

MGX Minerals Commences US Lithium Brine Staking and Oilfield Acquisition Activities - Forms PetroLithium Corporation

VANCOUVER, Jan. 23, 2017 /CNW/ - **MGX Minerals Inc.** ("MGX" or the "Company") (CSE: XMG / FKT: 1MG / OTC: MGXMF) is pleased to announce formation of the **PetroLithium Corporation of America**, a 100% owned U.S. subsidiary of the Company (the "PetroLithium Corporation").



MGX has mandated the PetroLithium Corporation to acquire oil field assets, including lithium brine, oil wells and existing oil and gas ("O&G") infrastructure. Staking and oil well acquisition activities in lithium brine-bearing areas of Utah have already commenced. Acquisition and exploration activities are expected to commence shortly in Colorado, Texas and Arkansas. All states are host to significant current and past producing oil production associated with areas of enriched minerals including sodium, calcium, magnesium, potassium, boron, bromine and lithium.

Geological Overview

PetroLithium Corporation is focusing activities on the Mississippian and Pennsylvanian (Carboniferous) age aquifers of the Paradox Basin (UT, CO) and the Jurassic Period Smackover Formation (TX, AK). Enrichment is theorized in both formations to be a result of trapped ocean water in dolomite / limestone host rock previously concentrated under high temperature and pressured to many times ocean levels of mineralization. High temperature formation represents a common characteristic of lithium brine mineralization within the Paradox Basin and Smackover Formations. As a result, minerals are generally found in basins and directly associated with oil-bearing strata of similar geological periods.

Smackover Formation

The Smackover Formation has produced nearly two billion barrels of oil to date and is home to some of the Country's largest past producing oilfields. Many wells are now stripper wells producing 10 barrels per day (United States Energy Information Administration). Investigation is now underway to determine whether these areas of older oil production with very high brine to oil ratios may once again become viable due to the addition of value from extraction of minerals including lithium.

Extraction of Lithium from Oil Field Brine

MGX recently reported the extraction of lithium from oil wastewater using its patent pending process (U.S. Provisional Patent #62/419,011) for the extraction of lithium and other valuable minerals from oil brine (see [press release dated January 3, 2017](#)).

It is the only patent of its kind providing for the rapid extraction of lithium and other valuable minerals from oilfield brine. Current conventional production of lithium from brine takes up to 18 months due to the solar evaporation phase. MGX's process eliminates the solar evaporation step, reducing potential production to one day and representing a reduction of >99% and a by-product of re-useable, non-toxic water. The treatment of oil wastewater offers significant revenue potential and environmental benefit in addition to mineral extraction as the processing removed all suspended solids, including 99.7% of hydrocarbons and 99.9% of silica and other scale-forming minerals. With its engineering partner PurLucid Treatment Solutions Inc., MGX expects deployment of pilot plant shortly. Commercial deployment is expected in the second half of 2017 and off-take negotiations are underway.

The PetroLithium Corporation

MGX has formed the PetroLithium Corporation to enter significant mineral, oil, and environmental markets in the United States. Appointment of management positions is underway.

The oilfield technical and acquisition team will be headed by Dr. Larry Marks. Dr. Marks was with Royal Dutch Shell for 30 years and held Project Director positions at The Hague, which covered the Middle East and Africa. Dr. Marks, a Professional Geophysicist, completed his career as Vice President - Marketing and Transportation with Shell Canada, Calgary, Alberta where his responsibilities included sale and delivery of a diverse range of oil and gas products as well as merger and acquisition activities. Dr. Marks currently leads the oilfield technical and acquisitions team for the Company's Alberta Lithium Exploration. Dr. Marks will be primarily responsible for acquisition of lithium-bearing brine and oil wells for PetroLithium Corporation.

Product development and sales will be overseen by Mr. Claudio Manissero. Mr. Manissero was formerly Director of Sales at FMC Lithium. Mr. Manissero has had an extensive career with FMC Corp. spanning over 20 years.

The scientific team will be led by Dr. Preston McEachern, a leader in water management in the oil and gas industry, Dr. McEachern has 23 years' experience in solving water challenges. He holds three faculty appointments with Canadian Universities and was previously Vice President of Research and Development at Tervita. Dr. McEachern is the CEO of Purlucid Treatment Solutions Inc., MGX's engineering partner.

The Company has filed a trademark application with the United States Patent & Trademark Office for the name Petrolithium for future use in commerce, and if granted will give MGX exclusive right to its use in trade.

Canadian Lithium Portfolio

MGX is the largest holder of mineral permits covering known lithium-bearing brine areas in Canada with a land package encompassing nearly 500,000 hectares (1.2 million acres). All permits are focused on major oil and gas production areas of Alberta. Along with oil and gas, these areas currently produce more than one million barrels per day of brine.

Qualified Persons

The technical portions of this press release has been reviewed by Andris Kikauka (P. Geo.), Vice President of Exploration for MGX Minerals. Mr. Kikauka is a non-independent Qualified Person within the meaning of National Instrument (N.I.) 43-101 Standards.

Cautionary Statement

MGX Minerals is actively working on advancing its Alberta Lithium Portfolio into production. However, readers are cautioned that the Company has not completed a pre-feasibility or feasibility study which establishes mineral reserves with demonstrated economic and technical viability. Further, the Company cautions readers that any potential production may not be economically feasible and historically projects taken to production without establishing reserves through a feasibility study have a much higher risk of economic or technical failure.

About MGX Minerals

MGX Minerals (CSE: XMG) is a diversified Canadian mining company engaged in the development of large-scale industrial mineral portfolios in western Canada. The Company operates lithium, magnesium and silicon projects throughout British Columbia and Alberta. MGX recently [released a maiden N.I. 43-101 compliant mineral resource estimate for its Driftwood Creek magnesium project](#), which outlined 8 million tonnes grading 43.31% magnesium oxide. In January the Company [received a 20-year Mining Lease for Driftwood Creek](#). Additionally, the Company is the [largest lithium brine land holder in Canada](#), controlling nearly 487,000 hectares of land representing over one million barrels of brine production per day. For further information, please visit the Company's website at www.mgxminerals.com.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements including the completion of the rights offering (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "potentially" and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors. The reader is referred to the Company's public filings for a more complete discussion of such risk factors and their potential effects which may be accessed through the Company's profile on SEDAR at www.sedar.com.

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