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Friday, February 11, 200!



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## Aiming to light up the world

There could be a public offering this year for Delta-based MagPower System Inc.

**Malcolm Parry**  
Vancouver Sun

February 10, 2005

BRUCE DOWNING, 57, and Shawn McGroarty, 50, believe their patented, 250-watt fuel-cell generator has the capacity to light up the world with minimal environmental damage. But their Delta-based MagPower System Inc. isn't yet burning up the fast lane to commercial success with units selling in the \$500 range.

Almost three years ago, a MagPower document claimed that University of B.C. scientists had helped develop chemistry to inhibit unwanted hydrogen emissions when electricity was developed by a magnesium anode immersed in a salt water electrolyte. The document envisaged licensing agreements for MagPower's technology and product-manufacture, and said its stock would likely be listed on a public exchange in the fourth quarter of 2002.

The document also quoted MagPower CEO McGroarty: "We're not here today, gone tomorrow. We're here for the future of B.C."

Well, they're still here. This week, McGroarty said there could be a public offering, "maybe on NASDAQ," this fall. Alternatively, the firm may continue to finance itself from cash flow and the pockets of 65-per-cent owners Downing and McGroarty and other close investors.

McGroarty also said MagPower has an agreement to acquire from Genesis Industries a 20,000-square-foot Coquitlam facility where "hundreds" of MagPower units have been manufactured. And he said the UltraGuard firm



Bruce Downing and Shawn McGroarty license their hydrogen-oxidizing magnesium fuel cell to global manufacturers.

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in Langley is building MagPower's related water purifiers for sale in Third World countries.

As for licensing, McGroarty said Seawolf Enviropower in Melbourne, Australia signed a \$2.5 million agreement in January 2004 to build fuel-cell units from moulds MagPower has yet to ship. Another licensee, the American Infratech firm, believes the U.S. Marine Corps is ready for more than a few good fuel cells. In fact, 100,000 of them, McGroarty said.

The Chukoko electricity utility wants 100-volt units for use in its telecommunications repeater facilities, said McGroarty, adding he's in final negotiations with a \$2-million Japanese licensee.

The British SiGen firm, which markets its own 100-watt units, reportedly wishes to represent MagPower in the U.K. Meanwhile, the Minn Kota firm, which has enormous salt- and fresh-water know-how, reportedly sees fuel cells as naturals to power its electric trolling motors.

Downing, who was chief geologist on the enormous Windy Craggy sulphide-deposit find, was working on the vital hydrogen inhibitors in 1999. That's when he met lifelong entrepreneur McGroarty through their daughters, who are enrolled in the same French-immersion class.

"He caught me in the schoolyard," McGroarty said. "A 20-minute chat turned into two hours and I told him: 'If it can be done, it's huge. If it can't -- well, it'll cost \$100,000 to find out.'"

"Eight months later, we came up with four hydrogen inhibitors."

MagPower president Downing, who has something of the nutty professor mien, said the firm's fuel-cell unit can be made small enough to fit in cell phones.

Pointing to an electric bicycle in the MagPower office, he said: "You could take the one out of there to run a couple of lights in your house during a power outage."

Confessing that McGroarty "tells me to stop thinking of goofy ideas," he said he couldn't resist when a NASA employee asked if urine would make a suitable electrolyte. "Three cups of coffee later, I had 1.6 volts on the meter and had lit up the Christmas tree lights," he said, laughing.

Something for your dog Sparky to think about when he raises a leg beside a car's magnesium wheels.

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