

Tormont50: Identifying timely topics and trends in the sub-\$300 million market.

Research Type: **Update**

Timeliness: **Near-term**

Date: **February 20, 2018**

Mineworx Technologies Ltd.

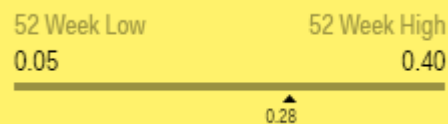
MWX \$0.28



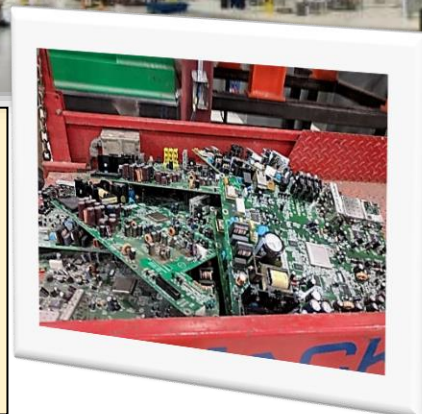
TSXV Exchange | OTCQB: MWXRF | FSE: YRS | Market Cap \$ 80.8M

Installation: Mineworx provided an update this week on the installation and commissioning of its first commercial site at its partner's facility (the Jabil plant) in Tennessee. This process involves the physical placement of equipment, along with test runs including calibration and other fine-tuning of the various stages of the process. Compared to a typical on-location mine site installation for traditional gold mining equipment, a setup under these conditions is ideal. The company is testing both the Dry and Wet Side processes.

Slight Delay: In terms of the company's initially reported timeline, the installation was scheduled to be completed by the end of January, followed by testing of the individual stations and start-up by mid-February before ramping to 5 tonnes per day. However, upon review of initial findings, Mineworx engineers decided that



Reminder: In their update, Mineworx mentioned their corporate strategy, which clearly will be defined by the relative success of this first plant. The real question mark is in the "mine" part of their name, involving the traditional mining segment and the potential to use this same technology to remove cyanide from mines across the globe. This is a backburner story that will begin to evolve later in 2018 – but it is also a wildcard of tremendous scope, perhaps not the "low-hanging-fruit" compared to e-waste, but something that should not be forgotten by investors.

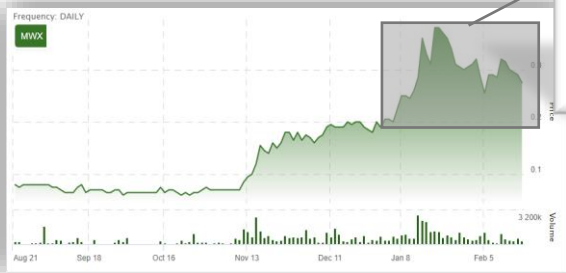


the primary shredding and filtration process had to be re-adjusted for the test material being run. Subsequently, the company has procured additional equipment to solve this issue. That equipment will be installed over the next two weeks. This small delay moves operational testing into early March.

The Stock: One of the hardest things for any investor is how to address a stock that has run so quickly off of a bottom – particularly if that stock is a pre-revenue company. This update reveals a small delay, seemingly inconsequential to the long-term story, as the technology has already been tested. Tweaking should be expected

at this stage in the design of a commercial version of the process and as long as any delays stay reasonable (weeks as opposed to months), this is business as usual. Thus far, the stock is doing what it should do as investors wait for start-up. The stock is currently about 31% off of its recent high and has some natural retest points if investors find any reason to be impatient. For anyone with a long-term view, some key milestones are coming that will lay the groundwork for the rest of 2018, but more importantly, for a timeline far beyond this year. The key to remember is that market development in the e-waste space is a multi-year story measured in hundreds of locations across the globe.

Mineworx posted a 471% gain during its run from base to recent high.



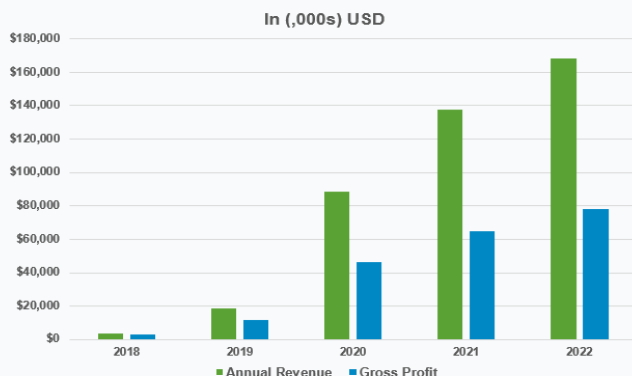
As this 10-minute trading chart shows, profit-taking during the equipment installation phase has been orderly and as expected for a pre-revenue story stock.

The Future: As a reminder, Mineworx is rolling out this technology in conjunction with its JV partner EnviroLeach Technologies, with the first plant sited at corporate partner Jabil Technologies' Memphis, Tennessee facility. The goal is to eventually ramp this plant up to 50 tonnes a day in the near future.

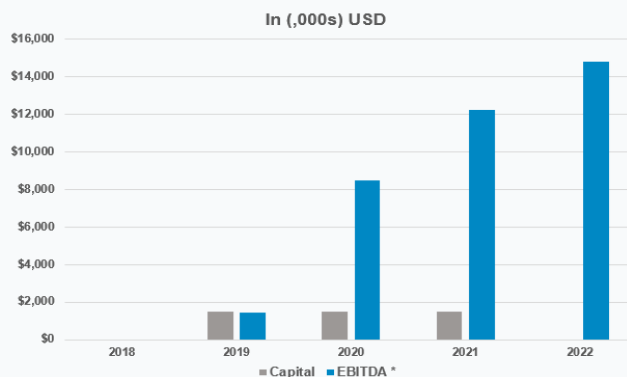
According to industry statistics, less than 8% of the 320 tonnes of gold that is used in electronics is currently recovered by recycling, with the rest going into landfills. **EnviroLeach and Mineworx plan to open three company-owned plants in 2019-2021**, with the first planned for Vancouver, Canada in 2019. Each plant will be designed to process 50 tonnes of e-waste per day at an estimated average grade of 90 g/t gold or roughly ~40,000 ounces per year. As a byproduct, each plant will also produce an estimated 1,500 tonnes of copper. Clearly, if the technology meets expectations, a significant revenue ramp is on the horizon.

Mineworx Base Financial Projections

Joint Venture Financials



Mineworx Financials



* Includes 20% portion of the Joint Venture profits and Mineworx corporate G&A

Tormont50 Research

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