52-110F1.

Corporate Governance

Board of Directors

The Board will exercise independent supervision over management by scheduling meetings of only independent directors to ensure that non-independent directors are not unduly influencing independent directors. The independent directors of the Company will be Lyndon Patrick and Ronald MacDonald within the meaning of NI 52-110. Neither Jared Lazerson nor Michael Reimann will be an independent director as each of Messrs. Lazerson and Reimann is an executive officer of the Company.

Directorships

The following proposed directors of Renewables serve as a director or officer of other reporting issuers as at the date of this Listing Statement:

Director	Other Reporting Company
Jared Lazerson	Arctic Star Exploration Corp. and MGX
Michael Reimann	MGX
Lyndon Patrick	MGX

Orientation and Continuing Education

The Board will ensure that new members are provided access to senior management to discuss the current business strategy of Renewables. The Board will also encourage new members to meet individually with current Board members to discuss historical information.

Ethical Business Conduct

The Board will encourage ethical business conduct by ensuring that all members are experienced in leading corporations with ethical business standards.

Nomination of Directors

The Compensation Committee will meet with prospective nominees to ensure compatibility with current members, following which the Audit Committee will propose nominees to the Board for approval.

Compensation

The Compensation Program will be developed and determined by the Compensation Committee. See "Executive Compensation".

Other Board Committees

The Board will not have any standing committees other than the Audit Committee and the Compensation Committee.

Assessments

The Board does not expect to have a formal process where the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. The Compensation Committee will review the attendance and performance of the committees and individual directors on an informal basis.

RISK FACTORS

The business of the Company, and therefore investment in it, is subject to certain risks, including but not restricted to risks related to:

Risks Related to the Renewables Shares

Going Concern

Certain conditions may cast doubt upon the ability of Renewables to continue as a going concern: Renewables has a limited commercial operating history, and no recent significant revenues to provide ongoing operating capital; and until sufficient cash flows from operations are generated on a consistent basis, Renewables will be reliant on debt and equity financing to sustain operations.

Renewables' ability to generate sufficient cash flows to maintain normal operations, if unsuccessful, will result in it not being able to continue as a going concern. Renewables has incurred significant losses to date and there is uncertainty about Renewables' ability to continue as a going concern. Management has been able, thus far, to finance operations through debt and equity financings and will continue, as appropriate, to seek financing from these and other sources; however, there are no assurances that any such financings can be obtained on favourable terms, if at all. In view of these conditions, the ability of Renewables to continue as a going concern is dependent upon its continued ability to obtain financing, generate sufficient cash flows and, ultimately, achieve profitable operations.

No Prior Public Market for the Renewables Shares

A market for Renewables Shares may not sustainably develop in the future. If a market for Renewables Shares does not sustainably develop, Renewables' shareholders may have difficulty selling their Renewables Shares and the market price for Renewables Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Renewables' control.

Requirements Associated with being a Public Company

The Company will be subject to the reporting requirements of applicable securities laws and other rules and regulations. The Company is working to identify those areas in which changes should be made to its financial and management control systems to manage the Company's growth and obligations as a public reporting company. These areas include corporate governance, corporate control, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas. Compliance with various reporting and other requirements applicable to public reporting companies will require considerable time, attention of management and financial resources. In addition, the changes made may not be sufficient to allow the Company to satisfy its obligations as a public reporting company on a timely basis.

Dilution

The Company will need to raise additional funding in order to complete the development of, create additional manufacturing capacity for, and to commercialize its products and to conduct the research and development and regulatory activities necessary to bring its products to market. To the extent that the Company raises additional capital by issuing equity securities, the share ownership of existing stockholders will be diluted. Any future debt financing may involve covenants that restrict the Company's operations, including limitations on the Company's ability to incur liens or additional debt, pay dividends, redeem its stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. In addition, if the Company must seek funds through arrangements with collaborative partners, these arrangements may require the Company to relinquish rights to some of its technologies or product candidates or otherwise agree to terms that are unfavorable to the Company.

No Dividends

The Company has never paid cash dividends on any of its share capital, and the Company currently intends to retain future earnings, if any, to fund the development and growth of the business. Therefore, holders of Renewables Shares are not likely to receive any dividends on such shares for the foreseeable future or at all. Since the Company does not intend to pay dividends, any ability of a holder of Renewables Shares to receive a return on its investment will depend on any future appreciation in the market value of such shares. There is no guarantee that the Renewables Shares will appreciate or ever maintain the current price.

Effective Control

MGX may own or control Renewables Shares and that ownership or control may be material. As a result, MGX could have the ability to control or veto matters submitted to Renewables' shareholders for approval. This may negatively affect the attractiveness of Renewables to third-parties considering an acquisition of Renewables or cause the market price of Renewables Shares to decline. The interests of MGX may not in all cases be aligned with the interests of Renewables' shareholders. In addition, MGX may have an interest in pursuing acquisitions, divestitures and other transactions that, in the judgment of its management, could enhance its equity investment, even though such transactions might involve risks to Renewables' shareholders and may ultimately adversely affect the market price of the Renewables Shares. So long as MGX continues to own, directly or indirectly, a significant amount of the Renewables Shares, MGX may be able to strongly influence or effectively control Renewables' decisions.

Certain shareholders may have the ability to influence the Company through their ownership position. These shareholders may be able to determine all matters requiring shareholder approval. For example, these shareholders may be able to control elections of directors, amendments of the Company's organizational documents or approval of any merger, sale of asset or other corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for Renewables Shares that holders of Renewables Shares may feel are in their best interest.

Eligibility for Investment

Considering that the Renewables Shares are not currently listed on a designated stock exchange, within the meaning of the Tax Act, the Renewables Shares may not be a qualified investment under the Tax Act for trusts governed by RRSPs, DPSPs, RRIFFs, RESPs, DPSPs, RDSPs and TFSAs. Any trusts governed by RRSPs, RRIFFs, RESPs, DPSPs, RDSPs and TFSAs shall consult with their own tax advisors for specific advice with respect to the receipt and holding of the Renewables Shares pursuant to the Arrangement or otherwise.

Volatility in Capital Markets

Under present market conditions, publicly traded securities in the industrial technology industry are subject to price volatility. The market for securities of industrial technology companies may be subject to market trends regardless of the success of Renewables. A volatile capital market may impede the ability to undertake future financings, strategic alliances and acquisitions.

Risks Related to Renewables

Limited Operating History

The Company is an alternative battery technology company, formed in 2011, with a limited operating history. Since its inception, the Company has devoted substantially all of its resources to the development of its zinc-air battery technology, the creation, licencing and protection of related intellectual property rights and the provision of general and administrative support for these operations. The Company has not yet obtained regulatory approval for any product candidates in any jurisdiction or generated any revenues from product sales. If any of the Company's future product candidates fail in testing or development, or do not gain regulatory approval, or if any of the Company's product candidates following regulatory approval, if any, do not achieve market acceptance, the Company may never become profitable or sustain profitability.

No History of Earnings

The Company has incurred net losses since its inception and the Company expects to continue to incur substantial losses for the next several years, and expects these losses to increase as the Company continues the development of, and the seeking of regulatory approval for, its current and future product candidates. In addition, if the Company receives regulatory approval to market any of its future product candidates, it will incur additional losses as it scales its manufacturing operations and builds an internal sales and marketing organization to commercialize any approved products. In addition, the Company expects its expenditures to increase as it adds infrastructure and personnel to support its operations as a public company. The Company anticipates that its net losses and accumulated deficit for the next several years will be significant as the Company conducts its planned operations.

As there are numerous risks and uncertainties associated with the development of zinc-air battery technology, the Company is unable to accurately predict the timing or amount of associated development expenses or when, or if, the Company will be able to achieve, or maintain, profitability. In addition, the Company's expenses could increase if there are any delays in the testing and development of future product candidates. The amount of the Company's future net losses will depend, in part, on the amount and timing of the Company's expenses, its ability to generate revenue and its ability to raise additional capital. These net losses have had, and will continue to have, an adverse effect on the Company's working capital and its shareholders' equity.

Negative Cash Flow

The Company has negative cash flow from operating activities. The Company anticipates that it will continue to have negative cash flow until such time that commercial production is achieved with its products. To the extent that the Company has negative operating cash flows in future periods in excess of the amounts disclosed above in the use available funds, it may need to deploy a portion of its existing working capital to fund such negative cash flow.

Ability to Raise Additional Funds

Developing zinc-air battery products, including conducting testing of such products, is expensive. The Company will require substantial additional capital in order to complete the development of its products, create additional manufacturing capacity, commercialize its products and conduct research and development and regulatory activities necessary to bring its product candidates to market. If regulatory authorities require that the Company perform additional testing of its products at any point, or expand or extend the Company's current testing, the Company's expenses would further increase beyond what is currently expected, and the anticipated timing of any future development activities and potential regulatory approvals will likely be delayed. Raising funds in the then-current economic environment may be difficult and additional funding may not be available on acceptable terms, or at all.

Development Risks

The development, commercialization and marketing of zinc-air battery products are at an early stage, substantially research-oriented and financially speculative. In general, zinc-air battery products may be susceptible to various risks, including potentially prohibitive costs or other characteristics that may prevent or limit their approval or commercial use. Furthermore, the number of people who may use zinc-air battery products is difficult to forecast with accuracy. The Company's future success is dependent on the establishment of a large global market for zinc-air battery products and its ability to capture a share of this market with its product candidates.

The Company's development efforts with zinc-air battery products is susceptible to the same risks of failure inherent in the development and commercialization of product candidates based on new technologies. The novel nature of zinc-air battery products creates significant challenges in the areas of product development and optimization, manufacturing, government regulation, third-party reimbursement and market acceptance.

The ability of the Company to compete and expand will also be dependent on its access, at a reasonable cost, to equipment, parts and components, which are at least technologically equivalent to those utilized by competitors and to the development and acquisition of new competitive technologies. Failure by the Company to do so could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

Operation and Supplier Risk

The Company outsources certain of its production activities to a series of contract manufacturers and there is a risk that one or more of these subcontractors will not perform its contractual obligations. There is also a risk that long lead times for critical components may affect production lead times. Where possible, the Company addresses these risks through contract frustration insurance. The Company also actively monitors critical component suppliers to the contract manufacturer and in some cases invests to secure longer lead time items. At this stage in the Company's development, the Company has greater exposure to financial loss due to a concentration of customers.

Dependence on Government Funding

The Company's business plan relies on government funding from SDTC. Government funding arrangements generally require milestones and other objectives to be achieved prior to funding payments being made. Failure to meet certain conditions relating to such government funding may have a material adverse effect on the Company's business, financial condition and results of operations.

Results of Early Testing

Zinc-air battery product development has inherent risk. The Company, or any of its future development partners, will be required to demonstrate through adequate and well-controlled testing that its product candidates are effective, with a favorable risk-benefit profile, for their intended use before Renewables can seek regulatory approvals for their commercial sale. Zinc-air battery product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of development, including after commencement of any testing. In addition, success in early testing does not mean that later testing will be successful because product candidates in later-stage testing may fail to demonstrate sufficient safety or efficacy despite having progressed through initial testing. Accordingly, Renewables cannot guarantee that it will be able to develop commercially viable products on the timetable that the Company anticipates, or at all.

Market Acceptance

Market acceptance of the Company's products is a significant factor in achieving the Company's strategic goals. A key risk in the minds of Renewables' customers is the Company's financial stability and its continued ability to support its product offerings over a long period of time. The Company's success will also depend on its ability to enhance its existing technology and products, and its ability to introduce new products and features that meet customer requirements. There can be no assurance that Renewables will successfully market its technology to earn sufficient revenue to permit the level of research and development spending required to maintain a stream of new technological advances and product development. Further, there can be no assurance that Renewables will be successful in developing, manufacturing, marketing or enhancing its technology and products. Renewables' business would be adversely affected if it incurs delays in developing its technology, products or enhancements, or if such technology, products or enhancements do not gain market acceptance.

Emerging Market

Alternative battery technology is an emerging market. In such emerging markets, demand and market acceptance for recently introduced products and services are subject to a high level of uncertainty and risk. The development of a mass market for Renewables' products may be affected by many factors, some of which are beyond the Company's control, including the emergence of newer, more competitive technologies and products, the cost of fuels used by the Company's products, regulatory requirements, consumer perceptions of the safety of the Company's products and related fuels, and end-user reluctance to buy a new product. If a mass market fails to develop, or develops more slowly than the Company anticipates, Renewables may never achieve profitability. In addition, Renewables cannot guarantee that its products will continue to be developed, manufactured or marketed if sales levels do not support the continuation of the product.

Product Liability

The use of its future product candidates in testing and the sale of any products for which Renewables obtains marketing approval exposes Renewables to the risk of product liability claims. Product liability claims might be

brought against Renewables by consumers, retailers or others selling or otherwise coming into contact with its product candidates and any products for which Renewables obtains marketing approval. There is a risk that Renewables' product candidates may induce adverse events, and that such adverse events may not be detected for a long period of time. If Renewables cannot successfully defend against product liability claims, it could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims can result in: impairment of business reputation; increased costs due to related litigation; distraction of management's attention from Renewables' primary business; substantial monetary awards to claimants; the inability to commercialize or develop product candidates; and decreased demand for Renewables' product candidates, if approved for commercial sale.

Renewables carries product liability insurance that it believes is sufficient in light of its current activities, however, Renewables may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect against losses due to liability. If and when Renewables obtains marketing approval for product candidates, it intends to expand its insurance coverage to include the sale of commercial products; however, Renewables may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. On occasion, large judgments have been awarded in lawsuits based on product liability claims. A successful product liability claim or series of claims brought against Renewables or any third-parties whom Renewables is required to indemnify could cause Renewables' stock price to decline and, if judgments exceed Renewables' insurance coverage, could adversely affect results of operations and Renewables' business.

Dependence on Key Personnel

The Company's success is dependent on certain key management personnel, primarily its executives, which is key to the existence and continuity of the Company. Furthermore, competition for qualified employees among industrial technology companies is intense and the loss of key personnel or inability to attract and retain the additional highly skilled employees required for the expansion of activities could adversely affect the Company's business.

Competitive Market for the Company's Products and Services

The battery technology industry is highly competitive. Since Renewables is a first-mover in an emerging market, there is a higher than normal risk that the Company will face unexpected competition in the form of new technologies and new competitors. Overall, most of the Company's competitors in the industry are larger than the Company and might have greater financial, and other, resources, which could enable them to invest significant amounts of capital and other resources in their businesses, including expenditures for research and development. Further, many of the Company's competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater sales, marketing, technical and other resources than Renewables. If one of its current or future competitors develops innovative proprietary products, some of the Company's products could be rendered obsolete.

Renewables operates within competitive markets and the Company believes that it has adopted a competitive business strategy. However, Renewables' business, results, operations and financial condition could be materially adversely affected by the actions of its competitors (including their marketing and pricing strategies and product and services development). Renewables may be forced to change the nature of its business as a result of competitive factors and there is no assurance that Renewables will be able to compete successfully in the market place in which it seeks to operate.

Manufacturing Cost Targets

The Company's business model assumes that it will be able to achieve manufactured cost targets that will enable it to achieve industry standard margins. Delays in reaching adequate rates and efficiencies in production could impair the profitability of the Company. Renewables' ability to manufacture products that are cost effective depends on reaching efficient production levels. The failure to reach adequate production levels and efficiencies could impair Renewables' ability to profitably market its products and could have a material adverse effect on its business, results of operation and financial condition. Renewables cannot control the cost of required raw materials. Renewables' principal raw materials are zinc, magnesium, nickel and various plastics. The prices for these raw materials are subject to market forces largely beyond the Company's control and have varied significantly and may vary significantly in the future. Renewables may not be able to adjust its product prices, especially in the short-term, to

recover the cost of increases in these raw materials. Renewables' future profitability may be adversely affected to the extent that the Company is unable to pass on higher raw material or reduce its costs to compensate for such changes.

Protection of Intellectual Property

The Company's success depends in part on its ability to obtain and maintain patent protection and trade secret protection for its product candidates, proprietary technologies and their uses, as well as its ability to operate without infringing upon the proprietary rights of others. The Company relies on patent, trade secret, trademark and copyright laws to protect its intellectual property. However, some of the Company's intellectual property is not covered by any patent or patent application, and the patents to which the Company currently has rights expire between 2017 and 2023. Renewables' present or future-issued patents may not protect its technological leadership, and its patent portfolio may not continue to grow at the same rate as it has in the past. Accordingly, there can be no assurance that the Company's patent applications or those of its licensors, as applicable, will result in additional patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents issued will not be infringed, designed around or invalidated by third-parties. Even issued patents may later be found unenforceable or may be modified or revoked in proceedings instituted by third-parties before various patent offices or in courts. The degree of future protection afforded to the Company's proprietary rights is uncertain. Only limited protection may be available and may not adequately protect the Company's rights or permit the Company to gain or keep any competitive advantage. This failure to properly protect the intellectual property rights relating to these product candidates could have a material adverse effect on the Company's financial condition and results of operations.

Renewables also seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements. Renewables can provide no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Certain of Renewables' intellectual property have been licenced to it on a non-exclusive basis from third-parties who may also licence such intellectual property to others, including Renewables' competitors. If necessary or desirable, Renewables may seek further licences under the patents or other intellectual property rights of others. However, Renewables may not be able to obtain such licences or the terms of any offered licences may not be acceptable to the Company. The failure to obtain a licence from a third-party for intellectual property the Company uses could cause Renewables to incur substantial liabilities and to suspend the manufacture or shipment of products or its use of processes requiring the use of such intellectual property.

Renewables may become subject to lawsuits in which it is alleged that it has infringed the intellectual property rights of others or commence lawsuits against others who Renewables believes are infringing upon its rights. The Company's involvement in intellectual property litigation could result in significant expense, adversely affecting the development of sales of the challenged product or intellectual property and diverting the efforts of the Company's technical and management personnel, whether or not such litigation is resolved in favour of the Company.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and the Company's intellectual property rights in some countries outside Canada can be less extensive than those in Canada. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as laws in Canada. Consequently, the Company may not be able to prevent third-parties from practicing its inventions in all countries outside Canada, or from selling or importing products made using its inventions in all countries outside Canada or other jurisdictions. Competitors may use the Company's technologies in jurisdictions where the Company has not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where it does have patent protection, but enforcement is not as strong as that in Canada. These products may compete with the Company's product candidates and the Company's patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Regulation

In both domestic and foreign markets, the design, manufacturing, packaging, labelling, handling, distribution, import, export, licencing, sale and storage of the Company's products are affected by a body of laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that the Company is in compliance with all of these laws, regulations and other constraints. Failure by the Company to comply with these laws, regulations and other constraints or new laws, regulations and other constraints could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead the Company to discontinue product sales and could have an adverse effect, resulting in significant loss of sales.

Conflicts of Interest

There exists the possibility for certain of its directors and officers to be in a position of conflict as a result of their holding positions with affiliates of the Company. Further, MGX does, from time to time, make investments in other companies and in its own research and development initiatives. As such, MGX may acquire interests in companies or otherwise develop businesses that directly or indirectly compete with all or certain portions of Renewables' business or that are suppliers to, or customers of, Renewables.

Risks of Foreign Exchange Rate Fluctuation

The Company is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, revenues and costs could be denominated in other currencies. Exchange rates for currencies of the countries in which the Company operates may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on the Company's future earnings or assets when translating foreign currency into Canadian dollars. In general, the Company does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, the Company may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. The Company does not typically carry convertibility risk insurance.

Legal Proceedings

While Renewables is not currently a party to any legal proceedings, such proceedings could be filed against Renewables in the future. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a materially adverse effect on Renewables.

PROMOTER

MGX may be considered a promoter of the Company within the meaning of applicable securities laws. MGX will not receive any proceeds from the Arrangement. All expenses incurred by Renewables and MGX in connection with the Arrangement will be borne by MGX. For more information on MGX, see "*Corporate Structure - Intercorporate Relationships*" and "*Principal Securityholder and Distributing Securityholder*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of the date of this Listing Statement, the Company is not a party to any material legal proceedings or any regulatory actions, the Company has not been party to any material legal proceeding since January 1, 2018, and the Company has not been party to any regulatory action in the three years immediately preceding the date of this Listing Statement.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Listing Statement, no director, executive officer or principal shareholder of the Company, or an associate or affiliate of a director, executive officer or principal shareholder of the Company, has

any material interest, direct or indirect, in any transactions which has occurred since the incorporation, or in any proposed transaction that has materially affected or will materially affect the Company.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The Company's auditor is Adam Sung Kim Ltd. at its office of Unit #168 – 4300 North Fraser Way, Burnaby, BC, Canada V5J 5J8.

Transfer Agent, Registrar and Other Agents

The Company's transfer agent and registrar for the Renewables Shares is expected to be Computershare Investor Services Inc. at its principal offices of 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9 (or any other trust company, bank or financial institution acceptable to Renewables in its sole discretion).

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business and the Arrangement Agreement, since January 1, 2018 the Company has not entered into a material contract nor is any material contract entered into prior to such date still in effect.

INTERESTS OF EXPERTS

The Company's auditor, Adam Sung Kim Ltd., reports that it is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia as at the date of their audit report.

OTHER MATERIAL FACTS

There are no material facts about Renewables and its securities that are not disclosed under the preceding items that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to Renewables and its securities.

FINANCIAL STATEMENTS

This Listing Statement includes the following financial statements, attached at Appendix "A":

- audited financial statements of Renewables as at and for the years ended December 31, 2018 and 2017; and
- unaudited condensed interim financial statements of Renewables for the three months ended March 31, 2019 and 2018.

The financial statements have been prepared in accordance with IFRS.

The financial information is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the SEC which would apply if the Renewables Shares were being registered with the SEC.

CERTIFICATE OF THE COMPANY

The foregoing contains full, true and plain disclosure of all material information relating to MGX Renewables Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 28th day of June, 2019.

(signed) "*Jared Lazerson*"

JARED LAZERSON
CHIEF EXECUTIVE OFFICER

(signed) "*Michael Reimann*"

MICHAEL REIMANN
CHIEF FINANCIAL OFFICER

On Behalf of the Board

(signed) "*Lyndon Patrick*"

LYNDON PATRICK
DIRECTOR

(signed) "*Ronald MacDonald*"

RONALD MACDONALD
DIRECTOR

CERTIFICATE OF THE PROMOTER

The foregoing contains full, true and plain disclosure of all material information relating to MGX Renewables Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated this 28th day of June, 2019.

(signed) "*Jared Lazerson*"

JARED LAZERSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER

(signed) "*Michael Reimann*"

MICHAEL REIMANN
CHIEF FINANCIAL OFFICER

APPENDIX A
FINANCIAL STATEMENTS

(See attached)

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Financial Statements

For the Years Ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

UNIT# 168
4300 NORTH FRASER WAY
BURNABY, BC, V5J 5J8

T: 604.318.5465
F: 778.375.4567

Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
MGX Renewables Inc. (formerly ZincNyx Energy Solutions Inc.)

Opinion

I have audited the financial statements of MGX Renewables Inc. (formerly ZincNyx Energy Solutions Inc.) (the "Company"), which comprise the statements of financial position as at December 31, 2018 and December 31, 2017, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the years ended December 31, 2018 and December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and December 31, 2017, and its financial performance and its cash flow for the years ended December 31, 2018 and December 31, 2017 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$2,595,544 during the period ended December 31, 2018 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$10,632,835 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
April 30, 2019

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Statements of Financial Position

As at

(Expressed in Canadian Dollars)

	Note	December 31, 2018	December 31, 2017
		\$	\$
Assets			
Current Assets			
Cash		37,502	2,289
Prepaid and deposits		16,382	22,515
Amounts receivable		5,159	11,609
		59,043	36,413
Non-Current Assets			
Equipment	6	210,938	-
Intangible assets	5	4,950,134	4,950,134
		5,161,072	4,950,134
Total Assets		5,220,115	4,986,547
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		133,391	6,615
Advances payable	8	115,000	-
Loan payable		-	1,517,222
		248,391	1,523,837
Promissory Note	8	4,104,558	-
Total Liabilities		4,352,949	1,523,837
Shareholders' Equity			
Share capital	7	11,500,001	11,500,001
Deficit		(10,632,835)	(8,037,291)
		867,166	3,462,710
Total Liabilities and Shareholders' Equity		5,220,115	4,986,547

Nature of operations (Note 1)

Approved and authorized by the Board on April 30, 2019

<u>"Jared Lazerson"</u>	Director	<u>"Michael Reimann"</u>	Director
Jared Lazerson		Michael Reimann	

The accompanying notes are an integral part of these financial statements

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Statements of Income (loss) and Comprehensive Income (loss)

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	2018	2017
		\$	\$
Revenue			
Funding for Research and Development	5	-	448,682
Interest income		-	101
		-	448,783
Expenses			
Amortization	6	16,435	-
General and administrative		107,906	90,079
Interest		210,592	-
Marketing		106,366	16,011
Payroll	8	285,996	388,200
Professional fees		160,989	307,365
Research and development		1,502,473	936,102
Rent		204,787	203,688
Travel		-	749
		2,595,544	1,942,194
Loss before other items		(2,595,544)	(1,493,411)
Other expenses			
Impairment of intangible assets		-	(6,553,366)
Net loss before income tax recovery		(2,595,544)	(8,046,777)
Income tax recovery		-	6,595
Net and Comprehensive income (loss) for the year		(2,595,544)	(8,040,182)
Basic and diluted loss per share		(0.09)	(0.27)
Weighted average shares outstanding		30,000,000	30,000,000

The accompanying notes are an integral part of these financial statements

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Statements of changes in Equity

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

	Common shares¹	Share Capital	Earnings (Deficit)	Total
	#	\$	\$	\$
Balance, December 31, 2016	30,000,000	11,500,001	2,891	11,502,892
Net loss for the year	-	-	(8,040,182)	(8,040,182)
Balance, December 31, 2017	30,000,000	11,500,001	(8,037,291)	3,462,710
Net loss for the year	-	-	(2,595,544)	(2,595,544)
Balance, December 31, 2018	30,000,000	11,500,001	(10,632,835)	867,166

¹Post 1.67:1 share split.

The accompanying notes are an integral part of these financial statements

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Statements of Cash flows

For the year ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

	2018	2017
	\$	\$
Cash provided by (used in):		
Operating activities		
Net income (loss) for the year	(2,595,544)	(8,040,182)
Items not affecting cash:		
Amortization	16,435	-
Accrued interest	210,592	-
Impairment of intangible assets	-	6,553,336
Income tax recovery	-	(6,595)
Changes in non-cash working capital items:		
Prepaid expense	6,132	29,751
Amounts receivable	6,450	72,925
Accounts payable and accrued liabilities	241,776	(46,709)
Deferred funding	-	(193,206)
Net cash used in operating activities	(2,114,159)	(1,630,650)
Investing activity		
Purchase of equipment	(227,372)	-
Net cash from investing activity	(227,372)	-
Financing activity		
Loan	2,376,744	1,517,222
Net cash from financing activity	2,376,744	1,517,222
Change in cash for the year	35,213	(113,428)
Cash, beginning of year	2,289	115,717
Cash, end of year	37,502	2,289
Supplemental information	\$	\$
Interest paid	-	-
Taxes paid	-	-

The accompanying notes are an integral part of these financial statements

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.) (“MGX-R” or the “Company”) was incorporated on December 8, 2011 in Canada under the legislation of the Province of British Columbia. MGX-R’s head office is located at Unit 1 – 8765 Ash Street, Vancouver, BC, V6P 6T3, Canada. MGX-R is a development stage company and in the process of developing zinc-air flow batteries. On October 29, 2018 the Company changed its name from ZincNyx Energy Solutions to MGX Renewables Inc. and completed a 1.67:1 share split. Unless otherwise noted, all figures have been retroactively restated to reflect the share split.

At the date of the financial statements, the Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investment in its technology and assets will depend on managements ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at December 31, 2018, the Company had an accumulated deficit of \$10,632,835 (December 31, 2017 - \$8,037,291) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flow or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing and loans from a shareholder of the Company to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Measurement and Functional and Presentation Currency

These financial statements have been prepared on the historical cost basis, as explained in the accounting policies.

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its consolidated financial statements. These financial statements are presented in Canadian dollars, which is the Company’s presentation and functional currency.

Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized either in other

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Financial instruments - Change in accounting policies

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash and receivables	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Advance and note payable	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on January 1, 2018.

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of net (loss) income. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of net (loss) income.

Intangible assets

Intangible assets with finite lives are measured at cost less accumulated amortization and impairment charges. These intangible assets are amortized on a straight-line basis over their estimated useful lives. Useful lives, residual values and amortization for intangible assets with finite useful lives are reviewed at least annually.

Indefinite life intangible assets are measured at cost less any impairment charges. These intangible assets are tested for impairment on an annual basis or more frequently if there are indicators that intangible assets may be impaired.

Impairment

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flow of the financial asset that can be reliably estimated.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted using the instrument's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets,

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss, is removed from equity and recognized in the income statement.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for equity securities are not reversed.

Loss per share

Basic earnings or loss per share is computed by dividing the earnings or loss for the period by the weighted average number of common shares outstanding during the relevant period. The treasury stock method is used for the calculation of diluted earnings or loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

Research and Development

Research and development costs are expensed as incurred to the statement of comprehensive loss. Development costs are expensed as incurred unless capitalization criteria under IFRS are met for deferral and amortization. No development costs have been capitalized to date.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Changes in accounting standards

The following standards have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 will replace IAS 17 Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. The Company continues to assess the impact of adopting this standard on its financial statements.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances

5. INTELLECTUAL PROPERTY

On March 6, 2015, the Company entered into a technology development agreement with 8230137 Canada Inc. ("8230137 Canada") whereby 8230137 Canada agreed to provide funding not exceeding \$6,000,000 for the development of intellectual property comprising the zinc regenerative fuel cell systems and zinc fuel cells (the "Zinc Technology"). The Company recognized funding of \$448,682 (2016 - \$1,480,177) received from 8230137 Canada on statement of loss during the year ended December 31, 2017.

On January 1, 2016 the Company entered into a technology purchase agreement with 8230137 Canada to purchase the Zinc Technology for \$11,500,000. In exchange, the Company issued 22,500,000 common shares of the Company. The Company incurred a transaction cost of \$3,500 related to an acquisition of intellectual property.

During the year ended December 31, 2017 the Company recorded an impairment charge of \$6,553,366 on the Zinc Technology.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

6. EQUIPMENT

	Lab Equipment \$	Equipment \$	Software \$	Total \$
Cost:				
Balance, December 31, 2017	-	-	-	-
Additions	204,691	2,373	20,309	227,373
Balance, December 31, 2018	204,691	2,373	20,309	227,373
Accumulated Depreciation:				
Balance, December 31, 2017	-	-	-	-
Amortization	11,132	396	4,907	16,435
Balance, December 31, 2018	11,132	396	4,907	16,435
Net Book Value:				
December 31, 2017	-	-	-	-
December 31, 2018	193,559	1,977	15,402	210,938

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

On November 1, 2018 the Company amended its notice of articles, resulting the following changes to the Company's share structure:

- 1) All Class A Voting Common shares without par value and Class B Voting Common shares without par value were eliminated from the authorized capital of the Company, none of which were allotted or issued as at such date.
- 2) All Class C Voting Common shares without par value have been re-named as Common shares without par value and all special rights and restrictions attached thereto have been deleted.
- 3) Creation of an unlimited number of Preferred shares without par value and creating and attaching thereto special rights and restrictions.

On January 24, 2017 the Company completed a 450:1 stock split, all historical amounts have been adjusted for the split. On October 29, 2018 the Company completed a 1.67:1 share split, all historical amounts have been adjusted for the split.

On December 19, 2017 there was a change of control event whereby MGX Minerals Inc. ("MGX") acquired all of the outstanding common shares of the Company in exchange for common shares of MGX and cash considerations.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Compensation paid to key management during the years ended December 31, 2018 and 2017 consisted of payroll expense of \$280,476 (December 31, 2017 - \$190,583). All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

During the year ended December 31, 2018 the Company received \$2,376,744 (2017 - \$nil) in loans from MGX. On June 30, 2018 the Company entered into a promissory note agreement with MGX in the amount of \$2,952,222 (the "Promissory Note"). The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bears interest at 12%, is unsecured and due on December 31, 2020. Additional loans received from MGX subsequent to the Promissory Note of \$941,744 have the same terms as the Promissory Note. During the year ended December 31, 2018 the Company recorded \$210,592 of accrued interest. As at December 31, 2018 the Company had \$4,104,558 in Promissory Notes payable to MGX.

During the year ended December 31, 2018 the Company also received advances of \$115,000 from directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

9. INCOME TAXES

	2018	2017
	\$	\$
Current tax recovery	-	6,595
Deferred income tax expense	-	-
Income tax recovery	-	6,595

A reconciliation between the Company's income tax provision, computed at statutory rates, to the reported income tax provision is as follows:

	2018	2017
	\$	\$
	27%	26%
Expected tax expense (recovery)	(700,797)	(2,092,084)
Change in tax rate and difference in rate	-	(7,904)
Items not deductible for tax purposes	(596)	1,714,264
Income tax benefit not recognized	701,392	379,129
Income tax recovery	-	(6,595)

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

The significant components of the Company's net deferred tax assets and liabilities as at December 31, 2018 and 2017 are as follows:

	2018 \$	2017 \$
Deferred Tax Assets		
Equipment	3,887	7,905
Tax losses	1,099,534	386,872
Offset against deferred tax liabilities	(23,989)	(16,512)
Unrecognized deferred tax assets	(1,079,431)	(378,265)
Deferred Tax Assets	-	-
Deferred Tax liabilities		
Intangible	(23,989)	(16,512)
Deferred revenue	-	-
Offset with deferred tax assets	23,989	16,512
Deferred tax liability	-	-

As at December 31, 2018 the Company had estimated non-capital loss for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. Their expiry dates are as follow:

2036	1,426,358
2037	6,000
2038	2,639,990
	4,072,348

10. FINANCIAL INSTRUMENTS**(a) Fair values**

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at December 31, 2018, the fair values of financial instruments measured on a recurring basis include cash, determined based on level one inputs and consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which include accounts payable and accrued liabilities, loan payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Canadian Dollars)

excess of anticipated needs. As at December 31, 2018, the Company had a working capital deficit of \$189,348.

(c) **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(d) **Interest rate risk**

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(e) **Foreign currency exchange rate risk**

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital. The Company's capital is composed of shareholder's equity in the statement of financial position.

The Company is not subject to externally imposed capital requirements. In managing capital structure, the Company manages its capital through regular reports to the Board of Directors and management review of monthly and quarterly financial information. There were no changes to the Company's management of capital during the year.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

**Condensed Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018**

(Unaudited - expressed in Canadian Dollars)

MGX Renewables Inc.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of the Company and all information contained in the report have been prepared by and are the responsibility of the Company's management.

The Audit Committee of the Board of Directors has reviewed the condensed interim financial statements and related financial reporting matters.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Condensed Interim Statements of Financial Position

As at

(Unaudited - expressed in Canadian Dollars)

	Note	March 31, 2019	December 31, 2018
		\$	\$
Assets			
Current Assets			
Cash		48,896	37,502
Prepaid and deposits		46,667	16,382
Amounts receivable		11,779	5,159
		107,342	59,043
Non-Current Assets			
Equipment	6	200,986	210,938
Intangible assets	5	4,950,134	4,950,134
		5,151,120	5,161,072
Total Assets		5,258,462	5,220,115
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		227,226	133,391
Advances payable	8	115,000	115,000
		342,226	248,391
Promissory Note	8	4,954,453	4,104,558
Total Liabilities		5,296,679	4,352,949
Shareholders' Equity			
Share capital	7	11,500,001	11,500,001
Deficit		(11,538,218)	(10,632,835)
		(38,217)	867,166
Total Liabilities and Shareholders' Equity		5,258,462	5,220,115

Nature of operations (Note 1)

Approved and authorized by the Board on May 30, 2019

<u>“Jared Lazerson”</u>	Director	<u>“Michael Reimann”</u>	Director
Jared Lazerson		Michael Reimann	

The accompanying notes are an integral part of these financial statements

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Condensed Interim Statements of Income (loss) and Comprehensive Income (loss)

For the Three Months Ended March 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

	Note	2019	2018
		\$	\$
Expenses			
Amortization	6	9,952	96
General and administrative		35,823	24,885
Interest		129,895	-
Marketing		32,928	21,706
Payroll	8	47,767	61,003
Professional fees		74,063	49,894
Research and development		524,427	192,385
Rent		50,528	51,197
Travel		-	15
		905,383	401,181
Net and Comprehensive income (loss) for the period		(905,383)	(401,181)
Basic and diluted loss per share		(0.03)	(0.01)
Weighted average shares outstanding		30,000,000	30,000,000

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Condensed Interim Statements of changes in Equity
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

	Common shares	Share Capital	Earnings (Deficit)	Total
	#	\$	\$	\$
Balance, December 31, 2017	30,000,000	11,500,001	(8,037,291)	3,462,710
Net loss for the period	-	-	(401,181)	(401,181)
Balance, March 31, 2018	30,000,000	11,500,001	(8,438,472)	3,061,529
Loss for the period	-	-	(2,194,363)	(2,194,363)
Balance, December 31, 2018	30,000,000	11,500,001	(10,632,835)	867,166
Net loss for the period	-	-	(905,383)	(905,383)
Balance, March 31, 2019	30,000,000	11,500,001	(11,538,218)	(38,217)

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Condensed Interim Statements of Cash flows

For the Three Months Ended March 31, 2019 and 2018

(Unaudited - expressed in Canadian Dollars)

	2019	2018
	\$	\$
Cash provided by (used in):		
Operating activities		
Net income (loss) for the period	(905,383)	(401,181)
Items not affecting cash:		
Amortization	9,952	96
Accrued interest	129,895	-
Changes in non-cash working capital items:		
Prepaid expense	(30,285)	(50,278)
Amounts receivable	(6,620)	5,014
Accounts payable and accrued liabilities	93,835	40,468
Net cash used in operating activities	(708,606)	(405,881)
Investing activity		
Purchase of equipment	-	(1,017)
Net cash from investing activity	-	(1,017)
Financing activity		
Loan	720,000	750,000
Net cash from financing activity	720,000	750,000
Change in cash for the period	11,394	343,102
Cash, beginning of period	37,502	2,289
Cash, end of period	48,896	345,391
Supplemental information	\$	\$
Interest paid	-	-
Taxes paid	-	-

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.) (“MGX-R” or the “Company”) was incorporated on December 8, 2011 in Canada under the legislation of the Province of British Columbia. MGX-R’s head office is located at Unit 1 – 8765 Ash Street, Vancouver, BC, V6P 6T3, Canada. MGX-R is a development-stage company and in the process of developing zinc-air batteries.

At the date of the condensed interim financial statements, the Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investment in its technology and assets will depend on management’s ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at March 31, 2019, the Company had an accumulated deficit of \$11,538,218 (December 31, 2018 - \$10,632,835) and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flow or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing and loans from a shareholder of the Company to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2018 except as outlined in Note 3.

3. CHANGES IN ACCOUNTING STANDARDS

The following standards were adopted during the period.

IFRS 16 Leases

IFRS 16 will replace IAS 17 Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

value. The standard became effective on January 1, 2019. As the Company does not currently have any leases, the adoption of this standard did not have an impact on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances

5. INTELLECTUAL PROPERTY

On March 6, 2015, the Company entered into a technology development agreement with 8230137 Canada Inc. ("8230137 Canada") whereby 8230137 Canada agreed to provide funding not exceeding \$6,000,000 for the development of intellectual property comprising the zinc regenerative fuel cell systems and zinc fuel cells (the "Zinc Technology"). The Company recognized funding of \$448,682 (2016 - \$1,480,177) received from 8230137 Canada on statement of loss during the year ended December 31, 2017.

On January 1, 2016 the Company entered into a technology purchase agreement with 8230137 Canada to purchase the Zinc Technology for \$11,500,000. In exchange, the Company issued 22,500,000 common shares in the capital of the Company. The Company incurred a transaction cost of \$3,500 related to an acquisition of intellectual property.

During the year ended December 31, 2017 the Company recorded an impairment charge of \$6,553,366 on the Zinc Technology.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

6. EQUIPMENT

	Lab Equipment \$	Equipment \$	Software \$	Total \$
Cost:				
Balance, March 31, 2019 and December 31, 2018	204,691	2,373	20,309	227,373
Accumulated Depreciation:				
Balance, December 31, 2018	11,132	396	4,907	16,435
Amortization	7,269	144	2,539	9,952
Balance, March 31, 2019	18,401	540	7,446	26,386
Net Book Value:				
December 31, 2018	193,559	1,977	15,402	210,938
March 31, 2019	186,290	1,833	12,863	200,986

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

On November 1, 2018 the Company amended its notice of articles, resulting in the following changes to the Company's share structure:

- 1) All Class A Voting Common shares without par value and Class B Voting Common shares without par value were eliminated from the authorized capital of the Company, none of which were allotted or issued as at such date.
- 2) All Class C Voting Common shares without par value have been re-named as Common shares without par value and all special rights and restrictions attached thereto were deleted.
- 3) Creation of an unlimited number of Preferred shares without par value and creating and attaching thereto special rights and restrictions.

On December 19, 2017 there was a change of control event whereby MGX Minerals Inc. ("MGX") acquired all of the outstanding common shares of the Company in exchange for common shares of MGX and cash considerations.

MGX Renewables Inc. (Formerly, ZincNyx Energy Solutions Inc.)

Notes to the Condensed Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Unaudited - expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Compensation paid to key management during the three months ended March 31, 2019 and 2018 consisted of payroll expense of \$33,000 and \$52,778 respectively. All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

During the year ended December 31, 2018 the Company received \$2,376,744 (2017 - \$nil) in loans from MGX. On June 30, 2018 the Company entered into a promissory note agreement with MGX in the amount of \$2,952,222 (the "Promissory Note"). The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bears interest at 12%, is unsecured and due on December 31, 2020. Additional loans received from MGX subsequent to the Promissory Note have the same terms as the Promissory Note.

	\$
Balance, December 31, 2017	-
Additions	3,893,966
Interest	210,592
Balance, December 31, 2018	4,104,558
Additions	720,000
Interest	129,895
Balance, March 31, 2019	4,954,453

During the year ended December 31, 2018 the Company also received advances of \$115,000 from directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital. The Company's capital is composed of shareholder's equity in the statement of financial position.

The Company is not subject to externally imposed capital requirements. In managing capital structure, the Company manages its capital through regular reports to the Board of Directors and management review of monthly and quarterly financial information. There were no changes to the Company's management of capital during the period.

APPENDIX B

MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

MGX RENEWABLES INC. (Formerly, ZINCNYX ENERGY SOLUTIONS INC.)

Unit 1 – 8765 Ash Street
Vancouver, BC V6P 6T3

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

The following Management's Discussion and Analysis ("MD&A"), prepared as of April 30, 2019, should be read in conjunction with the audited financial statements of MGX Renewables Inc. (formerly, ZincNyx Energy Solutions Inc.) ("MGX-R" or "the Company") for the year ended December 31, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian dollars unless stated otherwise.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com

FORWARD-LOOKING STATEMENTS

The Company's financial statements for the year ended December 31, 2018, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of April 30, 2019.

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. The forward-looking statements include, without limitation, statements with respect to the success of research and development activities; the Company's new and existing technology; the Company's ability to obtain necessary financing; the completion of the Transaction and the listing of the Company's shares on the Canadian Securities Exchange; the Company's ability to meet its obligations as they become due; and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among others, risks relating to research and development; the Company's intellectual property applications being approved; the Company's ability to protect its proprietary rights from unauthorized use or disclosure; the ability of the Company to obtain additional financing; the Company's limited operating history; the need to comply with environmental and governmental regulations; fluctuations in currency exchange rates; operating hazards and risks; competition; and other risks and uncertainties. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the report date and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

DESCRIPTION OF BUSINESS

The Company is executing the development and commercialization of a dependable, low cost zinc-air battery. The Company believes that this mass storage system will offer both environmental and economic benefits.

The Company's technology has been developed around the utilization of zinc as the anode fuel, which is expected to offer numerous advantages over other forms of metals due to its unique attributes, which include high energy density, abundant availability, low cost, and ease of storage and handling. The regenerative system does not require fuel replacement and offers scalable energy capacity through the simple introduction of additional fuel tanks.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

December 31, 2018

On March 6, 2015, the Company entered into a technology development agreement with 8230137 Canada Inc. ("8230137 Canada") whereby 8230137 Canada agreed to provide funding not exceeding \$6,000,000 for the development of intellectual property comprising the zinc regenerative fuel cell systems and zinc fuel cells.

OVERALL PERFORMANCE

The Company's operations are not currently revenue generating and the Company will need to continue to rely on its ability to obtain the necessary financing through grants and other financings to complete the development of zinc-air flow batteries.

On December 19, 2017 there was a change of control event whereby MGX Minerals Inc. ("MGX") acquired all of the outstanding common shares of the Company in exchange for common shares of MGX and cash considerations. On April 3, 2018, MGX announced it would pursue a reorganization, pursuant to which it would spin-out its interests in the Company, resulting in the Company becoming listed as a separate company on the Canadian Securities Exchange (the "Transaction"). The closing of the Transaction is subject to regulatory approval, approval of shareholders and subject to compliance with the requirements of the Canadian Securities Exchange.

In September 2015, the Company entered into a contribution agreement with Alberta Innovates Energy and Environment Solutions ("AI-EES") whereby AI-EES agreed to provide financial contribution not exceeding \$250,000 upon receipt of invoices and progress reports. The Company received \$662,000 in grants during the year ended December 31, 2016 when it had fulfilled the necessary requirements.

In March 2015, the Company entered into a contribution agreement with Canadian Foundation for Sustainable Development Technology Canada ("SDTC") whereby SDTC agreed to provide financial contribution not exceeding the lesser of \$2,900,000 and 29.09% of eligible project costs upon receipt of invoices and progress reports. The Company received \$150,000 in grants during the year ended December 31, 2016 when it had fulfilled the necessary requirements.

Zinc-Air Technology

The Company's zinc-air technology consists of three major components: the fuel tank where zinc particles and a potassium hydroxide (KOH) electrolyte are stored; the cell stack where the fuel is converted to electrical power; and the regenerator unit where the electrical power is converted back to fuel. In operation, electrical energy from a source is used to convert zinc oxide to zinc metal in the regenerator unit. The zinc "fuel" thus created is stored in the fuel tank until required. When stored energy is to be released, the zinc fuel is pumped into the cell stack where it reacts with atmospheric oxygen to produce electricity.

The Company has commenced development of a scaled-up 20 kW/160-kilowatt hour ("kWh") system for use in utility-scale battery storage. The 20kW/160kWh modules represent a four-times increase in both energy and power as compared to its current 5kW systems. The 20kW system is expected to retain all attributes of the Company's existing 5kW systems, while providing additional benefits, including lower costs and higher energy density along with adaptability for new applications beyond mass energy storage. The containerized system may be easily scaled to megawatt storage and output capacities. To date, MGX Renewables has been awarded 20 patents covering its mass storage technology.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

December 31, 2018

SELECTED ANNUAL INFORMATION

The following is a summary of certain selected audited financial information of the Company for the years ended December 31, 2018, 2017 and 2016:

	2018	2017	2016
	\$	\$	\$
Total revenues	-	448,783	2,292,807
Net (loss) income	(2,595,544)	(8,040,182)	2,891
Net loss per share (basic and diluted)	(0.09)	(0.27)	0.00
Intangible assets	4,950,134	4,950,134	11,503,500
Total assets	5,220,115	4,986,547	11,749,422
Long term liabilities	4,104,558	-	-
Working capital deficit	(189,348)	(1,387,424)	(608)

DISCUSSION OF OPERATIONS

Year ended December 31, 2018

The Company recorded a net loss of \$2,595,544 (\$0.09 per share) for the year ended December 31, 2018 as compared to a loss of \$8,040,182, (\$0.27 per share) for the year ended December 31, 2017.

The decrease in loss for the year ended December 31, 2018 is due to the following:

- During the year ended December 31, 2017 the Company received \$448,682 in funding for research and development compared to \$nil during the period ended December 31, 2018;
- Professional fees decreased from \$307,365 to \$160,989 as the Company incurred additional legal fees during the year ended December 31, 2017 as a result of MGX acquiring the Company's shares; and
- During the year ended December 31, 2017 the Company recorded an impairment of intangible assets of \$6,553,366.

Three months ended December 31, 2018

The Company recorded a net loss of \$756,084 (\$0.03 per share) for the three months ended December 31, 2018 as compared to a loss of \$7,107,278 (\$0.24 per share) for the three months ended December 31, 2017. The loss during the period ended December 31, 2017 was greater as the Company recorded an impairment of intangible assets of \$6,553,366.

RESEARCH AND DEVELOPMENT

In order to execute the Company's business strategy, MGX Renewables focusses heavily on research and development. During the year ended December 31, 2018 the Company incurred \$1,502,473 (2017 - \$936,102) of research and development expense. A breakdown of research and development expenditures during the year ended December 31, 2018 and 2017 is as follows:

	December 31, 2018	December 31, 2017
	\$	\$
Materials	163,444	22,600
Operations	46,211	11,756
Personnel	1,284,967	901,746
Testing	7,851	-
	1,502,473	936,102

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

December 31, 2018

SUMMARY OF QUARTERLY RESULTS

The following table sets out financial information for the past eight quarters:

	Three Months Ended (\$)			
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Net and comprehensive loss	(756,084)	(831,724)	(606,655)	(401,181)
Basic and diluted loss per share*	(0.03)	(0.03)	(0.02)	(0.02)
Total assets	5,220,115	5,242,768	5,480,842	5,375,834
Working capital (deficit)	(189,348)	(31,301)	442,125	377,696

	Three Months Ended (\$)			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Net and comprehensive income	(7,107,278)	(596,834)	(336,070)	-
Basic and diluted loss per share*	(0.24)	(0.03)	(0.02)	-
Total assets	4,986,547	11,704,430	11,679,353	11,620,931
Working capital	(1,487,424)	(933,512)	(339,569)	(3,499)

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

The increase in loss during the three months ended December 31, 2017 is due to an impairment of intangible assets of \$6,553,366. The increase in loss during the quarters ended June 30, 2018 and March 31, 2018 are due to a decrease in funding for research and development.

OUTSTANDING SHARE DATA

The Company has authorized unlimited common shares without par value.

As at April 30, 2018 the Company had 30,000,000 common shares outstanding, all held by MGX.

TRANSACTIONS BETWEEN RELATED PARTIES

Compensation paid to key management during the years ended December 31, 2018 and 2017 consisted of payroll expense of \$280,476 (December 31, 2017 - \$190,583). All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

During the year ended December 31, 2018 the Company received \$2,376,744 (2017 - \$nil) in loans from MGX. On June 30, 2018 the Company entered into a promissory note agreement with MGX in the amount of \$2,952,222 (the "Promissory Note"). The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bears interest at 12%, is unsecured and due on December 31, 2020. The Company determined that the fair value of the Promissory Note approximates book value. Additional loans received from MGX subsequent to the Promissory Note of \$941,744 will have the same terms as the Promissory Note. During the year ended December 31, 2018 the Company recorded \$210,592 of accrued interest. As at December 31, 2018 the Company had \$4,104,558 in Promissory Notes payable to MGX.

During the year ended December 31, 2018 the Company also received advances of \$115,000 from a director of the Company. The amounts are unsecured, non-interest bearing and due on demand.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018 the Company had a working capital deficit of \$189,348 (December 31, 2017 - \$1,487,424), has not generated any revenue from operations and has an accumulated deficit of \$10,632,835 (December 31, 2017 - \$8,037,291). MGX Renewables expects to remedy the working capital deficiency by way of the Transaction. MGX Renewables does not expect this working capital deficiency to impact its ability to meet its obligations as they become due.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

December 31, 2018

To date the Company has been funded through government grants and shareholder funding for research and development. As at December 31, 2018 the Company did not have sufficient funds to cover working capital expenditures for the next 12 months. The Company will need additional funding to continue the development of its zinc-air technology. MGX Renewables has no capital commitments for the next 12 months, and in order to execute the Company's business strategy the Company will need to continue capital development through research and development. The Company expects to fund its future capital requirements through additional government grants and shareholder funding. The circumstances that could affect such sources of financing include those set out under "Risk Factors" in the accompanying Circular. See also the "Financial Instruments" section of this MD&A.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

During the year ended December 31, 2018 the Company received an additional \$2,376,744 in loans from MGX. On June 30, 2018 the Company entered into a Promissory Note with MGX. The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bears interest at 12% annually, is unsecured and due on December 31, 2020. The Company determined that the fair value of the Promissory Note approximates book value.

The Company did not complete any financing during the year ended December 31, 2017.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

The Company has no proposed transactions that will materially affect the performance of the Company, other than as described in the accompanying Circular.

ACCOUNTING POLICIES

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2018.

The following standard has been adopted during the period:

IFRS 15, Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") establishing a comprehensive framework for revenue recognition. The standard replaces IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations. The adoption of this standard has not had a material measurement or disclosure impact on the Company's financial statements.

FINANCIAL INSTRUMENTS

Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

December 31, 2018

As at December 31, 2018, the fair values of financial instruments measured on a recurring basis include cash, determined based on Level 1 inputs and consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2018, the Company had a working capital deficit of \$189,348 (December 31, 2017 - \$1,487,424).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Foreign Currency Exchange Rate Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. The Company's goal is to mitigate the risks arising from business activities, the markets and political environments in order to sustain and develop the Company's operations. The risks and uncertainties described in the accompanying Circular under "*Risk Factors*" are considered by management to be the most important in the context of the Company's business. Such risks and uncertainties are not inclusive of all risks and uncertainties the Company may be subject to and other risks may apply.

ADDITIONAL DISCLOSURE

The Company believes it will have adequate working capital to maintain existing operations for approximately 12 months without requiring additional funding, subject to completion of the Transaction.

MGX RENEWABLES INC. (Formerly, ZINCNYX ENERGY SOLUTIONS INC.)

Unit 1 – 8765 Ash Street
Vancouver, BC V6P 6T3

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2019

The following Management's Discussion and Analysis ("MD&A"), prepared as of May 30, 2019, should be read in conjunction with the unaudited condensed interim financial statements of MGX Renewables Inc. (formerly, ZincNyx Energy Solutions Inc.) ("MGX Renewables" or the "Company") for the three months ended March 31, 2019, together with the audited financial statements of the Company for the year ended December 31, 2018 and the accompanying MD&A for that fiscal year. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. All financial amounts are stated in Canadian dollars unless stated otherwise.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com

FORWARD-LOOKING STATEMENTS

The Company's financial statements for the three months ended March 31, 2019, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 30, 2019.

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. The forward-looking statements include, without limitation, statements with respect to the success of research and development activities; the Company's new and existing technology; the Company's ability to obtain necessary financing; the completion of the Transaction (as defined herein) and the listing of the Company's shares on the Canadian Securities Exchange; the Company's ability to meet its obligations as they become due; and other similar statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among others, risks relating to research and development; the Company's intellectual property applications being approved; the Company's ability to protect its proprietary rights from unauthorized use or disclosure; the ability of the Company to obtain additional financing; the Company's limited operating history; the need to comply with environmental and governmental regulations; fluctuations in currency exchange rates; operating hazards and risks; competition; and other risks and uncertainties. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the report date and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

DESCRIPTION OF BUSINESS

The Company is executing the development and commercialization of a dependable, low cost zinc-air battery. The Company believes that this mass storage system will offer both environmental and economic benefits.

The Company's technology has been developed around the utilization of zinc as the anode fuel, which is expected to offer numerous advantages over other forms of metals due to its unique attributes, which include high energy density, abundant availability, low cost, and ease of storage and handling. The regenerative system does not require fuel replacement and offers scalable energy capacity through the simple introduction of additional fuel tanks.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

March 31, 2019

On March 6, 2015, the Company entered into a technology development agreement with 8230137 Canada Inc. ("8230137 Canada") whereby 8230137 Canada agreed to provide funding not exceeding \$6,000,000 for the development of intellectual property comprising the zinc regenerative fuel cell systems and zinc fuel cells.

OVERALL PERFORMANCE

The Company's operations are not currently revenue generating and the Company will need to continue to rely on its ability to obtain the necessary financing through grants and other financings to complete the development of zinc-air flow batteries.

On December 19, 2017 there was a change of control event whereby MGX Minerals Inc. ("MGX") acquired all of the outstanding common shares of the Company in exchange for common shares of MGX and cash considerations. On April 3, 2018, MGX announced it would pursue a reorganization, pursuant to which it would spin-out its interests in the Company, resulting in the Company becoming listed as a separate company on the Canadian Securities Exchange (the "Transaction"). The closing of the Transaction is subject to regulatory approval, approval of shareholders and subject to compliance with the requirements of the Canadian Securities Exchange.

In September 2015, the Company entered into a contribution agreement with Alberta Innovates Energy and Environment Solutions ("AI-EES") whereby AI-EES agreed to provide financial contribution not exceeding \$250,000 upon receipt of invoices and progress reports. The Company received \$662,000 in grants during the year ended December 31, 2016 when it had fulfilled the necessary requirements.

In March 2015, the Company entered into a contribution agreement with Canadian Foundation for Sustainable Development Technology Canada ("SDTC") whereby SDTC agreed to provide financial contribution not exceeding the lesser of \$2,900,000 and 29.09% of eligible project costs upon receipt of invoices and progress reports. The Company received \$150,000 in grants during the year ended December 31, 2016 when it had fulfilled the necessary requirements.

Zinc-Air Technology

The Company's zinc-air technology consists of three major components: the fuel tank where zinc particles and a potassium hydroxide (KOH) electrolyte are stored; the cell stack where the fuel is converted to electrical power; and the regenerator unit where the electrical power is converted back to fuel. In operation, electrical energy from a source is used to convert zinc oxide to zinc metal in the regenerator unit. The zinc "fuel" thus created is stored in the fuel tank until required. When stored energy is to be released, the zinc fuel is pumped into the cell stack where it reacts with atmospheric oxygen to produce electricity.

The Company has commenced development of a scaled-up 20 kW/160-kilowatt hour ("kWh") system for use in utility-scale battery storage. The 20kW/160kWh modules represent a four-times increase in both energy and power as compared to its current 5kW systems. The 20kW system is expected to retain all attributes of the Company's existing 5kW systems, while providing additional benefits, including lower costs and higher energy density along with adaptability for new applications beyond mass energy storage. The containerized system may be easily scaled to megawatt storage and output capacities. To date, MGX Renewables has been awarded 20 patents covering its mass storage technology.

DISCUSSION OF OPERATIONS

Three months ended March 31, 2019

The Company recorded a net loss of \$905,383 (\$0.03 per share) for the three months ended March 31, 2019 as compared to a loss of \$401,181, (\$0.01 per share) for the three months ended March 31, 2018.

The increase in loss for the three months ended March 31, 2019 is due to the following:

- The Company recorded interest expense of \$129,895 (2018 - \$nil) related to the promissory note from MGX.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

March 31, 2019

- Research and development increased from \$192,385 during the period ended March 31, 2018 to \$524,427 in the period ended March 31, 2019. The Company has focused its efforts on furthering its Zinc air technology and is working towards completing full scale systems.

RESEARCH AND DEVELOPMENT

In order to execute the Company's business strategy, MGX Renewables focusses heavily on research and development. During the three months ended March 31, 2019 the Company incurred \$524,427 (2018 - \$192,385) of research and development expense. A breakdown of research and development expenditures during the three months ended March 31, 2019 and 2018 is as follows:

	March 31, 2019	March 31, 2018
	\$	\$
Materials	77,531	5,688
Operations	22,131	2,049
Personnel	419,151	184,648
Testing	5,613	-
	524,427	192,385

SUMMARY OF QUARTERLY RESULTS

The following table sets out financial information for the past eight quarters:

	Three Months Ended (\$)			
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Net and comprehensive loss	(905,383)	(756,084)	(831,724)	(606,655)
Basic and diluted loss per share*	(0.03)	(0.04)	(0.05)	(0.03)
Total assets	5,258,462	5,220,115	5,242,768	5,480,842
Working capital (deficit)	(234,884)	(189,348)	(31,301)	442,125

	Three Months Ended (\$)			
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Net and comprehensive income	(401,181)	(7,107,278)	(596,834)	(336,070)
Basic and diluted loss per share*	(0.01)	(0.39)	(0.03)	(0.02)
Total assets	5,375,834	4,986,547	11,704,430	11,679,353
Working capital	377,696	(1,487,424)	(933,512)	(339,569)

* No exercise or conversion is assumed during the periods in which a loss is incurred, as the effect is anti-dilutive.

The increase in loss during the three months ended December 31, 2017 is due to an impairment of intangible assets of \$6,553,366. The increase in loss during the quarters ended June 30, 2018 and March 31, 2018 are due to a decrease in funding for research and development.

OUTSTANDING SHARE DATA

The Company has authorized unlimited common shares without par value.

As at May 30, 2019 the Company had 30,000,000 common shares outstanding, all held by MGX.

TRANSACTIONS BETWEEN RELATED PARTIES

Compensation paid to key management during the three months ended March 31, 2019 and 2018 consisted of payroll expense of \$33,000 and \$52,778 respectively. All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

March 31, 2019

During the year ended December 31, 2018 the Company received \$2,376,744 (2017 - \$nil) in loans from MGX. On June 30, 2018 the Company entered into a promissory note agreement with MGX in the amount of \$2,952,222 (the "Promissory Note"). The Promissory Note replaced the existing loans payable that were owing to MGX. The Promissory Note bears interest at 12%, is unsecured and due on December 31, 2020. Additional loans received from MGX subsequent to the Promissory Note have the same terms as the Promissory Note.

	\$
Balance, December 31, 2017	-
Additions	3,893,966
Interest	210,592
Balance, December 31, 2018	4,104,558
Additions	720,000
Interest	129,895
Balance, March 31, 2019	4,954,453

During the year ended December 31, 2018 the Company also received advances of \$115,000 from directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019 the Company had a working capital deficit of \$234,884 (December 31, 2018 -\$189,348), has not generated any revenue from operations and has an accumulated deficit of \$11,538,218 (December 31, 2018 - \$10,632,835). MGX Renewables expects to remedy the working capital deficiency by way of the Transaction. MGX Renewables does not expect this working capital deficiency to impact its ability to meet its obligations as they become due.

To date the Company has been funded through government grants and shareholder funding for research and development. As at March 31, 2019 the Company did not have sufficient funds to cover working capital expenditures for the next 12 months. The Company will need additional funding to continue the development of its zinc-air technology. MGX Renewables has no capital commitments for the next 12 months, and in order to execute the Company's business strategy the Company will need to continue capital development through research and development. The Company expects to fund its future capital requirements through additional government grants and shareholder funding. The circumstances that could affect such sources of financing include those set out under "*Risk Factors*" in the accompanying Circular. See also the "*Financial Instruments*" section of this MD&A.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

During the three months ended March 31, 2019 the Company received an additional \$720,000 (March 31, 2018 - \$750,000) in loans from MGX.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

The Company has no proposed transactions that will materially affect the performance of the Company, other than as described in the accompanying Circular.

ACCOUNTING POLICIES

The Company uses the same accounting policies and methods of computation as in the annual financial

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

March 31, 2019

statements for the year ended December 31, 2018.

The following standards were adopted during the period.

IFRS 16 Leases

IFRS 16 will replace IAS 17 Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard became effective on January 1, 2019, as the Company does not currently have any leases the adoption of this standard did not have an impact on the Company's financial statements.

FINANCIAL INSTRUMENTS

Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at March 31, 2019, the fair values of financial instruments measured on a recurring basis include cash, determined based on Level 1 inputs and consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at March 31, 2019, the Company had a working capital deficit of \$234,884 (December 31, 2018 - \$189,348).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist of GST receivable due from the Federal Government of Canada. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Foreign Currency Exchange Rate Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

MGX RENEWABLES INC. (Formerly, ZincNyx Energy Solutions Inc.)

MD&A

March 31, 2019

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. The Company's goal is to mitigate the risks arising from business activities, the markets and political environments in order to sustain and develop the Company's operations. The risks and uncertainties described in the accompanying Circular under "*Risk Factors*" are considered by management to be the most important in the context of the Company's business. Such risks and uncertainties are not inclusive of all risks and uncertainties the Company may be subject to and other risks may apply.

ADDITIONAL DISCLOSURE

The Company believes it will have adequate working capital to maintain existing operations for approximately 12 months without requiring additional funding, subject to completion of the Transaction.

APPENDIX C

AUDIT COMMITTEE CHARTER

(See attached)

MGX RENEWABLES INC.
(the “Company”)

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company’s audit committee, or its Board in lieu thereof (the “Audit Committee”). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

Composition

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the “Chair”) to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

Meetings

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company’s auditors (the “Auditors”) will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor’s duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Direct Responsibility for Overseeing Work of Auditors.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.
- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *To Retain Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

APPENDIX D
STOCK OPTION PLAN

(See attached)

MGX RENEWABLES INC.

INCENTIVE STOCK OPTION PLAN

PART 1

INTERPRETATION

1.1 Definitions. In this Plan, the following words and phrases shall have the following meanings:

- (a) **“Affiliate”** means a company that is a parent or subsidiary of the Company, or that is controlled by the same person as the Company;
- (b) **“Board”** means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by Section 3.1;
- (c) **“Change of Control”** means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than 50% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) **“Company”** means MGX Renewables Inc.;
- (e) **“Consultant”** means an individual or Consultant Company, other than an Employee or Director, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate, other than services provided in relation to a distribution of securities;
 - (ii) provides such services under a written contract between the Company or an Affiliate;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

- (g) **“CSE”** means the Canadian Securities Exchange;
- (h) **“Director”** means any director of the Company or any of its subsidiaries;
- (i) **“Eligible Person”** means a bona fide Director, Officer, Employee or Consultant, or a corporation wholly owned by such Director, Officer, Employee or Consultant;
- (j) **“Employee”** means:
 - (i) an individual who is considered an employee of the Company or any of its subsidiaries under the Income Tax Act (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
 - (ii) an individual who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or any of its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (k) **“Exchange”** means the CSE or any other stock exchange on which the Shares are listed for trading;
- (l) **“Exchange Policies”** means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (m) **“Expiry Date”** means a date not later than five years from the date of grant of an option;
- (n) **“Income Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time;
- (o) **“Insider”** has the meaning ascribed thereto in the Securities Act;
- (p) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,
that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
- (ii) activities or communications necessary to comply with the requirements of
 - (A) applicable Securities Laws,
 - (B) the Exchange, or
 - (C) the bylaws, rules or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Company;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (A) the communication is only through such newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer, or
- (iv) activities or communications that may be otherwise specified by the Exchange;
- (q) **“Joint Actor”** means a person acting jointly or in concert with another person;
- (r) **“Optionee”** means the recipient of an option under this Plan;
- (s) **“Officer”** means any senior officer of the Company or any of its subsidiaries;
- (t) **“Plan”** means this incentive stock option plan, as amended from time to time;
- (u) **“Securities Act”** means the *Securities Act* (British Columbia), as amended from time to time;

- (v) **“Securities Laws”** means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time; and
 - (w) **“Shares”** means the common shares of the Company without par value.
- 1.2 Governing Law. The validity and construction of this Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 1.3 Gender. Throughout this Plan, whenever the singular or masculine or neuter is used, the same shall be construed as meaning the plural or feminine or body politic or corporate, and vice-versa as the context or reference may require.

PART 2

PURPOSE

- 2.1 Purpose. The purpose of this Plan is to attract and retain Directors, Officers, Employees and Consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

PART 3

GRANTING OF OPTIONS

- 3.1 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.
- 3.2 Committee’s Recommendations. The Board may accept all or any part of any recommendations of any committee appointed under Section 3.1 or may refer all or any part thereof back to such committee for further consideration and recommendation.
- 3.3 Board Authority. Subject to the limitations of this Plan, the Board shall have the authority to:
- (a) grant options to purchase Shares to Eligible Persons;
 - (b) determine the terms, limitations, restrictions and conditions respecting such grants;
 - (c) interpret this Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan as it shall from time to time deem advisable; and
 - (d) make all other determinations and take all other actions in connection with the implementation and administration of this Plan including, without limitation, for

the purpose of ensuring compliance with Section 7.1, as it may deem necessary or advisable.

- 3.4 Grant of Option. A resolution of the Board shall specify the number of Shares that shall be placed under option to each Eligible Person; the exercise price to be paid for such Shares upon the exercise of such option; any applicable hold period; and the period, including any applicable vesting periods required by Exchange Policies or by the Board, during which such option may be exercised.
- 3.5 Written Agreement. Every option granted under this Plan shall be evidenced by a written agreement between the Company and the Optionee substantially in the form attached hereto as Schedule "A", containing such terms and conditions as are required by Exchange Policies and applicable Securities Laws, and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.
- 3.6 Withholding Taxes. If the Company is required under the Income Tax Act or any other applicable law to make source deductions in respect of Employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of any Shares upon the exercise of options, then any Optionee who is deemed an Employee shall:
- (a) pay to the Company, in addition to the exercise price for such options, the amount necessary to satisfy the required tax remittance as is reasonably determined by the Company;
 - (b) authorize the Company, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Company determines a portion of the Shares issued upon the exercise of such options to realize proceeds to be used to satisfy the required tax remittance; or,
 - (c) make other arrangements acceptable to the Company to satisfy the required tax remittance.

PART 4

RESERVE OF SHARES

- 4.1 Sufficient Authorized Shares to be Reserved. A sufficient number of Shares shall be reserved by the Board to permit the exercise of any options granted under this Plan. Shares that were the subject of any option that has lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.
- 4.2 Maximum Number of Shares Reserved. Unless authorized by the shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other

compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at any time, in the number of Shares reserved for issuance pursuant to options exceeding 10% of the issued and outstanding Shares as at the date of grant of any option under this Plan.

- 4.3 Limits with Respect to Individuals. The aggregate number of Shares subject to an option that may be granted to any one individual in any 12 month period under this Plan shall not exceed 5% of the issued and outstanding Shares determined at the time of such grant.
- 4.4 Limits with Respect to Consultants. The aggregate number of Shares subject to an option that may be granted to any one Consultant in any 12 month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.
- 4.5 Limits with Respect to Investor Relations Activities. The aggregate number of Shares subject to an option that may be granted to any one person conducting Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.

PART 5

CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

- 5.1 Exercise Price. Subject to a minimum price of \$0.10 per Share and Section 5.2, the exercise price of an option may not be less than the closing market price of the Shares on the trading day immediately preceding the date of grant of the option, less any applicable discount allowed by the Exchange.
- 5.2 Exercise Price if Distribution. If any options are granted within 90 days of a public distribution by prospectus, then the minimum exercise price shall be the greater of that specified in Section 5.1 and the price per share paid by the investors for Shares acquired under the public distribution. The 90 day period shall commence on the date the Company is issued a final receipt for the prospectus.
- 5.3 Expiry Date. Each option shall, unless sooner terminated, expire on a date to be determined by the Board which shall not be later than the Expiry Date.
- 5.4 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 5.3, specify a particular time period or periods following the date of granting such option during which the Optionee may exercise the option and may designate the exercise price and the number of Shares in respect of which such Optionee may exercise the option during each such time period.
- 5.5 Termination of Employment. If a Director, Officer, Employee or Consultant ceases to be so engaged by the Company for any reason other than death, such Director, Officer, Employee or Consultant shall have the right to exercise any vested option granted to him under this Plan and not exercised prior to such termination within a period of 90 days

after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.

- 5.6 Termination of Investor Relations Activities. If an Optionee who is engaged in Investor Relations Activities ceases to be so engaged by the Company, such Optionee shall have the right to exercise any vested option granted to the Optionee under this Plan and not exercised prior to such termination within a period of 30 days after the date of termination, or such shorter period as may be set out in the Optionee's written agreement.
- 5.7 Death of Optionee. If an Optionee dies prior to the expiry of an option, his heirs or administrators may within 12 months from the date of the Optionee's death exercise that portion of an option granted to the Optionee under this Plan which remains vested and outstanding.
- 5.8 Assignment. No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than as provided for in Section 5.7
- 5.9 Notice. Options shall be exercised only in accordance with the terms and conditions of the written agreements under which they are granted and shall be exercisable only by notice in writing to the Company substantially in the form attached hereto as Schedule "B".
- 5.10 Payment. Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee upon the exercise of an option shall be paid for in full in cash at the time of their purchase.

PART 6

CHANGES IN OPTIONS

- 6.1 Share Consolidation or Subdivision. In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.
- 6.2 Stock Dividend. In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as it deems proper in its absolute discretion.
- 6.3 Effect of a Take-Over Bid. If a bona fide offer to purchase Shares (an "**Offer**") is made to an Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of Section 1(1) of the Securities Act, the Company shall, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to option (the "**Option Shares**") shall become vested and such option may be exercised in whole or in part by such Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to Section 3.4 shall be reinstated. If any Option Shares are returned to the Company under this Section 6.3, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

- 6.4 Acceleration of Expiry Date. If, at any time when an option granted under this Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of options granted under this Plan vested, and declare that the Expiry Date for the exercise of all unexercised options granted under this Plan is accelerated so that all options shall either be exercised or shall expire prior to the date upon which Shares must be tendered pursuant to the Offer.
- 6.5 Effect of a Change of Control. If a Change of Control occurs, all outstanding options shall become vested, whereupon such options may be exercised in whole or in part by the applicable Optionee.
- 6.6 Other Stock Exchange Listing. In the event that the Company applies or intends to apply for listing on a stock exchange other than the CSE and, based on the policies and requirements of the other stock exchange, the Company believes that any or all options granted hereunder will not be accepted or approved by the other stock exchange, then the Company may, in its sole discretion, immediately cancel any or all options that remains outstanding to meet the listing requirements of the other stock exchange. If the Company cancels any such options pursuant to this Section 6.6, then no compensation will be owed by the Company to the applicable Optionee.
- 6.7 Approval and Cancellation. In the event that approval from the CSE or other stock exchange, as applicable, is not received for the grant of any options hereunder, each Optionee agrees that the Company may immediately cancel any or all such options that remains outstanding. If the Company cancels any of such options pursuant to this Section 6.7, then no compensation shall be owed by the Company to the applicable Optionee.

PART 7

SECURITIES LAWS AND EXCHANGE POLICIES

- 7.1 Securities Laws and Exchange Policies Apply. This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out

from time to time in applicable Securities Laws and Exchange Policies and such terms and conditions shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between such terms and conditions and this Plan, such terms and conditions shall govern. In the event that the Shares are listed on a new stock exchange, in addition to the terms and conditions set out from time to time in applicable Securities Laws, the granting or cancellation of options shall be governed by the terms and conditions set out from time to time in the policies, bylaws, rules and regulations of the new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant or cancel options pursuant to the policies, bylaws, rules and regulations of such new stock exchange without requiring shareholder approval.

PART 8

AMENDMENT

- 8.1 Board May Amend. The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then lapsed, terminated or been exercised.
- 8.2 Exchange Approval. Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policies and applicable Securities Laws has been received.
- 8.3 Amendment to Insider's Options. Any amendment to options held by Insiders which results in a reduction in the exercise price of the options at the time of the amendment shall be conditional upon obtaining disinterested shareholder approval for that amendment.

PART 9

EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS

- 9.1 Other Options Not Affected. This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of this Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Employees and Consultants.

PART 10

OPTIONEE'S RIGHTS AS A SHAREHOLDER

- 10.1 No Rights Until Option Exercised. An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon the exercise of an option.

PART 11

EFFECTIVE DATE OF PLAN

11.1 Effective Date. This Plan shall become effective upon its approval by the Board.

SCHEDULE "A"

INCENTIVE STOCK OPTION AGREEMENT

MGX Renewables Inc. (the “**Company**”) hereby grants the undersigned (the “**Optionee**”) stock options to purchase common shares of the Company (the “**Options**”) in accordance with the Company’s incentive stock option plan, as amended from time to time (the “**Plan**”), according to the following terms. The Optionee acknowledges that the grant of Options is subject to (a) the Plan; (b) the regulations and provisions of the British Columbia Securities Commission, the Ontario Securities Commission and any other applicable provincial securities commission; and (c) the approval of the Canadian Securities Exchange or other stock exchange, as applicable.

Name of Optionee: _____

Address: _____

Telephone Number: _____

Email Address: _____

Position with the Company: _____

Number of Options: _____

Exercise Price: _____

Date of Grant: _____

Expiry Date: _____ or earlier pursuant to Parts 5.4, 5.5, 5.6, 5.7, 6.4, 6.6, 6.7 or 8.1 of the Plan.

Vesting Schedule: All of the Options shall vest immediately unless otherwise described in the table below.

Period	% of Shares Vested

IN WITNESS WHEREOF, the Company and Optionee have caused this Agreement to be duly executed as of the date first written above.

MGX RENEWABLES INC.

Per:

Authorized Signatory

OPTIONEE

SCHEDULE "B"

EXERCISE NOTICE

The undersigned hereby subscribes for _____ common shares of MGX Renewables Inc. (the "**Company**") at a price of _____ per share for a total amount of _____ pursuant to the provisions of the Stock Option Agreement entered into between the undersigned and the Company dated _____.

Date

Signature

Name

Address

Telephone Number

Email Address

APPENDIX E

ARRANGEMENT AGREEMENT

(See attached)

ARRANGEMENT AGREEMENT

among

MGX MINERALS INC.

- and -

MGX RENEWABLES INC.

Dated as of October 31, 2018

ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of the 31st day of October, 2018

AMONG:

MGX MINERALS INC.,

a corporation existing under the
Business Corporations Act (British Columbia),

(hereinafter referred to as “MGX”)

- and -

MGX RENEWABLES INC.,

a corporation existing under the
Business Corporations Act (British Columbia),

(hereinafter referred to as “MGX Renewables”)

WHEREAS MGX and MGX Renewables propose that, among other things, MGX distribute approximately 12,000,000 MGX Renewables Common Shares to MGX Shareholders by way of Plan of Arrangement under the provisions of the *Business Corporations Act* (British Columbia);

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES

1.01 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized have the meanings ascribed to them below:

- (a) “1933 Act” means the *Securities Act of 1933*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder;
- (b) “Acquisition Proposal” has the meaning ascribed to such term in Section 6.01(a)(i) of this Agreement;
- (c) “Agreement” means this Arrangement Agreement, together with the schedules attached hereto, as amended, amended and restated or supplemented from time to time;
- (d) “Arrangement” means an arrangement under the provisions of Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith, herewith or made at the direction of the Court in the Final Order;
- (e) “BCBCA” means the *Business Corporations Act* (British Columbia);

- (f) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (g) “**Completion Deadline**” means the date by which the transactions contemplated by this Agreement are to be completed failing which this Agreement shall terminate, which date shall be February 28, 2019 or such other date as the Parties may agree;
- (h) “**Court**” means the Supreme Court of British Columbia;
- (i) “**CSE**” means the Canadian Securities Exchange;
- (j) “**Dissent Rights**” means rights of the kind set out in Division 2 of Part 8 of the BCBCA;
- (k) “**Distribution**” means collectively, the First Distribution and the Second Distribution;
- (l) “**Distribution Shares**” means collectively, the First Distribution Shares and the Second Distribution Shares;
- (m) “**Effective Date**” means the Effective Date as defined in the Plan of Arrangement;
- (n) “**Effective Time**” means the Effective Time as defined in the Plan of Arrangement;
- (o) “**Encumbrance**” means any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (p) “**Final Order**” means the order of the Court made in connection with the approval of the Arrangement, in form and substance acceptable to the Parties, each acting reasonably, including all amendments thereto duly made prior to the Effective Time;
- (q) “**First Distribution**” means the distribution by MGX of MGX Renewables Common Shares to registered MGX Shareholders of record as of June 29, 2018 on the basis of one MGX Renewables Common Share for each 12.4163 MGX Common Shares then held;
- (r) “**First Distribution Shares**” means the MGX Renewables Common Shares distributed by MGX pursuant to the First Distribution by way of the Plan of Arrangement;
- (s) “**Governmental Entity**” means any applicable (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing (including the Securities Authorities), or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (t) “**IFRS**” means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis;

- (u) “**Interim Order**” means the interim order of the Court made pursuant to Section 291 of the BCBCA in form and substance acceptable to the Parties, each acting reasonably, in connection with the Arrangement;
- (v) “**Laws**” means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity, including common law;
- (w) “**Liability**” of any person means: (i) any right against such person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; (ii) any right against such person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and (iii) any obligation of such person for the performance of any covenant or agreement (whether for the payment of money or otherwise);
- (x) “**Material Adverse Effect**” means, in respect of any Party, a change, effect, event, occurrence or state of facts that is, either individually or in the aggregate, material and adverse to the current or future business, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, condition (financial or otherwise), operations or results of operations of that Party and its Subsidiaries and material joint ventures taken as a whole, other than any change, effect, event, occurrence or state of facts:
 - (i) relating to the United States, Canadian or global economy, political conditions or securities markets in general;
 - (ii) affecting the worldwide battery industry in general;
 - (iii) relating to a change in the market price of publicly traded securities of that Party (provided, that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect);
 - (iv) relating to any of the principal markets served by that Party’s business generally or shortages or price changes with respect to raw materials, metals (including gold) or other products used or sold (or proposed to be sold) by that Party;
 - (v) relating to the rate at which Canadian dollars can be exchanged for United States dollars or vice versa;
 - (vi) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against that Party any of its Subsidiaries and material joint ventures), or the interpretation application or non-application of such Laws, or in IFRS;
 - (vii) attributable to the announcement or pendency of this Agreement or the Arrangement, or otherwise contemplated by or resulting from the terms of this Agreement;
 - (viii) any failure by such Party or any of its subsidiaries to meet any public estimates or expectations regarding its revenues, earnings or other financial performance or

results of operations (provided, that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect);

- (ix) any securityholder class action, or other litigation arising from allegations of a breach of fiduciary duty with respect to this Agreement; or
- (x) any actions taken (or omitted to be taken) at the written request, or with the prior written consent, of both of the other Parties,

provided, however, that such effect referred to in clause (i), (ii), (iv) or (vi) above does not primarily relate only to (or have the effect of primarily relating only to) that Party and its Subsidiaries and material joint ventures, taken as a whole, or disproportionately adversely affect that Party and its Subsidiaries and material joint ventures taken as a whole, compared to other companies of similar size operating in the industry in which that Party and its Subsidiaries and material joint ventures operate and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrations or interpretations for purposes of determining whether a Material Adverse Effect has occurred;

- (y) “**MGX**” means MGX Minerals Inc., a corporation existing under the BCBCA;
- (z) “**MGX Circular**” means the notice of the MGX Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the MGX Shareholders in connection with the MGX Meeting, if necessary, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement;
- (aa) “**MGX Common Shares**” means common shares in the capital of MGX;
- (bb) “**MGX Meeting**” means the annual general meeting and special meeting of the MGX Shareholders held to consider and approve, among other things, the Reorganization Resolution;
- (cc) “**MGX Renewables**” means MGX Renewables Inc., a corporation existing under the BCBCA;
- (dd) “**MGX Renewables Board**” means the board of directors of MGX Renewables, as set out in Section 4.01(l);
- (ee) “**MGX Renewables Common Shares**” means the issued and outstanding common shares of MGX Renewables;
- (ff) “**MGX Renewables Shareholders**” means, at any time, the registered holders of MGX Renewables Common Shares;
- (gg) “**MGX Renewables Unit**” means a unit of MGX Renewables, each such unit being comprised of one MGX Renewables Common Share and one half of one Warrant;
- (hh) “**MGX Shareholder Approval**” means approval by the MGX Shareholders of the Reorganization Resolution;

- (ii) “**MGX Shareholders**” means, at any time, the registered holders of MGX Common Shares;
- (jj) “**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;
- (kk) “**Ordinary Course**” means, in respect of a Party, those activities that are in the usual, ordinary and regular course of business of that Party and its Subsidiaries, conducted in a manner consistent with past practices of that Party and its Subsidiaries;
- (ll) “**Parties**” means MGX and MGX Renewables, and “**Party**” means any one of them;
- (mm) “**Plan of Arrangement**” means the Plan of Arrangement set forth in Schedule A hereto, as amended, modified or supplemented from time to time either:
 - (i) in accordance with either (A) this Agreement, or (B) Article 5 of the Plan of Arrangement;
 - (ii) with the consent of the Parties, each acting reasonably; or
 - (iii) at the direction of the Court in the Final Order;
- (nn) “**Reorganization Resolution**” means the special resolution approving the Plan of Arrangement to be considered at the MGX Meeting, substantially in the form set out in Schedule B;
- (oo) “**Second Distribution**” means the distribution by MGX of MGX Renewables Common Shares to registered MGX Shareholders of record as of October 22, 2018 on the basis of one MGX Renewables Common Share for each 59.8186 MGX Common Shares then held;
- (pp) “**Second Distribution Shares**” means the MGX Renewables Common Shares distributed by MGX pursuant to the Second Distribution by way of the Plan of Arrangement;
- (qq) “**Section 3(a)(10) Exemption**” has the meaning ascribed to it in Section 2.08;
- (rr) “**Securities Authorities**” means the British Columbia Securities Commission and the other securities regulatory authorities in the provinces and territories of Canada and the United States Securities and Exchange Commission, collectively;
- (ss) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
- (tt) “**Subscription Receipt**” means a subscription receipt of MGX Renewables, each Subscription Receipt being convertible into one MGX Renewables Unit;
- (uu) “**Subscription Receipt Holders**” means, at any time, the registered holders of Subscription Receipts;
- (vv) “**Subsidiary**” means, with respect to an entity, any entity of which the specified entity is entitled to elect a majority of the directors thereof and includes any body corporate, partnership, joint venture or other entity over which such specified entity exercises direction or control or which is in a like relation to the specified entity, excluding any entity in respect of which such direction or control is not exercised by the specified entity

as a result of any existing contract, agreement or commitment; provided, however, that in the case of MGX, “Subsidiary” shall not mean MGX Renewables;

- (ww) “**Superior Proposal**” has the meaning ascribed to such term in Section 6.01(a)(ii);
- (xx) “**Target**” has the meaning ascribed to such term in Section 6.01(a)(ii);
- (yy) “**Tax**” and “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada or Quebec Pension Plan premiums, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any Governmental Entity;
- (zz) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended;
- (aaa) “**Tax Returns**” means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any Governmental Entity or required to be made, prepared or filed with any Governmental Entity relating to Taxes;
- (bbb) “**Treasury Regulations**” means the United States federal tax regulations;
- (ccc) “**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (ddd) “**U.S. Tax Code**” means the U.S. Internal Revenue Code of 1986, as amended;
- (eee) “**Warrant Shares**” means a MGX Renewables Common Share issued upon the exercise of a Warrant; and
- (fff) “**Warrants**” means a MGX Renewables Common Share purchase warrant entitling the holder thereof to acquire one MGX Renewables Common Share at a price per MGX Renewables Common Share of \$0.35 until November 30, 2020.

1.02 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Agreement and the schedules attached hereto and not

to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

1.03 Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word person and all words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.04 Date for any Action

If the date on which any action is required to be taken hereunder by any Party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.05 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.06 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

1.07 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the Parties hereto waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties hereto will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.08 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

1.09 Knowledge

Where the phrases “to the knowledge of” or to a Party’s “**knowledge**” or similar terms or phrases are used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the collective actual knowledge of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Corporate Secretary, Senior Vice Presidents, and Executive Chairmen, as applicable, of the Party after making such inquiry as is reasonable in the circumstances.

1.10 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

<u>Schedule</u>	<u>Matter</u>
A	Plan of Arrangement
B	Reorganization Resolution
C	Representations and Warranties of MGX Renewables
D	Representations and Warranties of MGX

ARTICLE 2 THE ARRANGEMENT

2.01 Arrangement

The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.

2.02 Effective Time

The Arrangement shall become effective at the Effective Time.

2.03 Consultation

MGX Renewables will consult with MGX in issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity with respect thereto. MGX Renewables shall use its commercially reasonable efforts to enable MGX to review and comment on all such press releases and filings prior to the release or filing, respectively, thereof.

2.04 Court Proceeding

Within 21 days of the date of execution of this Agreement, or such other date as the Parties may agree, MGX Renewables shall file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall request that the Interim Order shall provide:

- (a) for the class of persons to whom notice is to be provided in respect of the Arrangement and for the manner in which such notice is to be provided, consistent with the MGX constating documents, as applicable, the MGX Renewables constating documents and the Section 3(a)(10) Exemption;
- (b) for the approval of the Reorganization Resolution as the only requisite approval for the Arrangement;
- (c) for the determination that there are no Dissent Rights in connection with the Arrangement;
- (d) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (e) that it is the Parties' intention to rely on the exemption provided by Section 3(a)(10) of the 1933 Act to issue, based on the Court's determination that the Arrangement is substantively

and procedurally fair to the MGX Shareholders, the Distribution Shares to MGX Shareholders in accordance with the Plan of Arrangement, without registration under the 1933 Act or applicable state securities Laws; and

- (f) such other matters as the other Parties may reasonably require, subject to obtaining the prior consent of MGX, such consent not to be unreasonably withheld or delayed;

2.05 Final Order

If the Interim Order is obtained and the MGX Shareholder Approval is obtained, as provided for in the Interim Order then, subject to the terms of this Agreement, MGX Renewables shall apply to the Court for the Final Order, and diligently pursue such application. The application and motion materials, including affidavit materials, draft orders and any amendments thereto for the applications referred to in this Section 2.05 shall be in a form satisfactory to each of MGX and MGX Renewables, acting reasonably.

2.06 Closing

The closing of the Arrangement will take place at the offices of Fasken Martineau DuMoulin LLP at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3 at 8:00 a.m. (Vancouver time) on the Effective Date, or at such other time and place as may be agreed to by the Parties.

2.07 U.S. Tax Matters

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code and this Agreement and the Plan of Arrangement are intended to constitute a “plan of reorganization” within the meaning of the Treasury Regulations promulgated under Section 368 of the U.S. Tax Code. Each of the Parties hereto shall treat the Arrangement as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code for all U.S. federal and applicable state income tax purposes, and shall treat this Agreement and the Plan of Arrangement as a “plan of reorganization” within the meaning of the Treasury Regulations promulgated under Section 368 of the U.S. Tax Code, and shall not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by applicable tax law. Notwithstanding the foregoing, neither Party hereto makes any representation, warranty or covenant to any other Party or to any MGX Shareholder, MGX Renewables Shareholder or other holder of MGX securities or MGX Renewables securities (including, without limitation, stock options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. tax treatment of the Arrangement, including, but not limited to, whether the Arrangement will qualify as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code or as a tax-deferred reorganization for purposes of any United States state or local income tax law.

2.08 U.S. Securities Laws

The Parties intend that the Arrangement shall be carried out such that each of the Distributions qualifies in the United States for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) of the 1933 Act (the “**Section 3(a)(10) Exemption**”) and applicable state securities laws in reliance upon similar exemptions under applicable state securities laws. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.08. In order to ensure the availability of the Section 3(a)(10) Exemption and facilitate compliance with any other applicable United States securities Laws, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;

- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the Court hearing at which the Final Order will be sought;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the Arrangement to MGX, MGX Renewables and MGX Shareholders;
- (d) the Final Order will expressly state that the Arrangement is approved by the Court as being fair, both procedurally and substantively, to the MGX Shareholders to whom MGX Renewables Common Shares will be issued;
- (e) the hearing of the Court to give approval of the Arrangement must be open to any persons to whom securities will be issued under the Arrangement and there will not be any improper impediments to the appearance by those persons at the hearing;
- (f) the Parties will ensure that each MGX Shareholder entitled to receive securities on completion of the Arrangement will be given adequate notice advising them of their right to attend the Court hearing and providing them with sufficient information necessary for them to exercise that right;
- (g) the Interim Order will specify that each MGX Shareholder entitled to receive securities on completion of the Arrangement will have the right to appear before the Court at the Court hearing on the Final Order so long as such shareholder files and delivers a response to petition within a reasonable time;
- (h) the MGX Shareholders entitled to receive the Distribution, who are located in the United States, will be advised that the applicable share consideration issued pursuant to the Arrangement has not been registered under the 1933 Act, will be distributed by MGX in reliance on the Section 3(a)(10) Exemption and may be subject to restrictions on resale under the applicable securities Laws of the United States, including Rule 144 under the 1933 Act with respect to affiliates of each of MGX and MGX Renewables; and
- (i) the Final Order shall include a statement to substantially the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities by MGX Minerals Inc., pursuant to the Plan of Arrangement.”

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 Representations and Warranties of MGX Renewables

- (a) MGX Renewables represents and warrants to MGX as set forth in Schedule C and acknowledges and agrees that MGX is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (b) The representations and warranties of MGX Renewables contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

3.02 Representations and Warranties of MGX

- (a) MGX represents and warrants to MGX Renewables as set forth in Schedule D and acknowledges and agrees that MGX Renewables is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (b) The representations and warranties of MGX contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 COVENANTS

4.01 Covenants of MGX Renewables:

MGX Renewables hereby covenants and agrees with MGX as follows:

- (a) **Information.** MGX Renewables shall promptly furnish to MGX all information concerning MGX Renewables as may be required for the preparation of MGX and for the material necessary for applying for the Interim Order and hereby covenants that no information furnished by MGX Renewables in connection therewith or otherwise in connection with the consummation of the Arrangement will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated therein in order to make any information so furnished for use in any such document misleading in light of the circumstances in which it is provided.
- (b) **Ordinary Course.** Except as contemplated by this Agreement, MGX Renewables shall conduct its business only in, and shall not take any action except in, the Ordinary Course.
- (c) **No Dividends, Amalgamation or Capital Reduction.** MGX Renewables shall not, except as provided for in this Agreement, without prior consultation with and the consent of MGX, directly or indirectly do, agree to do, or permit to occur any of the following: (i) declare, set aside or pay any dividend or other distribution or payment in respect of any of the shares of MGX Renewables; (ii) adopt resolutions or enter into any agreement providing for the amalgamation, merger, statutory arrangement, share exchange, business combination, consolidation, reorganization, liquidation, dissolution or any other extraordinary transaction in respect of itself or any of its subsidiaries or adopt any plan of liquidation; or (iii) reduce its stated capital.
- (d) **Listing.** MGX Renewables shall use commercially reasonable efforts to cause the MGX Renewables Common Shares to be issued to MGX Shareholders and Subscription Receipt Holders, and the Warrant Shares issuable upon due exercise of the Warrants, each in connection with the Arrangement, to be listed on the CSE.
- (e) **Copy of Documents.** Except for non-substantive communications, MGX Renewables shall furnish promptly to MGX a copy of each notice, report, schedule or other document or communication delivered, filed or received by MGX Renewables in connection with this Agreement, the Arrangement, any filings made under any applicable Law and any dealings or communications with any Governmental Entity in connection with, or in any way affecting, the transactions contemplated by this Agreement.

- (f) **Satisfaction of Conditions.** MGX Renewables shall use its commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
- (i) obtain all consents, approvals and authorizations as are required to be obtained by MGX Renewables under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on MGX Renewables;
 - (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any Party hereto before any Governmental Entity;
 - (iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties hereto to consummate the transactions contemplated hereby;
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by MGX Renewables; and
 - (v) cooperate with MGX in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate MGX Renewables to pay or cause to be paid any monies to cause such performance to occur.
- (g) **Keep Fully Informed.** Subject to applicable Laws, MGX Renewables shall use commercially reasonable efforts to conduct itself so as to keep MGX fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.
- (h) **Cooperation.** MGX Renewables shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable actions necessary to be in compliance with such Laws.
- (i) **Representations.** MGX Renewables shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of MGX Renewables contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (j) **Confirmatory Review.** MGX Renewables shall cooperate with MGX and their respective representatives in the provision of (a) upon reasonable notice, reasonable access during normal business hours to its (i) premises, (ii) assets (including all books and records, whether retained internally or otherwise), and (iii) personnel, so long as the access does not unduly interfere with the Ordinary Course conduct of business; and (b) such technical financial and operating data or other information with respect to its assets or business as is reasonably requested.
- (k) **Closing Documents.** MGX Renewables shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, securities and title opinions and other closing documents as may be

reasonably required by the other Parties hereto, all in form satisfactory to the other Parties hereto, acting reasonably.

- (l) **Composition of Board.** Ensure that, on the Effective Date, the composition of the MGX Renewables Board will be as directed in writing by MGX on or prior to the Effective Date.

4.02 Covenants of MGX:

MGX hereby covenants and agrees with MGX Renewables as follows:

- (a) **Satisfaction of Conditions.** MGX shall use its commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
- (i) obtain the MGX Shareholder Approval in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authority;
 - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by MGX or any of the MGX Subsidiaries under any applicable Law or from any Governmental Entity that would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement;
 - (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceeding of any Party hereto before any Governmental Entity;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the Parties hereto to consummate, the transactions contemplated hereby;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by MGX; and
 - (vi) cooperate with MGX Renewables in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate MGX to pay or cause to be paid any monies to cause such performance to occur.
- (b) **Cooperation.** MGX shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (c) **Representations.** MGX shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of MGX contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

- (d) **Closing Documents.** MGX shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, title opinions and other closing documents as may be reasonably required by the other Parties hereto, all in form satisfactory to the other Parties hereto, acting reasonably.

ARTICLE 5 CONDITIONS

5.01 Notice and Cure Provisions

Each Party hereto shall give prompt notice to the others of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would or could reasonably be expected to:

- (a) cause any of the representations or warranties of such Party hereto contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereto prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Parties hereto contained in Sections 5.02, 5.03 and 5.04, as the case may be.

Subject as herein provided, a Party hereto may (a) elect not to complete the transactions contemplated hereby by virtue of the conditions in Sections 5.02, 5.03 and 5.04, as applicable, not being satisfied or waived or (b) exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to the Effective Date, the Party hereto intending to rely thereon has delivered a written notice to the other Parties hereto specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party hereto delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (ii) if any such notice is delivered, and a Party hereto is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible of being cured, the Party hereto that has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of ten days from the date of delivery of such notice. If such notice has been delivered prior to the date of the MGX Meeting, the MGX Meeting may be adjourned or postponed by MGX, in its sole discretion, until the expiry of such period.

5.02 Mutual Conditions

The obligations of MGX and MGX Renewables to complete the Arrangement shall be subject to the satisfaction of, among others, the following mutual conditions, which may be waived only with the consent of all of the Parties:

- (a) **Orders.** The Interim Order and the Final Order shall have been granted on terms acceptable to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably.
- (b) **Consents.** (A) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity; (B) all third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or the Arrangement, the failure of which to obtain or the non-expiry of which would, or could reasonably be expected to have, a Material Adverse Effect on any of

MGX or MGX Renewables or materially impede the completion of the Arrangement, shall have been obtained or received on terms that are reasonably satisfactory to each Party hereto.

- (c) **No Action.** There shall have been no action taken, pending or threatened under any applicable Law or by any Governmental Entity which:
 - (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Arrangement; or
 - (ii) results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which is, or could be, reasonably expected to have a Material Adverse Effect on MGX or MGX Renewables.
- (d) **Canadian Securities Exemptions.** The distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Canadian securities laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian securities laws.
- (e) **U.S. Securities Exemption.** Under the Plan of Arrangement:
 - (i) the Distributions shall qualify in the United States for the Section 3(a)(10) Exemption; and
 - (ii) the Final Order will serve as a basis of a claim to the Section 3(a)(10) Exemption; provided, however, that neither MGX nor MGX Renewables shall be entitled to rely on the provisions of this Section 5.02(e) in failing to complete the transactions contemplated by this Agreement in the event that MGX or MGX Renewables, respectively, fails to advise the Court prior to the hearing in respect of the Final Order, as required by the terms of the foregoing exemptions, that MGX and/or MGX Renewables, as applicable, will rely on the foregoing exemptions based on the Court's approval of the transaction.
- (f) **Stock Exchange Acceptance.** MGX shall have each received the required acceptance of the CSE to the transactions contemplated herein.
- (g) **No Termination.** This Agreement shall not have been terminated pursuant to Section 6.02 hereof.

5.03 Conditions to Obligations of MGX

The obligations of MGX to complete the Arrangement shall be subject to the satisfaction of, among others, the following conditions, any of which may be waived by MGX:

- (a) **Performance by Other Party.** MGX Renewables shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by MGX Renewables prior to the completion of the Arrangement.
- (b) **Representations and Warranties.** The representations and warranties made by MGX Renewables in this Agreement that are qualified by the expression "Material Adverse Effect" or other materiality qualifier shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties are made by MGX

Renewables as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by MGX Renewables in this Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties are made by MGX Renewables as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, have a Material Adverse Effect on MGX Renewables, and MGX Renewables shall have provided to MGX an officer's certificate certifying such accuracy or lack of Material Adverse Effect as of the Effective Date. No representation or warranty made by MGX Renewables hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are provided for or stated to be exceptions under this Agreement.

- (c) **No Material Adverse Effect.** There shall not have been any event or change that has had or would be reasonably likely to have a Material Adverse Effect on MGX Renewables.
- (d) **MGX Shareholder Approval.** The MGX Shareholders shall have approved the Reorganization Resolution.
- (e) **Dissent Rights.** No Dissent Rights shall apply in respect of the transactions contemplated by this Agreement.
- (f) **Listing of MGX Renewables Common Shares.** The MGX Renewables Common Shares to be issued to MGX Shareholders and Subscription Receipt Holders, in each case in connection with the Arrangement, shall have been approved for listing on the CSE subject to official notice of issuance and other customary conditions.
- (g) **Composition of Board of MGX Renewables.** On the Effective Date, the MGX Renewables Board shall be composed as set out in Section 4.01(l) of this Agreement.

5.04 Conditions to Obligations of MGX Renewables

The obligation of MGX Renewables to complete the Arrangement shall be subject to the satisfaction of, among others, the following conditions, any of which may be waived by MGX Renewables:

- (a) **Performance by Other Party.** MGX shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by MGX prior to the completion of the Arrangement.
- (b) **Representations and Warranties.** The representations and warranties made by MGX in this Agreement that are qualified by the expression "Material Adverse Effect" or other materiality qualifier shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties are made by MGX as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties are made by MGX in this Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties are made by MGX as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, have a Material Adverse Effect on MGX, and MGX shall have provided to MGX Renewables an

officer's certificate certifying such accuracy or lack of Material Adverse Effect as of the Effective Date. No representation or warranty made by MGX hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are provided for or stated to be exceptions under this Agreement.

5.05 Merger of Conditions

The conditions set out in Sections 5.02, 5.03 and 5.04 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 6 SUPERIOR PROPOSALS AND TERMINATION

6.01 Covenant Regarding Superior Proposals. The Parties covenant as follows:

(a) Acquisition Proposals and Superior Proposals.

- (i) **“Acquisition Proposal”** means any proposal or offer made by a third party regarding a merger, amalgamation, statutory arrangement, share exchange, business combination, recapitalization, take-over bid, tender offer, sale or other disposition of 20% or more of the assets of a Party (on a consolidated basis) in a single transaction or a series of related transactions (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale or other disposition of 20% or more of the assets of such Party), reorganization, liquidation, winding-up, sale, issue or redemption of 20% or more of the total number of common shares or rights or interests therein or thereto or similar transactions involving such Party and/or its Subsidiaries (other than the Arrangement); and
- (ii) **“Superior Proposal”** means a bona fide written Acquisition Proposal made by a third party, with whom the Party to which it is made (the **“Target”**) deals at arm's length, to, directly or indirectly, acquire assets that individually or in the aggregate constitute all or substantially all of the assets (on a consolidated basis) of the Target or not less than all of the common shares of the Target not owned by the third party, whether by way of merger, amalgamation, arrangement, share exchange, take-over bid, business combination, or otherwise, and that the board of directors of the Target determines in good faith after consultation with its advisors and outside legal counsel: (a) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (b) is not subject to any extraordinary due diligence condition(s); (c) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Target's board; (d) that, unless it is in relation to the sale of all or substantially all of the assets (on a consolidated basis) of the Target, is offered or made to all shareholders in Canada and the United States of the Target on the same terms (for greater certainty, does not restrict the provision of payments described in paragraphs (b) or (c) of the definition of collateral benefits of MI 61-101); and (e) would in the opinion of the board of directors of the Target acting in good faith if consummated in accordance with its terms (without assuming away the risk of non-completion), result in a transaction more favourable to the shareholders of the Target, from a financial point of view, than the terms of the Arrangement, and the failure to recommend such proposal to the shareholders of the Target would be inconsistent with its fiduciary duties under applicable Law.

- (b) **Right to Accept a Superior Proposal.** MGX may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal received prior to the date of approval of the Arrangement by its shareholders and terminate this Agreement if, and only if: the board of directors of MGX has determined in good faith, after consultation with outside legal counsel and its financial advisors, that the Superior Proposal is a Superior Proposal and it is necessary in order for the MGX board of directors to discharge properly its fiduciary duties to withdraw or modify its approval or recommendation of this Agreement and to approve or recommend such Superior Proposal.

6.02 Termination

This Agreement may be terminated at any time:

- (a) by mutual written agreement between MGX and MGX Renewables;
- (b) by MGX if: (i) the board of directors of MGX shall have approved or recommended an Acquisition Proposal; or (ii) any other Party shall have entered into an agreement, understanding or arrangement with respect to a Superior Proposal in accordance with Section 6.01(b);
- (c) by MGX if the MGX Shareholder Approval shall not have been obtained at the MGX Meeting;
- (d) by any Party if any condition precedent to its obligations has not been satisfied by the Completion Deadline or where it is clear that the condition cannot be satisfied prior to the Completion Deadline; and
- (e) by MGX or MGX Renewables if there is a material breach by any other Party of its covenants under this Agreement.

ARTICLE 7 AMENDMENT

7.01 Amendment

This Agreement may, at any time and from time to time before or after the holding of the MGX Meeting be amended by mutual written agreement of the Parties hereto without, subject to applicable Law, further notice to or authorization on the part of the MGX Shareholders and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any Party hereto;
- (b) waive any inaccuracies in or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of any of the Parties hereto; and
- (d) waive compliance with or modify any condition herein contained;

provided however that this Agreement and the Plan of Arrangement may be amended in accordance with the Final Order.

**ARTICLE 8
GENERAL**

8.01 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party hereto shall be in writing and shall be delivered by hand to the Party hereto to which the notice is to be given at the following address or sent by electronic delivery to the following email address or to such other address, email address or facsimile number as shall be specified by a Party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by electronic delivery be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 3:00 p.m. (Vancouver time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties hereto shall be as follows:

(a) if to MGX:

MGX Minerals Inc.
1080 Howe Street, Suite 303
Vancouver, BC V6Z 2T1

Attention: Jared Lazerson
Email: jared@mgxminerals.com

With a copy to (which shall not constitute notice):

Segev LLP
318 Homer Street, Suite 310
Vancouver, BC V6B 2V2

Attention: Danny Matthews
Email: d.matthews@segev.ca

(b) if to MGX Renewables:

MGX Renewables Inc.
c/o MGX Minerals Inc.
1080 Howe Street, Suite 303
Vancouver, BC V6Z 2T1

Attention: Jared Lazerson
Email: jared@mgxminerals.com

With a copy to (which shall not constitute notice):

Fasken Martineau DuMoulin LLP
350 7 Ave SW, Suite 3400
Calgary, AB T2P 3N9

Attention: Chris Wolfenberg
Email: cwolfenberg@fasken.com

8.02 Expenses

The Parties hereto agree that all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the MGX Meeting and the preparation and mailing of the MGX Circular, including legal and accounting fees, printing costs and all disbursements by advisors, shall be paid by the Party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this Section 8.02 shall survive the termination of this Agreement.

8.03 Time of the Essence

Time shall be of the essence in this Agreement.

8.04 Third Party Beneficiaries

- (a) The Parties intend that:
 - (i) this Agreement will not benefit or create any right or cause of action in favour of any person, other than the Parties; and
 - (ii) no person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.
- (b) The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any person who is not a Party, without notice to or consent of that person.

8.05 Public Announcements

- (a) MGX Renewables shall not issue any press release or otherwise make written public statements with respect to the Arrangement or this Agreement without the consent of MGX (which consent shall not be unreasonably withheld, conditioned or delayed).
- (b) MGX Renewables shall not make any filing with any Governmental Entity with respect to the Arrangement or the transactions contemplated hereby without prior consultation with MGX, provided, however, that:
 - (i) the foregoing shall be subject to MGX Renewables' overriding obligation to make any disclosure or filing required under applicable Laws; and
 - (ii) MGX Renewables shall use commercially reasonable efforts to:
 - (A) give prior oral or written notice to MGX; and
 - (B) provide reasonable opportunity for MGX to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing),

and if such prior notice is not possible, to give notice immediately following the making of any such disclosure or filing.

- (c) The Parties acknowledge that this Agreement may be filed under each Party's profile on SEDAR; provided that each Party will provide reasonable opportunity for the other Party to review or comment on the disclosure or filing (including any proposed redactions).

8.06 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

8.07 Further Assurances

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

8.08 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia.

8.09 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, and any Party delivering an executed counterpart of the signature page to this Agreement by facsimile to any other Party shall thereafter also promptly deliver a manually executed original counterpart of this Agreement to such other Party, but the failure to deliver such manually executed original counterpart shall not affect the validity, enforceability or binding effect of this Agreement.

8.10 Waiver

No waiver or release by any Party hereto shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 7.01 hereof.

8.11 No Personal Liability

- (a) No director or officer of MGX shall have any personal Liability whatsoever (other than in the case of fraud, gross negligence or willful misconduct) to MGX Renewables under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of MGX.

- (b) No director or officer of MGX Renewables shall have any personal Liability whatsoever (other than in the case of fraud, gross negligence or willful misconduct) to MGX under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of MGX Renewables.

8.12 Enurement and Assignment

This Agreement shall enure to the benefit of the Parties hereto and their respective successors and permitted assigns and shall be binding upon the Parties hereto and their respective successors. This Agreement may not be assigned by any Party hereto without the prior written consent of each of the other Parties hereto.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first above written.

MGX MINERALS INC.

Per: (signed) "*Jared Lazerson*"

Name: Jared Lazerson

Title: President, Chief Executive Officer and a director

MGX RENEWABLES INC.

Per: (signed) "*Jared Lazerson*"

Name: Jared Lazerson

Title: Chief Executive Officer and a director

SCHEDULE A

(See attached)

**PLAN OF ARRANGEMENT
UNDER DIVISION 5 OF PART 9 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**1933 Act**” means the *Securities Act of 1933*, as amended, of the United States of America, and the rules and regulations promulgated from time to time thereunder;
- (b) “**Arrangement**” means the arrangement under the provisions of Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the Arrangement Agreement, the provisions hereof or at the direction of the Court in the Final Order;
- (c) “**Arrangement Agreement**” means the arrangement agreement dated as of October 31, 2018 between MGX and MGX Renewables, as amended, amended and restated or supplemented prior to the Effective Date;
- (d) “**BCBCA**” means the *Business Corporations Act* (British Columbia);
- (e) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (f) “**Court**” means the Supreme Court of British Columbia;
- (g) “**Depository**” means Computershare Trust Company of Canada or any other trust company, bank or financial institution agreed to in writing between MGX and MGX Renewables, in connection with the Arrangement;
- (h) “**Dissent Rights**” means rights of the kind set out in Division 2 of Part 8 of the BCBCA;
- (i) “**Effective Date**” means the date designated by MGX and MGX Renewables by acknowledgement in writing as the effective date of the Arrangement, after all of the conditions to the completion of the Arrangement as set out in the Arrangement Agreement and the Final Order have been satisfied or waived;
- (j) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;
- (k) “**Final Order**” means the final order of the Court made in connection with the approval of the Arrangement, including all amendments thereto duly made prior to the Effective Time;
- (l) “**final proscription date**” has the meaning ascribed to it in Section 4.04;

- (m) **“First Distribution”** means the distribution by MGX of MGX Renewables Common Shares to registered MGX Shareholders of record as of June 29, 2018 on the basis of one MGX Renewables Common Share for each 12.4163 MGX Common Shares then held;
- (n) **“Governmental Entity”** means any applicable (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, whether domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (o) **“Interim Order”** means the interim order of the Court made pursuant to Section 291 of the BCBCA in connection with the Arrangement, including any amendment thereto;
- (p) **“Laws”** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity, including common law;
- (q) **“MGX”** means MGX Minerals Inc., a corporation governed by the federal laws of Canada;
- (r) **“MGX Common Shares”** means common shares in the capital of MGX;
- (s) **“MGX Meeting”** means the annual general meeting and special meeting of the MGX Shareholders held to consider and approve, among other things, the Reorganization Resolution;
- (t) **“MGX Renewables”** means MGX Renewables Inc., a corporation existing under the BCBCA;
- (u) **“MGX Renewables Common Shares”** means the issued and outstanding common shares of MGX Renewables;
- (v) **“MGX Renewables Securities”** means securities issued by MGX Renewables including, without limitation MGX Renewables Common Shares, MGX Renewables Units, MGX Renewables Warrants and Subscription Receipts;
- (w) **“MGX Renewables Unit”** means a unit of MGX Renewables, each such unit being comprised of one MGX Renewables Common Share and one half of one MGX Renewables Warrant;
- (x) **“MGX Renewables Warrant”** means a MGX Renewables Common Share purchase warrant entitling the holder thereof to acquire one MGX Renewables Common Share at a price per MGX Renewables Common Share of \$0.35 until November 30, 2020;
- (y) **“MGX Shareholders”** means, at any time, the registered holders of MGX Common Shares;
- (z) **“Parties”** means MGX and MGX Renewables, and **“Party”** means any one of them;

- (aa) **“Plan of Arrangement”** means this plan of arrangement, as amended, modified or supplemented from time to time in accordance herewith and with any order of the Court;
- (bb) **“Second Distribution”** means the distribution by MGX of MGX Renewables Common Shares to registered MGX Shareholders of record as of October 22, 2018 on the basis of one MGX Renewables Common Share for each 59.8186 MGX Common Shares then held;
- (cc) **“Reorganization Resolution”** means the special resolution of the MGX Shareholders approving the Plan of Arrangement, substantially in the form and content of Schedule B of the Arrangement Agreement;
- (dd) **“Subscription Receipt”** means a subscription receipt of MGX Renewables, each Subscription Receipt being convertible into one MGX Renewables Unit;
- (ee) **“Subscription Receipt Holders”** means, at any time, the registered holders of Subscription Receipts;
- (ff) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended; and
- (gg) **“U.S. Tax Code”** means the U.S. Internal Revenue Code of 1986, as amended.

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

Section 1.04 *Date for any Action*

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.05 *Statutory References*

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

ARTICLE TWO ARRANGEMENT AGREEMENT

Section 2.01 *Arrangement Agreement*

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

ARTICLE THREE ARRANGEMENT

Section 3.01 *Arrangement*

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) each Subscription Receipt will be converted into one MGX Renewables Unit;
- (b) MGX shall make the First Distribution as a return of capital; and
- (c) MGX shall make the Second Distribution as a return of capital.

Section 3.02 *Post-Effective Time Procedures*

- (a) MGX Renewables shall issue to the Depositary an irrevocable treasury order authorizing the Depositary, as the registrar and transfer agent of MGX Renewables, to issue certificates representing the securities underlying the aggregate number of MGX Renewables Units to which Subscription Receipt Holders are entitled in accordance with the terms of the Arrangement.
- (b) MGX shall issue to the Depositary an irrevocable direction authorizing the Depositary, as the registrar and transfer agent of MGX Renewables, to distribute certificates representing the aggregate number of MGX Renewables Common Shares to which MGX Shareholders are entitled in accordance with the terms of the Arrangement.
- (c) From and after the Effective Time, each certificate formerly representing Subscription Receipts shall represent only the right to receive the number of MGX Renewables Units that such former Subscription Receipt Holder is entitled to in accordance with the terms and subject to the limitations of this Plan of Arrangement.

Section 3.03 *No Fractional MGX Renewables Common Shares*

No fractional MGX Renewables Common Shares shall be issued to MGX Shareholders or Subscription Receipt Holders. The number of MGX Renewables Common Shares to be issued to MGX Shareholders or Subscription Receipt Holders shall be rounded down to the nearest whole number of

MGX Renewables Common Shares in accordance with the BCBCA (with no compensation in lieu of such fractional share) in the event that a MGX Shareholder or Subscription Receipt Holder is entitled to a fractional share.

Section 3.04 *No Dissent Rights*

All registered MGX Renewables Shareholders and all Subscription Receipt Holders shall be deemed to have unanimously approved this Plan of Arrangement in writing in accordance with section 180 of the BCBCA, as applicable.

Section 3.05 *Withholding Rights*

Each of MGX and MGX Renewables shall be entitled to deduct and withhold from all dividends, distributions, other payments or other considerations otherwise payable to any person such amounts as such Party is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. For greater certainty, to the extent that a Party is required to deduct and withhold from any distribution or issuance that is not cash, such Party shall be entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations.

Section 3.06 *U.S. Securities Laws*

The Arrangement shall be structured such that, assuming the Final Order is obtained, the issuance of securities under the Arrangement will not require registration under the 1933 Act, and the rules and regulations promulgated thereunder, in reliance on Section 3(a)(10) thereof.

ARTICLE FOUR DELIVERY OF MGX RENEWABLES SECURITIES

Section 4.01 *Lost Certificates*

In the event any certificate, that immediately prior to the Effective Time represented one or more outstanding MGX Common Shares or Subscription Receipts the holders of which were entitled to receive MGX Renewables Units, MGX Renewables Common Shares or MGX Renewables Warrants, as the case may be, in accordance with Section 3.01 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the MGX Renewables Common Shares that such holder is entitled to receive in accordance with Section 3.01 hereof. When authorizing such delivery of a certificate representing the MGX Renewables Securities that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, such holder shall, as a condition precedent to the delivery of such MGX Renewables Securities:

- (a) in the case of MGX Common Shares, give a bond satisfactory to MGX and the Depositary in such amount as MGX and the Depositary may direct, or otherwise indemnify MGX and the Depositary in a manner satisfactory to MGX and the Depositary, against any claim that may be made against MGX or the Depositary with respect to the

certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of MGX; and

- (b) in the case of Subscription Receipts, give a bond satisfactory to MGX Renewables and the Depositary in such amount as MGX Renewables and the Depositary may direct, or otherwise indemnify MGX Renewables and the Depositary in a manner satisfactory to MGX Renewables and the Depositary, against any claim that may be made against MGX Renewables or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of MGX Renewables.

Section 4.02 *Distributions with Respect to Unsurrendered Certificates*

No dividend or other distribution declared or made after the Effective Time with respect to MGX Renewables Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding MGX Renewables Common Shares unless and until the holder of such certificate shall have complied with the provisions of Section 4.01 hereof. Subject to applicable Law and to Section 4.03 hereof, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the MGX Renewables Common Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such MGX Renewables Common Shares.

Section 4.03 *Withholding Rights*

MGX and the Depositary will be entitled to deduct and withhold from any consideration otherwise payable to any MGX Shareholder under this Plan of Arrangement such amounts as MGX or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code, and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax law as counsel may advise is required to be so deducted and withheld by MGX or the Depositary, as the case may be. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity by or on behalf of MGX or the Depositary, as the case may be. To the extent necessary, such deductions and withholdings may be effected by selling any MGX Renewables Common Shares to which any such person may otherwise be entitled under the Plan of Arrangement on behalf of such person to satisfy such person's tax liability, and any amount remaining following the sale, deduction and remittance shall be paid to the person entitled thereto as soon as reasonably practicable.

Section 4.04 *Limitation and Proscription*

To the extent that an MGX Shareholder or former Subscription Receipt Holder shall not have complied with the provisions of Section 4.01 hereof on or before the date that is six years after the Effective Date (the "**final proscription date**"), then the MGX Renewables Securities that such MGX Shareholder or former Subscription Receipt Holder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificates representing such MGX Renewables Securities, shall be delivered to MGX Renewables by the Depositary and the certificates for such MGX Renewables Securities shall be cancelled by MGX Renewables, and the interest of the MGX Shareholder or former Subscription Receipt Holder in such MGX Renewables Securities to which it was entitled shall be terminated as of such final proscription date.

**ARTICLE FIVE
AMENDMENTS**

Section 5.01 *Amendments to Plan of Arrangement*

- (a) MGX and MGX Renewables reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by MGX and MGX Renewables, (iii) filed with the Court, and (iv) communicated to MGX Shareholders and Subscription Receipt Holders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by MGX or MGX Renewables at any time prior to the Final Order, provided that MGX and MGX Renewables shall have consented thereto in writing, with or without any other prior notice or communication, and, other than as may be required under the Interim Order, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the MGX Meeting shall be effective only (i) if it is consented to in writing by each of MGX and MGX Renewables; and (ii) if required by the Court, it is consented to by holders of MGX Renewables Securities voting in the manner directed by the Court.

**SCHEDULE B
FORM OF REORGANIZATION RESOLUTION**

(See attached)

BE IT RESOLVED THAT:

1. the arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (“**BCBCA**”) involving MGX Minerals Inc. (“**MGX**”), pursuant to the arrangement agreement (the “**Arrangement Agreement**”) among MGX and MGX Renewables Inc. (“**MGX Renewables**”) dated October 31, 2018, all as more particularly described and set forth in the management information circular (the “**Circular**”) (as the Arrangement may be duly modified or amended), is hereby authorized, approved and adopted;
2. pursuant to section 74(1)(b) of the BCBCA, MGX is hereby authorized to reduce the stated capital of MGX attributable to its issued common shares (the “**Stated Capital Reduction**”) as of and from the Effective Time (as defined in the Arrangement Agreement) by up to \$4,448,712, being the aggregate fair market value of the Distribution Shares (as defined in the Arrangement Agreement) and the Reserved Shares;
3. the plan of arrangement, as it may be or has been duly amended (the “**Plan of Arrangement**”), involving MGX and implementing the Arrangement, the full text of which is set out in Schedule A to the Circular (as the Plan of Arrangement may be, or may have been, duly modified or amended), is hereby approved and adopted;
4. the Arrangement Agreement, the actions of the directors of MGX in approving the Arrangement and the actions of the directors and officers of MGX in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
5. notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of MGX or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of MGX are hereby authorized and empowered, without further notice to, or approval of, the holders of common shares of MGX:
 - (a) to revoke these resolutions;
 - (b) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and the Plan of Arrangement; or
 - (c) subject to the terms of the Arrangement Agreement, not to proceed with the Stated Capital Reduction or the Arrangement;
6. any director or officer of MGX is hereby authorized and directed for and on behalf of MGX to execute and deliver any and all documents that are required to be filed under the BCBCA in connection with the Arrangement Agreement, the Stated Capital Reduction or the Plan of Arrangement; and
7. any one or more directors or officers of MGX is hereby authorized, for and on behalf and in the name of MGX, to execute and deliver all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of MGX, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by MGX;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF MGX RENEWABLES

MGX Renewables represents and warrants to MGX as set forth in this Schedule C and acknowledges and agrees that MGX is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) **Organization and Qualification.** MGX Renewables is duly incorporated and validly existing and in good standing under the BCBCA and has full corporate power and authority to own its assets and has all material permits necessary to conduct its business as now owned and conducted. MGX Renewables is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have a Material Adverse Effect on MGX Renewables. True and complete copies of the constating documents of MGX Renewables have been delivered or made available to MGX, and MGX Renewables has not taken any action to amend or supersede such documents since they were delivered or made available.
- (b) **Authority Relative to this Agreement.** MGX Renewables has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to complete the Plan of Arrangement. The execution and delivery of this Agreement by MGX Renewables and the consummation by it of the transactions contemplated by this Agreement have been duly authorized by the board of directors of MGX Renewables, and no other corporate proceedings on the part of MGX Renewables are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by MGX Renewables and constitutes a valid and binding obligation of MGX Renewables, enforceable by MGX against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) **No Conflict, Required Filings and Consent.** The execution and delivery by MGX Renewables of this Agreement and the performance by it of its covenants hereunder and the completion of the Plan of Arrangement will not violate, conflict with or result in a breach of any provision of the constating documents of MGX Renewables, and except as would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect on MGX Renewables, will not: (a) violate, conflict with or result in a breach of: (i) any agreement, contract, indenture, deed of trust, mortgage, bond, instrument, authorizations, licence or permit to which MGX Renewables is a party or by which MGX Renewables is bound; or (ii) any Law to which MGX Renewables is subject or by which is bound; (b) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, contract, indenture, authorization, deed of trust, mortgage, bond, instrument, licence or permit; or (c) give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, contract, indenture, authorization, deed of trust, mortgage, bond, instrument, licence or permit, or result in the imposition of any Encumbrance, charge or lien upon any of MGX Renewables' assets. Other than the Interim Order, the Final Order, the Plan of Arrangement, filings required to be made pursuant to applicable securities Laws and filings required to be made with the CSE, no authorization, consent or approval of, or filing with, any Governmental Entity or any court or other authority is necessary on the part of MGX Renewables for the consummation by MGX Renewables of its obligations in connection

with the Plan of Arrangement under this Agreement or for the completion of the Plan of Arrangement not to cause or result in any loss of any rights or assets or any interest therein held by MGX Renewables in any material properties, except for such authorizations, consents, approvals and filings as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay consummation of the Plan of Arrangement.

- (d) **MGX Renewables Subsidiaries.** MGX Renewables does not have any Subsidiaries.
- (e) **Capitalization.**
 - (i) The authorized share capital of MGX Renewables consists of an unlimited number of MGX Renewables Common Shares and an unlimited number of preferred shares, issuable in series. As at the date of this Agreement there are 30,000,000 MGX Renewables Common Shares validly issued and outstanding as fully-paid and non-assessable shares of MGX Renewables. Other than the Subscription Receipts, there are no options, warrants, conversion privileges, calls or other rights, shareholder rights plans, agreements, arrangements, commitments, or obligations of MGX Renewables to issue or sell any shares of MGX Renewables or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire any shares of MGX Renewables, and there are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments of MGX Renewables, and no person is entitled to any pre-emptive or other similar right granted by MGX Renewables.
 - (ii) There are no outstanding contractual obligations of MGX Renewables to repurchase, redeem or otherwise acquire any MGX Renewables Common Shares.
 - (iii) No order ceasing or suspending trading in securities of MGX Renewables nor prohibiting the sale of such securities has been issued and is outstanding against MGX Renewables or its directors, officers or promoters and no such proceeding is pending, contemplated or threatened.
 - (iv) All outstanding MGX Renewables Common Shares and all outstanding shares of capital stock, voting securities or other ownership interests, securities or interests in MGX Renewables, have been issued or granted, as applicable, in compliance in all material respects with all applicable securities laws, including the 1933 Act.
- (f) **Residency.** For the purposes of the Tax Act and for all other purposes, MGX Renewables is a resident in Canada.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF MGX

MGX represents and warrants to MGX Renewables as set forth in this Schedule D and acknowledges and agrees that MGX Renewables is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) **Organization and Qualification.** MGX is duly incorporated and validly existing and in good standing under the BCBCA and has full corporate power and authority to own its assets and has all material permits necessary to conduct its business as now owned and conducted. MGX is duly qualified to carry on business and is in good standing in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified will not, individually or in the aggregate, have a Material Adverse Effect on MGX. True and complete copies of the constating documents of MGX have been delivered or made available to MGX Renewables, and MGX has not taken any action to amend or supersede such documents since they were delivered or made available.
- (b) **Authority Relative to this Agreement.** MGX has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to complete the Plan of Arrangement. The execution and delivery of this Agreement by MGX and the consummation by it of the transactions contemplated by this Agreement have been duly authorized by the MGX board of directors, and no other corporate proceedings on the part of MGX are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by MGX and constitutes a valid and binding obligation of MGX, enforceable by MGX Renewables against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) **No Conflict, Required Filings and Consent.** The execution and delivery by MGX of this Agreement and the performance by it of its covenants hereunder and the completion of the Plan of Arrangement will not violate, conflict with or result in a breach of any provision of the constating documents of MGX.
- (d) **Residency.** For the purposes of the Tax Act and for all other purposes, MGX is a resident in Canada.