

## October 9, 2018 Newsletter

Shareholders have had many thoughtful and interesting questions resulting from our October 4<sup>th</sup> Update. I think it best if we address these in a broader scope to bring about a better awareness and clarity to all our shareholders. I would like to provide you with answers to these questions in a FAQ format, addressing the issues in chronological order from our most recent news release update.

To view the October 4, 2018 Update [CLICK HERE](#)

### FAQ's

**Q. Why was a concentration plant introduced to process the E-Waste?**

*A. The original design for the Memphis plant was to develop and build a modular E-Waste plant to process feedstock that we were supplied during our testing and start up protocols. During our initial runs in Memphis different products were introduced which caused issues during our start up procedures on our Dry Side. We then encountered challenges in the process flow and feedstock throughput of the newly introduced material due to the different metal content characteristics.*

*After continued attempts to readjust the system, it was determined that to effectively and economically process the majority of E-Waste materials a reconfiguration of the Dry Side process was required. This new design has effectively resulted in the development of a proprietary three-stage concentration plant.*

**Q. Why was this concentration plant built in Vancouver and not Memphis?**

*A. We felt that by doing this in our own backyard with our team focused under one roof we could accomplish the task faster and at a reduced cost. We were right on both counts. Completing this in basically 3 months, including the sourcing of a new 13,600 sq. ft. facility, site modifications, equipment design, installation and calibration is to be commended. The Mineworx and EnviroLeach teams worked extremely diligently together in order to achieve this accomplishment.*

**Q. Is this new concentration plant operating at your expectations?**

*A. Actually better. The line ran at a sustained rate of 900kg per hour (approximately 1 tonne per hour), so if you do the math you can see how we have exceeded our initial expectations. The intention is to add an additional shift in due course to attain the designed rate of 20 tonnes per day. Furthermore, it is producing a very high-quality, pure metal concentrate (heavy fraction), which will be sold to one of our refining partners.*

**Q. Why is a new pre-shredder added to the Dry Side line?**

*A. An additional 4 cubic meter pre-shredder is being added to the line which will allow us to process larger scale E-Waste products such as complete power supplies, computer servers, telecom components and cable/satellite set top boxes. This considerably expands the types of electrical products we can now process and will now include a very wide range of IT/Telecom E-Waste materials.*

**Q. Will the concentration plant remain in Vancouver or be relocated to Memphis?**

*A. We would like it to remain in Vancouver and install a similar unit in Memphis. It would be our intention to install a Wet Side process line in Vancouver, allowing this facility to be a totally functioning modular system that can be a showcase production facility. This System could then be set up anywhere for E-Waste recycling.*

**Q. Is the Process still a modular concept?**

*A. Yes. Increased production capacity in a plant can be expanded by additional modules.*

**Q. What are the short-term objectives for the Vancouver plant?**

**A.** With the ability to process E-Waste into a saleable concentrate the plant will begin to produce such materials and will scale up as per ramp up protocols. The intention is to secure a 1-year supply of feedstock for the facility to alleviate any production issues as well as adding a Wet Side line to the operation. The light substrate fraction can be warehoused until a Wet Side line is operational.

**Q. Explain the “four fractions” of metals produced and the benefits.**

**A.** *This concept has led to some confusion. The four fractions of metals produced by the concentration plant is the key to our ability to now process most E-Waste products efficiently and at speeds exceeding our initial expectations. In short, it has allowed us to recover a higher percentage of metal value (90%-95%) at higher speeds and at lower production costs, thus increasing our overall profitability considerably.*

*The four fractions are:*

- 1. A copper based precious metals concentrate (heavy fraction), which also contains precious metals, that will be sold to a refiner.*
- 2. A ferrous metal fraction that will be sold to a recycler*
- 3. An aluminum fraction that will be sold to a recycler*
- 4. A light substrate fraction will be processed with the EnviroLeach formula in the “Wet Side” which contains about 50% of the over all precious metal value of the E-Waste.*

*It is important to understand that while approximately 50% of the gold is recovered in the Wet Side, the balance of the metal values is captured in the highly valued copper-based concentrate. We will receive monetary value from all 4 factions.*

**Q. Explain how you will deal with the tailings resulting from your E-Waste plants?**

**A.** *The only tailings produced from the plant are from the Wet Side. Initially, these tailings would have had to be disposed of into landfills. Now, these post-leached tailings will be repurposed for use in construction materials for actual product improvements. This important development will reduce our costs, leave us with no environmental footprint and allows us to state that we have the world’s only zero emission E-Waste recycling process.*

**Q. Explain the rationale of shipping 20 tonnes of the concentrated material from Vancouver to Memphis?**

**A.** *We intend to produce and ship the light substrate fraction to the Jabil facility in Memphis in November for full-scale tank leaching in the Wet Side process. Since we do not as of yet have a Wet Side line in Vancouver this is being done to prove the feasibility of the complete processing cycle incorporating the new concentrate methods.*

**Q. Explain the profitability of one of your corporate E-Waste plants?**

**A.** *Queries on cash flows, profitability and market guidance are ruled by regulatory protocols and will be addressed at the appropriate time in a publicly released statement.*

**Q. Is this the same process that will be used for mining industry?**

**A.** *No, this System has been designed solely for the E-Waste recycling industry. Mining applications will have a less complex processing procedure.*

**Summary:**

The Mineworx/EnviroLeach JV is all about Building Value Thru Innovation with patent pending and proprietary IP technologies as the key to the value creation process. Providing Eco-Disruptive processing solutions within the E-Waste industrial sector has been our objective from the onset.

The initial focus into E-Waste recycling or “Urban Mining” was primarily due to the challenge of becoming the global leader in finding an eco-friendly solution to the world’s fastest growing waste stream - electronic waste. The environmental and

health implications associated with E-Waste disposal is widely known and a viable solution, until now, has not been available.

Also, the ramifications of losing such an abundance of natural resources to landfills is mindboggling. Gold, silver, copper, platinum and other metals are filling landfills worldwide at a staggering rate. In 2016 the value of metals in E-Waste was estimated to be USD \$65 billion and projected to grow by 8% per year.

Looking at gold alone, approximately 9% of annual global gold production is used in electronic devices each year. This equates to 320 tonnes of gold and less than 8% is recycled. Approximately 300 tonnes of gold per year is lost and has to be replenished thru further exploration, drilling and processing to just replenish what is being wasted and this does not include the additional gold for electronic product growth which, as stated, is growing at an 8% compounded rate annually. The additional environmental burden of just replacing this is massive.

To get a better perspective on the size of this market, every day in 2015 approximately 36,000 tonnes of IT and Telecom E-Waste was generated including approximately 9000 tonnes in Canada and the U.S. If we just focused on the Canada/U.S. market the total annual production of 1 of our 20 tonne per day facilities would only be able to process about ½ day of E-Waste material!

The key is being able to capture the opportunity. Both company's teams working together have the internal capability to design, fabricate, install and operate production plants globally. There are no other economical, eco-friendly chemical processes available today that can capture the opportunity of capitalizing on the explosive growth of the E-Waste industry.

The ability to partner with industry and recycling groups to secure supply at advantageous pricing is paramount. Much has already been successfully completed in this regard. We anticipate additional potential royalty opportunities will surface that will allow for rapid growth of our business.

The value proposition increases as we move further along the path. Industry desires Green sustainable solutions and OEM's, such as Apple, are advising their stakeholders of such. There hasn't been a viable solution until now. We will continue to work with the industry leaders who desire to move forward with this eco-friendly mandate.

Our journey thus far has been exciting. I would like to acknowledge all of you who have shown patience and supported us with such earnest. By commercial standards, what we have accomplished in such a short period of time is nothing short of extraordinary. Again, thank you for your loyalty, we anticipate you will be rewarded accordingly.

Greg Pendura, President & CEO