

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 2, 2017) - [Power Metals Corp.](#) ("Power Metals Corp." or the "Company") (TSX VENTURE:PWM)(FRANKFURT:OAA1) is pleased to announce it has entered into a Binding Letter of Intent (the "LOI") with [MGX Minerals Inc.](#) ("XMG"), dated July 27th, 2017 to acquire certain interests held by the Company in exchange for common shares in the capital of XMG (the "Proposed Transaction").

The Proposed Transaction terms are as follows:

- XMG will acquire all of the Company's current U.S. Petrolithium Brine assets (listed below).
- XMG will take a 20 percent working interest in all of the Company's current hard rock assets (listed below) and any future assets that the Company acquires for the following 36 months.
- XMG will have the right to purchase an additional 15 percent working interest of the Company's hard rock assets for a period of 36 months for a total of C\$10,000,000.
- XMG will receive a call option to purchase up to 10,000,000 common shares of PWM at a price of C\$0.65 per share for a period of 36 months.
- XMG will pay to PWM 3,000,000 common shares of XMG. These shares will be restricted and subject to a 1/3 release every 5 months from the signing of the definitive agreement.

The Transaction terms are subject to amendment based on tax and legal advice, and that the Parties agree to work together in good faith to negotiate and settle the final terms of the Transaction to be incorporated into the Definitive Agreements.

The LOI provides for an exclusive dealing period (the "Exclusivity Period") commencing on acceptance of the LOI and ending on the date of closing of the Definitive Agreements, unless otherwise extended by the Parties. During the Exclusivity Period: (i) the Parties will continue their due diligence investigations in respect of each other, as applicable, and their respective businesses, operations, assets, financial condition and affairs; (ii) the Parties will proceed with the negotiation and settlement of the terms of the binding Definitive Agreements in respect of the Transaction; and, (iii) the Parties will cooperate in making application and providing all necessary information to the TSX Venture Exchange ("TSXV") and the Canadian Securities Exchange in order to obtain pre-clearance of the Transaction and all matters related thereto.

Johnathan More, Chairman of Power Metals states, "We are pleased to have signed this deal with MGX Minerals, unquestionably the leader in the petrolithium space. Aligning ourselves to participate in the evolution of the new energy industry, our shareholders will be best served with our asset package being shepherded by MGX. At the technical forefront of the lithium industry, MGX's drive and domain expertise have the potential to drive value for related participants. This partnership allows PWM to focus on its marquee Case Lake hard rock pegmatite asset with drilling commencing in the coming days followed by metallurgy work by MGX using its new technology applied to our lithium hard rock prospect. Additionally, our shareholders will continue to benefit and see potential upside in these petrolithium assets being run by MGX through the large share position PWM will own in their company."

PWM U.S. Petrolithium Properties:

Paradox Basin, Utah

PWM has an executed joint venture with [American Potash Corp.](#), ("AMP") to explore and develop lithium brines totaling 13,520 acres of prime ground. AMP's US Federal lithium claims and Utah state lithium leases cover known brine-hosting clastic stratigraphy in the Paradox Formation.

Coyote Project - Lisbon Valley, Utah

The Project includes 150 placer mineral claims covering an area of 3,000 acres and inclusive of lithium brine mineral rights, on trend and adjoining to the north, the Lisbon Valley oil and gas field, where historic lithium brine content has been reported as high as 730 parts per million lithium (Superior Oil 88-21P). The Lisbon Valley oil and gas field is located approximately 40 miles southeast of Moab, Utah in the salt anticline belt on the southwest edge of the Paradox Basin in San Juan county. The oilfield was first discovered by Pure Oil Company in 1960. The Lisbon field produces oil and gas from the southwest flank of a faulted anticlinal trap in the Devonian sandstones and Mississippian limestones (Segal et al., 1986).

PWM Hard Rock Properties:

Case Lake

Case Lake spodumene pegmatite swarm is located 80 km east of Cochrane, northeastern Ontario. Case pegmatite swarm

consists of five dykes exposed on surface: North, Main, South, East and Northeast Dyke. North, Main and Northeast Dykes contain spodumene. North Dyke has > 100 m strike length, Main Dyke has > 350 m strike length and the Northeast Dyke has > 75 m strike length. Power Metals summer 2017 exploration program on the Case Lake Property will consist of ~6000 m of drilling of approximately 30 drill holes. The drilling will target the North and Main Dykes to define the pegmatite and lithium mineralization and to extend the dykes to the east and west along strike and down dip. There is 100 m of surface exposed strike length for the Main Dyke that has not yet been drill tested. The Company will also test the possibility that the Main Dyke is actually two parallel pegmatite dykes not just one dyke. Since the pegmatite dykes within the Case Lake pegmatite swarm are parallel to each other, there is potential to find additional buried dykes at depth.

Paterson Lake

The Paterson Lake Property is located 75 km north of Kenora, northwestern Ontario in Paterson Lake. The Property is composed of 7 mining claims, 68 claim units totaling 1088 ha and is approximately 7 km by 2.5 km in size. The project is proximal to Avalon's Big Whopper pegmatite which is located about 3 km west of the western claim block. The mineralization has a strike length of 600m to a maximum vertical depth of 250m.

Gullwing - Tot Lake

The Gullwing - Tot Lake Property is located 30 km northeast of Dryden, northwestern Ontario in Webb and Drope townships. The Property is composed of 10 mining claims, 103 claim units totaling 1648 ha and is approximately 10 km by 1.5 km in size. The Gullwing - Tot Lake pegmatites are located 13 km northeast of [International Lithium Corp.](#)'s Mavis Lake - Fairservice pegmatites. International Lithium's partner Pioneer Resource Limited completed 12 drill holes totaling 1,305 m on March 2, 2017 on the Mavis Lake Property with drill highlights of 1.47 % Li₂O over 17.9 m and 1.70 % Li₂O over 26.3 m (International Lithium, press release dated April 11, 2017).

Larder River

Larder River is hosted by the same South Mountain Batholith as Brazil Lake (Larder is in the center of this batholith and Brazil Lake is at the south end). Larder River has, at surface, extrusion of light coloured granite rock just like Brazil Lake. These granites host pegmatite dikes at Brazil Lake which contain high grade Lithium, Tantalum and Rubidium. A core drilling program of 28 holes in 2011 at Brazil Lake encountered extensive Li₂O mineralization.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to completion of satisfactory due diligence, the negotiation and execution of a definitive agreement and the receipt of applicable regulatory approvals, including the approval of the Canadian Securities Exchange ("CSE") and the TSX Venture Exchange ("TSXV").

Qualified Person

Julie Selway, Ph.D., P.Geo. supervised the preparation of the scientific and technical disclosure in this news release. Dr. Selway is a Qualified Person ("QP") as defined by National Instrument 43-101. Dr. Selway is supervising the exploration program at Case Lake and has previously worked on the Paterson Lake and Gullwing-Tot Lake pegmatites. Dr. Selway completed a Ph.D. on granitic pegmatites in 1999 and worked for about 3 years as a pegmatite geoscientist for the Ontario Geological Survey. Dr. Selway also has twenty-three scientific journal articles on pegmatites. National Instrument 43-101 reports have not been prepared on these properties with the exception of the Case Lake property filed July 18, 2017.

About Power Metals Corp.

[Power Metals Corp.](#) is a diversified Canadian mining company with a mandate to explore, develop and acquire high quality mining projects for minerals contributing to power. We are committed to building an arsenal of projects in both lithium other and clean power fuels. We see an unprecedented opportunity to supply the staggering growth of the lithium battery industry. Learn more at www.powermetalscorp.com.

ON BEHALF OF THE BOARD,

Johnathan More

Johnathan More, Chairman

None of the TSX Venture Exchange, the CSE nor their Regulation Service Providers (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Cautionary Note Regarding Forward-Looking Information

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding

future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of Power Metals such as that the transaction described in the LOI will be completed. There are numerous risks and uncertainties that could cause actual results and Power Metals' plans and objectives to differ materially from those expressed in the forward-looking information, including other factors beyond Power Metals' control. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, Power Metals assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

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