

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

Research Type: **Emerging**

Timeliness: **Early**

Date: **July 6, 2017**

Mineworx Technologies Ltd.

MWX \$0.08

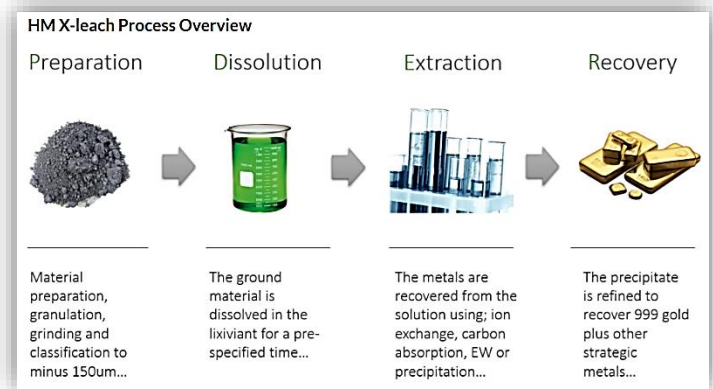


TSXV Exchange | OTCQB: MWXRF | FSE: YRS | Market Cap \$22.1M

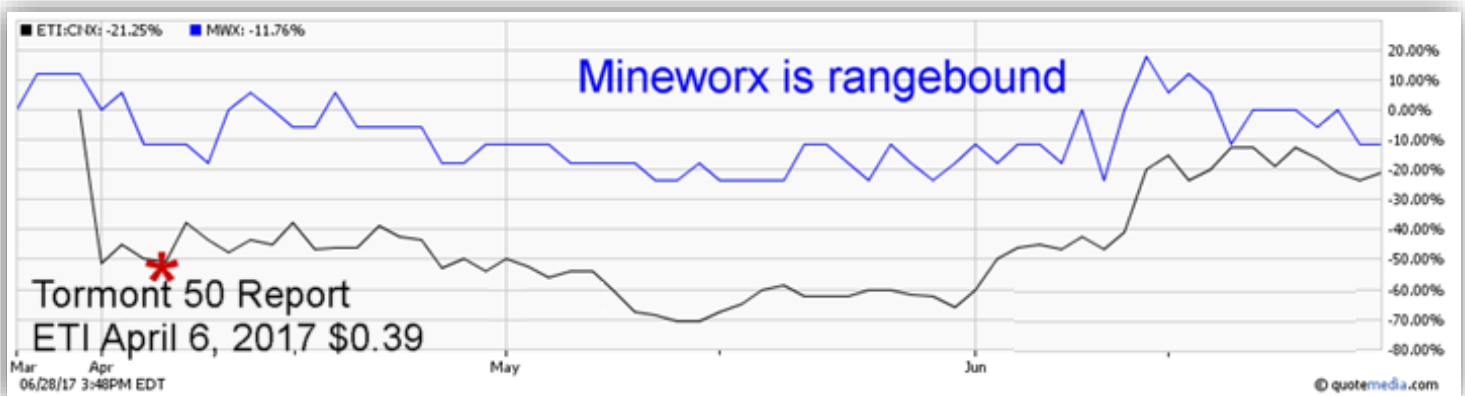
Quick Take: Mineworx Technologies describes itself as a solutions provider and developer of process technologies for both the mining and E-Waste sectors. In practice, the company operates under three technology categories:

- HM X-leach** An environmentally friendly, non-cyanide-based leach formula for the extraction of precious metals from ores, concentrates, tailings and electronic waste (E-Waste).
- HM X-mill** An energy efficient grinding mill based on a proprietary, high-velocity, horizontal-rotary design for the fine grinding of E-Waste, ores, and regrinding of concentrates and tailings.
- HM X-tract** A mobile mining/extraction process for the precious metal sector, which allows operators to recycle most of the processed water used at a typical mine site.

Transformation in 2017: In this historic era of overnight (cannabis-centric) company transformation, Mineworx is a rare example of a firm that recognized a need and evolved into a technology supplier in the very industry where it started life – as a junior miner. Although the company changed its name from Iberian Minerals to Mineworx in June 2017, the real philosophical change occurred with the publishing of a white paper in January 2017 detailing success in a 13-month study of the company’s **EnviroLeach Gold Recovery Process**. This eventually led to the spin-out of the EnviroLeach subsidiary, which began trading on March 30, 2017. Mineworx retained a 4% stake in EnviroLeach.

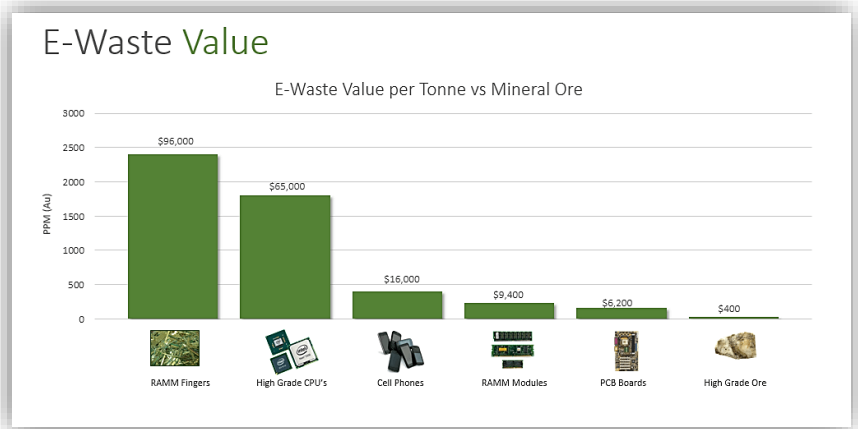


Market Reaction: EnviroLeach came out of nowhere and it took a few months for investors to understand the impact of this technology. Simply put, **X-leach represents the most promising alternative to cyanide-based leaching for the mining industry and E-Waste sectors, both potentially multi-billion-dollar opportunities.**



We featured EnviroLeach (ETI) in the Tormont 50 just after it listed on the CSE. The preceding comparison between parent and spin-out shows the period in which ETI was “discovered” following our report, while the parent (MWX) is still waiting for recognition of its transformation.

Tied to The Technology: Mineworx holds a license in perpetuity for the X-leach technology, so it is tied to any adoption cycle for this potential blockbuster to meet a global, unsolved need. But E-waste will probably be the faster story to watch, as this second market is massive, growing, and has fewer impediments to new technology. As this chart shows, E-Waste is very valuable, making efficient and cost-effective processing technology increasingly important.



A Developing Story: Holding a key technology solution for two very different industries is a tremendous diversification attribute for Mineworx. But, like EnviroLeach, both companies are in “show-me” mode.

Although Mineworx has multiple business categories, including legacy mining operations, the E-Waste segment will take center stage in 2017. To move this technology forward, in June 2017 Mineworx announced an E-Waste JV with EnviroLeach. Mineworx will provide technology and engineering to the JV in exchange for 20% equity participation in all projects. The plant will have an initial capacity of 2,500 tonnes (5,500,000 lbs.) per annum of Printed Circuit Board Assemblies (PCBAs) **making it the largest and most environmentally friendly chemistry-based E-Waste processing facility in North America.** The plant is expected to be operational in Q4 2017.

The Opportunity: Mineworx is in that daybreak period common in all new technology development -- waiting for adoption in mining; waiting for validation in E-Waste via its new plant; and waiting for investor recognition that it may be one of the more promising transformations in Canadian equities in 2017. In many ways, Mineworx could be the kind of true environmental company that investors sought, but rarely found during the recent and disappointing “green” phase of the world equity markets.

Mineworx is a company worth watching simply based on the enormous size of the potential markets, with more than 40,000 mining remediation sites in the U.S. alone, and an E-Waste market that could reach \$49 billion globally by 2020. Even a minor penetration of both of these categories would create blockbuster results, though difficult to model, at least totaling several billion dollars in addressable business.

One ton of circuit boards is estimated to contain 40-800 times more gold than one metric ton of ore.



While Mineworx gathers real operational evidence of the efficacy of its technology, we believe this is an important and opportunistic time to get to know the company.

EnviroLeach can be viewed as a pure play, but the markets are far too large for a single entity. Mineworx offers a diversified, second vehicle to capture even more of this market via additional partners if the technology gains traction.

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