

October 10, 2018

## **Press Release**

### **Mining and Refining Magnesium in California**

*The US economy is growing faster than anyone had expected. Self-sufficiency in raw materials has become of great importance. Magnesium is a crucial element used in various industries, medicine and food supplements. The White Moon magnesite mine is situated near San Bernardino, California, and has sufficient reserves of magnesium to curtail substantial imports of magnesium into the United States from China. White Moon is taking advantage of this vast, highly diversified and ever-expanding market in the United States by initiating the mining and refining of its magnesium resource.*

Nevada Marketing Consultants LLC owner of White Moon Mine aka Needles Magnesite Deposit (“White Moon”), announced today that White Moon Mine has reached an agreement with CVMR Inc.<sup>1</sup>, of Canada (CVMR<sup>®</sup>). The Agreement between NMC, White Moon and CVMR<sup>®</sup> was facilitated by Nova Capital International LLC<sup>2</sup>, NMC’s exclusive investment banker. In accordance with the Feasibility Agreement, CVMR<sup>®</sup> will conduct a Feasibility Study to substantiate the measured, indicated and inferred magnesite ore contained in the White Moon mine over and above the current 527,000 tons of magnesite deposit that is exposed at the surface. The main objective of the Feasibility Study is to determine the technical and economic viability of alternative refining solutions currently available to White Moon for processing its magnesite ore. The Feasibility Study will also report on refining of the magnesium carbonate as a value-added product (Dead Burnt Magnesite and Fused Magnesia) to be marketed in North America and Europe. CVMR<sup>®</sup> will use its existing facility in Toronto to conduct the required laboratory tests, scoping study and refining piloting campaigns after the collection of required samples from the mine site.

The White Moon ore body consists mainly of very high-grade magnesite. This is one of the purest and the least complicated forms of magnesium bearing ores when compared to other magnesium mine compounds. Kamran M. Khozan, Chairman of CVMR<sup>®</sup> in confirming NMC’s announcement, added, “Mining of magnesite is relatively straightforward. However, the owners of the mine have to decide whether they should market the raw ore, an intermediate, or refine the magnesite into value added products for

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<sup>1</sup> CVMR<sup>®</sup> has the most efficient technologies for refining metals into powders and nano powders with zero pollution. CVMR<sup>®</sup> also has substantial mines and mining concessions around the world. It has completed over 560 projects around the world in the past 30 years. (www.cvmr.ca)

<sup>2</sup> Nova Capital is an investment bank boutique firm primarily focused on facilitating equity and debt financing for mining and natural resources, oil & gas and financial services industries.

sale in diverse end user markets. If this is the route chosen, the method of refining magnesium and knowledge of the market conditions and the extent of demand pull in North America and Europe becomes crucial segments of our Feasibility Study.”

There is an increasing demand for magnesium in the United States. Magnesium is an attractive material for automotive, aerospace and defence industries, primarily because of its light weight - 36% lighter per unit volume than aluminum and 78% lighter than iron. When alloyed, magnesium has the highest strength-to-weight ratio of all the structural metals.

China is the world’s largest magnesium producer. The producers in China have massive primary magnesium production capacity and are planning to increase their production capacity in 2019-20. The industry producing magnesium in China is heavily export oriented, with more than half of its 2017 production exported to US. Given the existing antidumping duty controls in place against alloys of magnesium, China would have a strong incentive to shift production if the orders were revoked and end users of refined magnesium in US looked for alternative sources. China’s export of pure granular magnesium totaled 73,220 MT in 2016. Magnesium from China is also currently subject to antidumping duties in Brazil.

Sufficient creep resistance at elevated temperatures is also required by special automotive applications, such as engine blocks or power train components. In the aerospace and automotive part manufacturing, magnesium alloys can withstand elevated-temperature applications. New magnesium alloys have been developed by CVMR<sup>®</sup> that use calcium and strontium or Rare Earth Elements with sufficient creep resistance at elevated temperatures. These alloys are used in components such as engine blocks and power trains.

Magnesium is considered to be a good choice material in the areas of defense and aerospace engineering for aircraft and missile components; aircraft engine mounts, control hinges, fuel tanks, and wings, all use alloys of magnesium. In the automotive and motorcycle sectors magnesium is used for wheels, housings, transmission cases, engine blocks, steering wheels and columns, seat frames and electronics. The use of magnesium and its alloys in automotive components was limited in the early sixties and seventies, but today fuel savings and environmental protection through reduced CO<sub>2</sub> emissions have substantially increased its demand.

The usage of magnesium and its alloys, on a worldwide scale, has increased considerably over the past ten years. In structural applications, where weight plays a major role, magnesium is by far a superior choice. Laptop computers, television sets, cell phones and many other electronic devices use magnesium as a primary metal.

Magnesium forms a variety of compounds important to industry and biology, magnesium carbonate, magnesium hydroxide (milk of magnesia), magnesium oxide, magnesium sulphate, and magnesium sulphate heptahydrate (Epsom salts) are among the most prevalent.

Magnesium is a critical nutrient necessary for our bodies to function well. Magnesium deficiency has far reaching consequences, from Alzheimer's and Asthma, autism and back pain, blood pressure, colon cancer, diabetes type 1 & 2, epilepsy, cirrhosis of liver, toxic shock syndrome, urinary incontinence, varicose veins, and many more illnesses, all can be traced often to a dietary deficiency in magnesium. Magnesium is such a vital part of our biology that, often times, simply adding it to our diet and supplementation routine will reverse a whole slew of health issues.

Use of Magnesium as dietary supplement in the U.S. is highly encouraged through Recommended Dietary Allowances (RDAs). Daily consumption of 400 mg for men and 310 mg for women is recommended.

Magnesium salts are included in various foods, fertilizers. Magnesium sulphite is used in the manufacture of paper, magnesium phosphate is used to fireproof wood that is used in construction and magnesium hexafluorosilicate is used for moth proofing textiles.

Magnesium compounds, primarily magnesium oxide, are used as a refractory material in furnace linings to produce iron, steel, nonferrous metals, glass, and cement. Magnesium oxide and other magnesium compounds are also used in the agricultural, chemical, and construction industries. Magnesium oxide from calcination is used as an electrical insulator in fire-resistant cables.

Mr. N. Victor Emmanuel, Chief Operating Officer at CVMR<sup>®</sup> highlighted International Magnesium Association report that “the underlying demand for magnesium remains quite robust in the United States as the aluminum alloying sector ramps up amid a booming automotive market.” He added, “White Moon is in an enviable position able to take advantage of this vast, highly diversified and ever-expanding market in the United States and beyond.”

**For additional information contact:**

Mr. Alexander Carlin, Senior Managing Director  
Nova Capital International LLC  
Email: [alexander.carlin@novacapitalintl.com](mailto:alexander.carlin@novacapitalintl.com)

Or

Mr. N. Victor Emanuel, Chief Operating Officer  
CVMR<sup>®</sup> Inc.  
Email: [nantha@cvmr.ca](mailto:nantha@cvmr.ca)