

VANCOUVER, British Columbia, Aug. 02, 2017 (GLOBE NEWSWIRE) -- MGX Minerals Inc. ("MGX" or the "Company") (CSE:XMG) (FKT:1MG) (OTC:MGXMF) announces it has entered into a Binding Letter of Intent (the "LOI") with [Power Metals Corp.](#) ("Power Metals") dated July 27th, 2017 to acquire certain interests held by Power Metals in exchange for common shares of the Company (the "Proposed Transaction").

The Proposed Transaction terms are as follows:

- MGX will acquire all of Power Metals' U.S. Petrolithium Brine assets (listed below) and a 20 percent working interest in all of Power Metals' current hard rock assets and any future assets acquired by Power Metals for the following 36 months;
- MGX will have the right to purchase an additional 15 percent working interest in Power Metals' hard rock assets for a period of 36 months for a total of C\$10,000,000.
- MGX will receive a call option to purchase up to 10,000,000 common shares of Power Metals at a price of C\$0.65 per share for a period of 36 months.
- MGX will issue Power Metals 3,000,000 common shares. These shares will be restricted and subject to a release schedule of 1,000,000 shares 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 ("CSE") 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 shepherd 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".

Power Metals 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. AMP's US Federal claims and Utah state 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. The North Dyke has greater than 100 m strike length, the Main Dyke has greater than 350 m strike length and the Northeast Dyke has greater than 75 m strike length. Power Metals' summer 2017 exploration program on the Case Lake Property will consist 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 64 mining claims totaling 1198 ha and is approximately 15 km by 5 km in size. The project is proximal to Avalon's Big Whopper pegmatite which is located about 3 km west of the western edge of the claim block. This resource 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 township. The Property is composed of 76 mining claims totaling 1216 ha and is approximately 17 km by 1.5 km in size. The Gullwing - Tot Lake pegmatites are located 13 km north east 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 in the same South Mountain Batholith of extruded igneous rock that contains 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 colour granite rock just like Brazil Lake. These granites host pegmatite dikes which contain high grades of Lithium, Tantalum and Rubidium. Brazil Lake pegmatite boulder sampling in 2011, looking for new pegmatites to drill test showed results in the same range for Lithium as the anomalies seen in the soil sampling program at Larder River. A core drilling program of 28 holes in 2011 at Brazil Lake encountered extensive LiO² 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 CSE and the TSXV.

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.

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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