



M A G O N E PRODUCTS INC

# **CORPORATE PRESENTATION**

CSE: MDD  
FSE: 304  
OTCQB: MgPRF

**November 2015**

# Forward-Looking Statements

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Using its proprietary technology, Mag One Products Inc.'s (Mag One) mission is to rapidly become the lowest-cost and most environmentally friendly producer of magnesium (Mg) metal ingots and ultra-pure Mg compounds.

# Five Critical Elements for Success

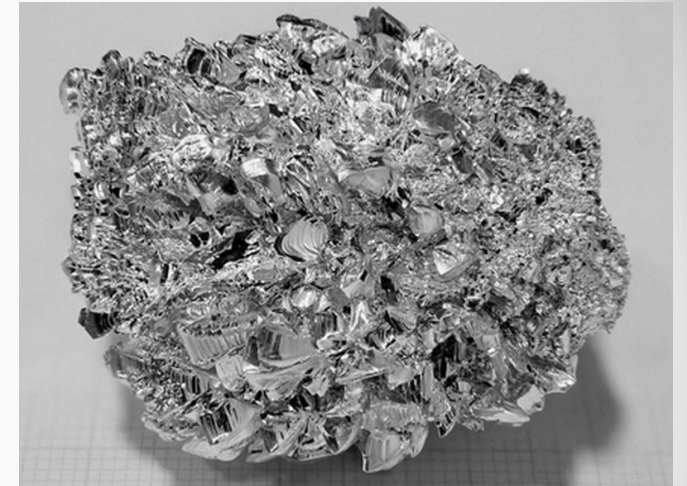
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- 1 Best in Class Technology**
- 2 Abundant Supply of Low-Cost Ore**
- 3 Modular (Low CAPEX) Rapid Commercialization Strategy**
- 4 Optimal Site Location**
- 5 Experienced Management Team**

# Magnesium → Metal of the Future

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- Magnesium (Mg) is recognized as a metal of the future with demand projected to increase by 5% each year for the next five years.
- Currently, China produces more than 80% of the world's supply using an environmentally unfriendly and labor-intensive technology (the Pidgeon Process). High import duties have restricted the use of Chinese Mg in the U.S.
- With only one active Mg manufacturer in North America and with a growing U.S. demand, there is a need for a low-cost, high-capacity North American Mg producer.



# Magnesium → A versatile light weight metal

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- The primary uses of Mg are in aluminum alloying, Mg die-casting, desulfurization of steel, titanium production, and synthesis of special Mg chemicals.
- Mg is the lightest of all commonly used structural materials, with a density ~78% lower than steel & ~35% lower than aluminum.
- Mg alloys are 48-78% lighter than steel and 22-35% lighter than aluminum, in addition they have:
  1. Very high strength-to-weight & stiffness-to-weight ratios
  2. Best machining properties of all metals
  3. Excellent vibration-damping properties
  4. High dent resistance.



# Why Invest?

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- The sale price of Mg Metal ranges from \$2,400 to \$4,300 USD/tonne
- With a target operating cost that is at least 25% lower than existing global Mg producers, Mag One's annual profitability for each 5,000 tonne/year (t/y) module is projected to be in excess of \$5M. A 100,000 t/y production facility is therefore expected to generate profits in excess of \$100M each year.
- Four Critical factors will allow Mag One to achieve this goal:

**1 A Large Supply of low cost Ore**

**3 Technology**

**2 Site Location**

**4 Expansion Strategy – Modular Units**

# Why Invest?

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## 1 A Large Supply of low cost Ore

Mag One has secured access to 30 million tonnes of serpentinite ore that contains ~23 wt. % Mg. This rock has already been mined, and only ~US\$7.50 of ore is needed to produce one tonne of Mg. At 100,000 t/yr Mg, there is enough ore for 70 years of production.

## 2 Site Location

The Mag One plant will be located at the most optimum possible location in North America (Danville, Quebec). The site is on road, on rail, fully-serviced, and surrounded by an experienced and available workforce. Electricity rates are among the lowest in North America, and most importantly, the plant site is situated adjacent to the ore deposit.



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## 3 Technology

The innovative patented technologies and trade secrets to process Mg ore have resulted from a decade-long research program undertaken by James G. Blencoe, Ph.D. The ore from the Danville site has been successfully tested and shown to produce high-purity Mg metal. Most of the equipment required to achieve this production is "off the shelf."

## 4 Expansion Strategy

The 1<sup>st</sup> phase is to construct a full-scale, 5,000 tonne/year modular plant that will be used as the "unit model" for expansion. As sales grow, additional 5,000 tonne/year modules will be built (adjoining each other). The targeted CAPEX of each 5,000 tonne/year module is 25% less on a per tonne basis compared to existing global Mg producers.

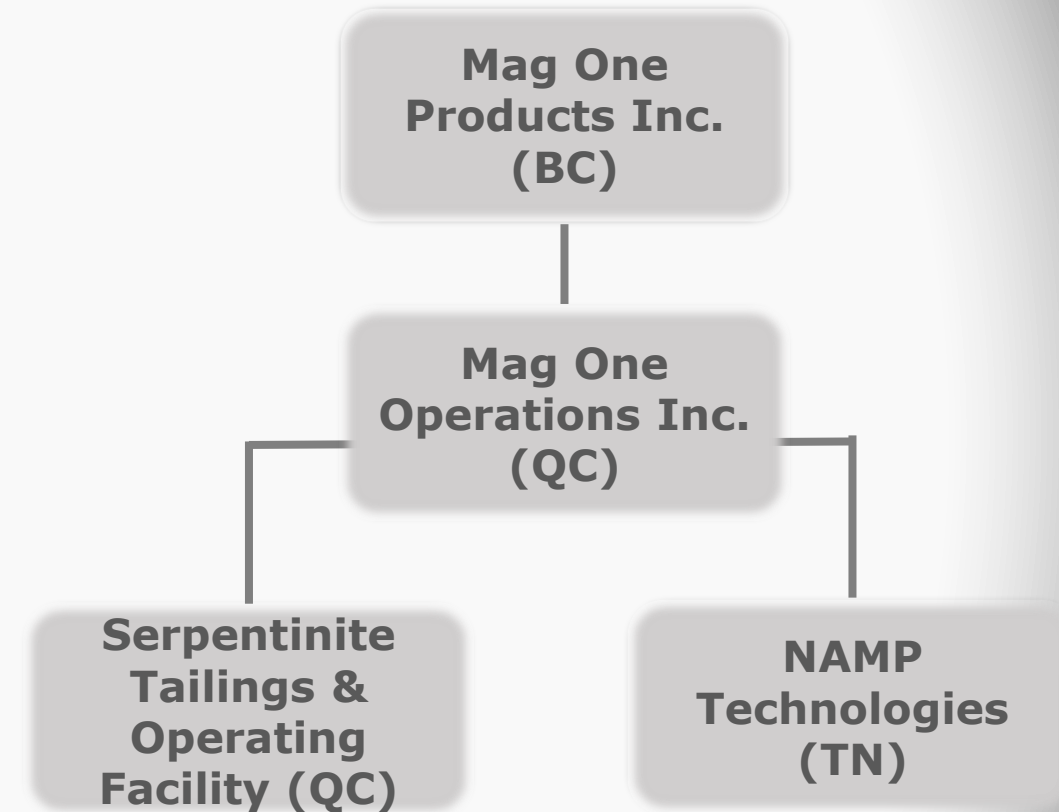


- Electrolytic methods for Mg production typically require capital expenditures (CAPEX) in excess of US \$1 billion to achieve a 100,000 tonnes/year (t/y) capacity. In addition conventional electrolytic processes have difficulty achieving >99.8% Mg purity & operating costs (OPEX) less than US\$2200/tonne.
- Mag One's strategy is to use its proprietary, environmentally friendly, modular thermal technology to initially produce 5,000 t/y for an estimated CAPEX and OPEX that is at least 25% lower on a per tonne basis compared to existing global Mg producers.
- This approach is designed to rapidly secure offtake agreements and bring revenues and profits into the company as quickly as possible so that these funds can be re-invested in future expansion of production to the target level of 100,000 t/y.
- Mag One's ultimate aim is to produce Mg at a cost that is close to the cost of producing aluminum. This would expand markets for Mg not only in North America, but around the world.

# Corporate Structure

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- Mag One Products Inc. (Mag One) was co-founded in 2015 by Mr. Nelson Skalbania and Dr. James Blencoe. In May 2015, Mag One became a publicly-traded company on the CSE through the acquisition of Acana Capital. Acana's CEO, Mr. Lucky Janda, is a member of Mag One's board of directors.
- Mag One owns 100% of Mag One Operations Inc, a private company, incorporated in BC with its head office in Montreal, Quebec. In April 2015 Mag One Operations acquired 100% of North American Magnesium Products LLC. (NAMP), a Tennessee LLC created by Dr. James Blencoe
- In March 2015 Mag One Operations signed an agreement with Mine Jeffrey to acquire the rights to exploit 30 million tonnes of serpentinite-rich tailings containing ~23% Mg.



# Directors and Management Team

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**Nelson M. Skalbania, B.Ap.Sc., M.Sc., P.Eng.:** Chairman, Mag One Products Inc.

A professional engineer and graduate from UBC and the California Institute of Technology (CalTech), he began his career as an engineering consultant by forming McKenzie Snowball & Skalbania Consultants. For almost 20 years Mr. Skalbania was president and majority owner of this successful firm and grew the company to over 100 staff in four locations. Mr. Skalbania then expanded into an extensive and highly successful real estate career where he owned and operated properties all over North America. In addition, he has been an owner of 10 different sports teams and involved in over 100 businesses including technology, mining, manufacturing, and oil services to name a few.



**James G. Blencoe, Ph.D.:** Chief Technology Officer & Co-Chairman, Mag One Products Inc.

Blencoe earned a B.S. degree in Mining Engineering and a Ph.D. degree in Geology from Stanford University. He has more than 40 years of experience designing, constructing, operating and maintaining specialized equipment for advanced chemical production. Prior to entering the private sector in 2007 as Founder, President and CEO of Orion Laboratories, LLC, Blencoe spent 24 years working at the Oak Ridge National Laboratory and 9 years working at The Pennsylvania State University. Blencoe has been inventing advanced processing techniques for Mg production for more than a decade. He has published more than 50 articles and reports in leading peer-reviewed scientific journals and technical magazines, and he is the lead author of three U.S. patents on magnesium production.

# Directors and Management Team

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## **Lucky Janda: CEO Mag One Products**

Mr. Janda is President of the Janda Group which is a family owned real estate company that also develop & own Shopping Centres & makes investments in new ventures. In addition, Mr. Janda is the President and CEO of AmeriCan Agri Co Inc., JGWealth Management Corp., CanAmeri Agri Co & AAN Ventures Inc. & serve as a director of Maxtech Ventures Inc. Mr. Janda has previously served as the CEO and director of numerous public companies over the past 25 years. Mr. Janda is a businessman with over 25 years' experience in public companies and real estate development. He has served as a Senior Officer with board positions within public companies and has held numerous positions with several community charitable organizations. Mr. Janda holds a Bachelor of Economics from the University of British Columbia.



## **Gillian Holcroft, B.Eng., M.Eng.: CEO Mag One Operations Inc.**

Ms. Holcroft is a bilingual executive chemical engineer with 25 years of experience. Her vast experience includes Mining and Metallurgical process development and operations (including magnesium metal production), the commercialization of advanced technology, green field EPC project management, US Department of Defence as well as International Trade. She is recognized for her strong planning abilities as demonstrated by negotiating and directing large and extremely complex projects. As a senior executive and board member in a market leading environmental technology company she provided leadership and strategic direction and was recognized for her excellent communication skills and vision in opening up new markets. She played a vital role in taking a private company public through financing efforts in Canada and Europe.



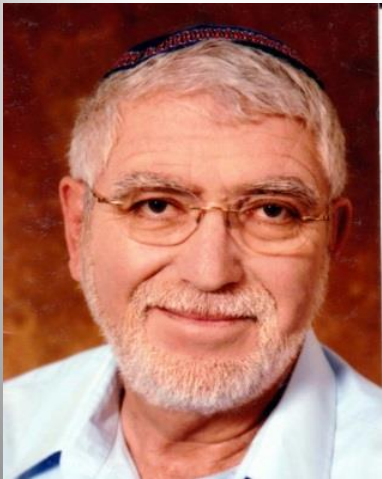
## **David Dreisinger, Ph.D.**

Dr. Dreisinger holds the position of Professor and Chairholder of the Industrial Research Chair in Hydrometallurgy at the University of British Columbia (UBC). He has published extensively and has received (with co-workers) 19 U.S. patents, numerous awards. Dr. Dreisinger is a director of PolyMet Mining and Search Minerals and an officer of Baja Mining and Tri Metals Mining.



## **Donald A. Palmer, Ph.D**

Dr. Palmer, a bilingual (English/German) research scientist, earned a B.S. Honours degree and a Ph.D. in physical inorganic chemistry. He retired from Oak Ridge National Lab in 2007 after 27 years of service. He has published more than 200 articles in peer-reviewed scientific journals, and has written numerous technical reports for various sponsors. He is a co-author of two U.S. patents with Mag One's COO and co-founder Dr. James Blencoe.



## **Uri Z. Ben Noon**

Mr. Ben-Noon was formerly CEO of Dead Sea Works Ltd. which manufactures a range of chemical products including Mg chloride flakes & operates a 35,000 tonne per year Mg metal production facility. He was CEO of the Israel Electric Company & Chairman of "Orta," a Mg die casting company, as well as Chairman of several environmental & energy technology companies, & non-profit institutions.



# Capital Structure

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<b>Authorized Share Capital</b>	Unlimited
<b>Issued and Outstanding Shares</b>	31,896,672
<b>In Reserve:</b> Options (10% of issued)	3,189,667
Unexercised warrants	1,250,000
Performance Shares	5,000,000

*\* SHARE STRUCTURE as of June 29, 2015*

## **RECORDS OFFICE**

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