

CEO's 2019 Shareholder Report

Dear Shareholder,

2018 was an exciting year for the Mineworx and EnviroLeach Joint Venture, presenting both challenges and opportunities for us. Unexpected issues led to creative problem solving which produced significant technological improvements as the year progressed. Working diligently, the joint venture successfully advanced the production process to accomplish increased production speeds, overall efficiencies and improved economics.

The Memphis installation was a learning curve. Assembly and commissioning began in the first quarter of 2018. During this period, it was determined the feedstock being processed was different than the material provided during the initial testing stages in Vancouver. The new material contained a larger amount of heavy metals, particularly copper, creating bottlenecks and inefficiencies in the process. It became apparent that electronic waste was not all the same, it had a wide spectrum of characteristics that needed to be addressed in order to efficiently process this wide range of available materials economically.

A new strategy was needed which included the construction of a new facility in Surrey, British Columbia to implement a revised processing system that would allow the majority of all e-waste materials to be processed in one production cycle. It was felt the JV could accomplish this faster and more efficiently in our home base of Surrey than at the Memphis facility and it proved to be the right decision as it saved both time and resources.

Many times, positive developments occur because of adversity and this was such a case. Advancing the technology to enable the processing of a much broader range of ewaste materials simply further solidified the merit of the innovation for significantly more global business opportunities. If you followed the updates throughout the summer and fall you would know that the redesigned "dry side" of the process has been accomplished. A recent update announced the new "wetside" process has been initiated in Surrey with completion anticipated in Q2 2019, which will then become the first fully operational, environmentally friendly ewaste production facility anywhere. To have accomplished this in such a short period of time is a testament to the commitment and skill set of the Mineworx/EnviroLeach teams.

This exclusive production process will maximize the recovery of precious metals from the organic/light fraction following concentration. The wet side process will be similar to the existing Memphis facility but will now run as a continuous process resulting in not only smaller plants, but ones with increased throughput and efficiencies. The "brand name" for all such corporate owned facilities will be **EnviroCircuit** and of course will be designed, engineered and operated by the Mineworx/EnviroLeach JV teams.

To view the new EnviroCircuit video featuring the new Surrey facility [CLICK HERE](#)

Electronic waste recycling or "Urban Mining" is a literal gold mine! Every day in 2015 over 35,000 tonnes of IT and telecom e-waste was generated worldwide including almost 9000 tonnes in Canada and the U.S. alone, representing a total value of approximately USD\$60 billion annually. 9% of the total annual global gold production or 320 tonnes of gold is used for these products with only 8% of the gold being recycled at the end of the products life. How many new gold mines need to be discovered and developed in order to just replace this amount of gold? The needless financial and environmental impact of this is incredible.

Companies such as Apple are demanding sustainability and recyclability within a closed loop supply chain. This will be accomplished as new products can now be made without using an unnecessary amount of finite resources from the earth. Making new products from discarded old products is the future.

As mentioned in our December Update, the entire process operates in a near zero environmental footprint with next to no landfilling of waste, no atmospheric off-gassing and no water effluent. This results in the most economic and ecologically friendly Printed Circuit Board “PCB” recycling process in the world. Many interested organizations have requested a viewing of the EnviroCircuit showcase facility once it is fully completed in Q2 2019. This will be a defining moment for EnviroCircuit, pushing it into a new phase of corporate development with OEM’s and participants within the recycling, smelting and refining industries.

Obviously, we all will be excited with the ongoing revenue opportunities that will present itself and define the Company, but the new era of sustainability will have a tremendous positive impact on our planet earth. With plastics we now have the Great Pacific Garbage Patch of discarded plastic materials floating in the North Pacific, which has grown to twice the size of Texas and ever expanding. With ewaste our global landfills are being stressed with millions upon millions of tonnes of these toxic materials being dumped annually and increasing by a rate of at least 8% per year. This accumulation of toxic ewaste is alarming. What affects the environment in one part of the world eventually affects all of us. We all must contribute to share in the responsibility of protecting our environment and when garbage can be turned into reusable resources we are on the right track!

Traditional Mining

Work is continuing on the finalization of permit approvals for the Cehegin iron ore project in Spain. We have expanded the concessions and completed updated environmental reports to now include these additional concessions. Approvals are anticipated in early 2019.

The EnviroLeach R&D team and lab have also been working diligently on various ores and concentrates from many of the larger gold mining companies and showing excellent results with its patent pending cyanide replacement product and process. Mining will begin to become more prominent during 2019 as additional data is released on the effectiveness and economic viability of the EnviroLeach technology within this industry. Next stage of development will be pilot plant construction onsite at one of these projects. The significance of this on both EnviroLeach Technologies and Mineworx Technologies cannot be underestimated. The ramification of replacing cyanide in a wide spectrum of mining applications is a game changer within this industry and will represent a paradigm shift in mining.

The upcoming year will be exciting for our shareholders. The joint venture team of Mineworx and EnviroLeach working together for the last few years has shown tremendous progress and results. I believe 2019 will begin to show the business development opportunities as a result of this ongoing collaboration and you as a Shareholder will reap the benefits. Thank you for your patience, belief and ongoing support in what we are striving to accomplish.

Greg Pendura

President and CEO