



MGX Minerals Announces Lithium, Magnesium, Silicon, and REE Project Updates

VANCOUVER, BRITISH COLUMBIA / August 29, 2017 / [**MGX Minerals Inc.**](#) ("MGX" or the "Company") ([CSE: XMG](#) / [FKT: 1MG](#) / [OTC: MGXMF](#)) is pleased to provide shareholders with a progress report on multiple fronts inclusive of lithium, magnesium, silicon, and newly acquired rare earth (REE) superalloy projects.

US / Canadian Petrolithium and Lithium Brine Projects

MGX has processed wastewater and lithium brine from eight North American project sites since inception of its one cubic meter per hour pilot plant in July 2017. These bulk samples of one US barrel each were shipped from six oil and gas sites and two mine sites in the US and Canada. Independent assays are pending to verify lithium and other mineral recoveries as well as clean water output profile to determine environmental and water handling benefit.

This data will provide the basis for the engineering of these projects and final commercial arrangement. These projects represent high priority lithium and environmental water handling projects. In addition to its wholly owned projects, MGX has entered testing and analyses agreements with major oil companies across North America and has completed testing at more than 25 locations providing an initial pipeline of mineral and water handling projects and sites for deployment of 1200 cubic meter of water per day systems (7,500 US barrels per day).

The first 120 cubic meter per day system is near completion and first 1,200 cubic meter skid mounted mobile system is currently being manufactured with mass production scheduled for Q1 2018. MGX Minerals controls over two million acres of lithium brine mineral permits across North America covering in many areas lithium brine correlated with existing oil and gas operations.

Driftwood Creek Magnesium Update

The Driftwood Creek magnesium project ("Driftwood") contains a National Instrument (N.I.) 43-101 Measured plus Indicated (M+I) mineral resource estimate totaling 8.028 million tonnes grading 43.31% magnesium oxide (MgO) and Inferred mineral resource totaling 846,000 tonnes grading 43.20% MgO. The Company has conducted three rounds of diamond drilling at Driftwood and a 100-tonne bulk sample. Driftwood is located 164 kilometers north of Cranbrook, British Columbia and is accessible by a network of maintained logging roads.

Geotechnical Drilling Underway

A geotechnical drill program is currently underway to define hard contacts between magnesite and dolomite host rock for pit optimization and further examination on rock strength and fracture density. The program is being conducted by FB Drilling Ltd. of Cranbrook, British Columbia.

Process Design Completed / PEA Nears Completion

Samuel Engineering Inc. has completed a detailed process circuit design with equipment requirements and site layout. This improves on initial process and metallurgy work completed by SGS Lakefield. A number of scenarios and parameters, aimed at reducing initial capital requirements and maximizing annual output, are currently being examined and will be incorporated into the upcoming PEA expected shortly.

Pilot Plant Mill

The pilot plant mill is largely operational. The Company expects to begin processing mineralized material from the previously completed bulk sample shortly based on recent process design by Samuel Engineering. The mill will utilize a reverse flotation circuits to create multiple concentrates- a high purity magnesite tailing and by-product silica sand float. The magnesite ($MgCO_3$) concentrate will undergo further calcination optimization testing as well as thermal analysis.

Environmental Studies Underway

The Company has now completed Piezo holes for water collection and monitoring. An Archaeological Impact Assessment (AIA) is currently ongoing while the Company reviews government requirements to submit an Operating Permit Application. MGX has already received Mining Lease approval, which carries an initial term of 20 years ([see press release dated January 11, 2016](#)).

Longworth Silica Update

The previously announced drill program at Longworth Silica ("Longworth") continues to make progress. ([see press release dated July 19, 2017](#)). The first hole DDH-17LW-1 has been completed to a depth of 120 meters and drilling of the second hole is now underway. Hole DDH-17LW-1 showed limonite in fractures to a depth of 10 meters, thereafter drilling intersected a continuous interval of visually identifiable orthoquartzite with high rock-quality designation (RQD) over greater than 100 meters.

MGX plans to complete additional drill holes at 50-meter spacings and build further confidence in the continuity of high purity quartzite mineralization within the Snow Zone for inclusion in a planned N.I. 43-101 Resource Estimate. Longworth is listed as one of the top silica occurrences throughout the Province of British Columbia by the BCGS (Simandl, 2014) and was previously controlled but largely undeveloped by Consolidated Silver Standard Mines (“Silver Standard”) for 25 years.

Exposed bedrock samples collected from the Snow Zone by MGX’s Vice-President of Exploration, Andris Kikauka (P. Geo). has averaged 99.34% silicon dioxide (SiO₂) ([see press release dated May 30, 2016](#)).

Average values from 10 rock chip samples taken from the Snow zone at Longworth are listed below:

% SiO ₂	% Fe ₂ O ₃	% CaO	% MgO	% Al ₂ O ₃	% Na ₂ O	% K ₂ O	% LOI	% Total
99.34	0.028	0.012	0.014	0.205	0.039	0.06	0.122	99.834

The relatively high SiO₂ content (98.7-99.9% SiO₂) of rock samples is favorable. Further metallurgical testing for use of material for silicon metal or ferrosilicon production and other end uses is planned to include testing of recently developed processing technology for upgrading of ~99% quartzite feedstock to 99.999999% solar grade silicon. Metallurgy will commence upon completion of drilling.

Longworth encompasses 1,198 hectares and consists of four distinct high purity quartzite zones across a collective strike length of 7,000 meters. Longworth is situated four kilometers from the Canadian National railroad mainline and power grid and accessible by a network of well-maintained logging roads.

REN Niobium-Tantalum-Titanium-REE Mineral Property

The Company is pleased to announce it has completed a total of 62 soil and 8 rock chip samples in a 1.3 X 0.3 km area of mineralized carbonatite in its recently acquired REN mineral claims (“REN” or the “Property”) located in the northern Monashee Mountains of southeastern British Columbia. The Property features a 100-200 meter wide mineralized carbonatite zone that includes screens and interlayers of mafic and potassic fenite, pegmatite and intruded country rock. In addition to the presence of elevated Niobium-Tantalum-Titanium, analysis

indicates the REE's are strongly zoned into the hanging wall (southwest side) of the carbonatite over a 1.5 kilometers strike length.

In 1988 Teck Explorations Limited completed stream silt sampling (89 samples) from four drainages, 17.85-line kilometers of magnetometer surveying, 15.35-line kilometers of spectrometer/scintillometer surveying and 749 meters of trenching, mapped and sampling. The best niobium values were from trench ATR-2 of 0.19% Nb over a width of 55 meters. Carbonatite that was excavated in all trenches averaged 0.13% Nb. Cerium and lanthanum were all highly anomalous but the values were not plotted. The rock samples were not analyzed for tantalum or neodymium.

In 2011 International Bethlehem built 700 meters of drill access trails. A total of 1,134 m of NQ2 core drilling was successfully completed in 8 holes, giving the following results (B.C. MINFILE 32959):

DDH	From (m)	To (m)	Interval (m)	Nb2O5 ppm (grams per tonne)
MC-11-03	24.13	43.36	19.23	2712
including	29.07	38.07	9.00	4284
Including	35.07	38.07	3.00	9250
	43.36	46.69	3.33	
and	46.69	64.69	18.00	1531
Including	57.69	64.69	7.00	2037
MC-11-04	66.91	76.38	9.47	1460
	76.38	80.70	4.32	
and	80.70	89.04	8.34	1950
	89.04	107.06	18.02	

and	107.06	122.00	14.94	1359
MC-11-05	39.22	51.70	12.48	2010
	51.70	73.63	21.93	
and	73.63	96.63	23.00	1708
MC-11-06	108.95	115.45	6.50	2072
	115.45	123.70	8.25	
and	123.70	146.30	22.60	1555

Note: The mineralized composite carbonatite zone includes screen and interlayers of mafic and potassic fenite, pegmatite and intruded country rock, which were analyzed and are reported as waste.

The Company plans correlation of recent surface sampling with previous drilling and geophysics to construct a drill program for the purpose of defining a resource.

The purchase price payable to the vendors for MGX to earn a 90% interest in the Property consist of the following:

- a) Exploration and development expenses of \$200,000 in the next two years;
- b) Cash payments of \$33,333 over the next year; and
- c) The Issuance of 600,000 common shares to the vendors under the following schedule:
 - (i) 200,000 within 30 days of the Effective Date;
 - (ii) 200,000 prior to August 1, 2018; and
 - (iii) 200,000 prior to August 1, 2019.

The vendors will also retain a 10% carried interest on the Property, which MGX can purchase back at any time for \$200,000 in cash.

One of the vendors, Andris Kikauka, is a non-arm's length party to the Company by virtue of being a Director and Vice President of Exploration of the Company. Mr. Kikauka is entitled to 50% of the purchase price of the property. The acquisition of the Property was considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with Mr. Kikauka's participation in the transaction in reliance of sections 5.5(b) and 5.7(a) of MI 61-101.

Case Lake Lithium Joint Venture

MGX recently entered into a Binding Letter of Intent ("LOI") with **Power Metals Corp.** ("Power Metals") to acquire certain interests held by Power Metals in exchange for common shares of the Company ([see press release dated August 2, 2017](#)). Inclusive in the LOI was acquisition of a 20% working interest in the Case Lake Lithium Property and option to acquire an additional 15% by making certain cash payments.

As reported by Power Metals, drilling has commenced at the Case Lake lithium property ("Case Lake") in Ontario. A 5,000-meter drill program is now underway to test known and new targets identified from recent 3-D modeling and include:

- 4,000 meters of resource drilling at 30-metre spacings and to depths of 100 to 150 meters on the spodumene Main and North dike surface exposure (approximately 26 holes); and
- 1,000 meters of expansion drilling to depths of 100 to 150 meters to extend the Main and North dikes along strike to the east and west (approximately 10 holes).

Case Lake is located in northeastern Ontario and consist of five identified pegmatite swarm dikes ranging in thicknesses from 10 to 35 meters and reaching up to 1,200 meters in strike length. The North and Main dikes feature spodumene-rich zones and the 100-meter surface exposure within the Main dike has not been drill tested previously.

Qualified Person

The technical portions of this press release were prepared and 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.

About MGX Minerals

MGX Minerals is a diversified Canadian resource company with interests in petrolithium, magnesium and silicon assets throughout North America. Learn more at www.mgxminerals.com.

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