MGX Acquires Lithium Brine Projects in Chile - Rapid Lithium Extraction to be Tested - Drilling to Commence Shortly

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VANCOUVER, Aug. 08, 2018 - MGX Minerals Inc. (“MGX” or the “Company”) (CSE: XMG / FKT: 1MG / OTCQB: MGXMF) is pleased to announce it has entered into an Memorandum of Understanding (the “MOU”) to acquire 50% of the issued shares of Chilean Lithium Salars SpA (“CLS”). CLS is a wholly owned subsidiary of Chilean Lithium Salars Holdings Ltd. (“CLSH”) and holds a 100% interest in three prospective lithium exploration Projects (the “Projects”) located in Chile, including Francisco Basin, Laguna Brava and Laguna Escondida Lithium Projects.

Location of Laguna Brava 2018 Reconnaissance Drilling

Location of Laguna Brava, Francisco Basin and Laguna Escondida project

Francisco Basin Lithium Project
The Francisco Basin lithium project (“Francisco Basin”) is located 30km south of Maricunga salar, 100 km southeast of the regional center of Copiapo and accessible via a regional highway and established tracks. The lease area comprises 12,900 hectares. Historical exploration work on the project was previously limited to hydrology studies. In January 2018, CLSH completed a reconnaissance brine sampling at the project. This sampling confirmed the presence of lithium enrichment in the surface brines. The samples were assayed at the University of Antofagasta (“Antofagasta”), Antofagasta, Chile which has one of the two leading laboratories in the world for this type of brine analysis. In May 2018, sampling continued and a 2.5L sample was taken near the southern shore of the surface Northern lagoon and sent to Servicios Quimicos Ltda. (“SERQUIM”), Antofagasta, Chile for content analysis. CLSH reported results to date are shown in Table 1.

A geophysical program comprising an electromagnetic survey was completed in April 2018. The survey was based on a grid of sections which indicated the presence of high conductivity brines in two zones with significant thickness and horizontal coverage. The presence of anomalous lithium levels in the water body area located in the Northern lagoon, which is potentially underlain by a fault bound, saturated basin of undetermined thickness and the presence of widespread felsic to intermediate volcanic rocks as a lithium source.

Table 1. Francisco Basin Assay Samples

Sample	Na g/L	K g/L	Li ppm	Mg g/L	SO4 g/L	B ppm	Dens
Northern Lagoon - January 2018							
LNF 01	75.2	4.59	372	2.00	4.07	799	1.179
LNF 02	72.5	4.34	372	1.92	4.07	832	1.170
LNF 03	69.5	4.06	369	1.85	3.74	767	1.163
LNF 04	74.5	4.32	374	1.75	4.02	832	1.174
LNF 05	80.0	4.40	388	1.78	4.71	961	1.188
LNF 06	67.9	3.98	361	1.73	3.85	821	1.181
LNF 07	79.8	4.66	387	1.74	4.44	864	1.183
LNF 08	73.4	4.31	371	1.86	3.93	842	1.172

LNF 09	76.8	4.39	374	1.70	4.05	864	1.174
LNF 10	80.0	4.56	384	1.86	4.38	896	1.185
Northern Lagoon - May 2018							
LNF 01	103.0	6.62	694	3.54	28.70	-	-
Southern Lagoon - January 2018							
LNF 11	2.35	0.19	7.9	0.15	3.07	248	1.007
LNF 12	0.57	0.41	3.0	0.003	1.55	151	1.121
LNF 13	1.27	0.01	0.4	0.07	0.61	65	1.002

The Francisco Basin salar is within a large, fault-bound, alluvium-filled basin to the immediate south of the Copiapo Volcano. The basin is closed, drains a large area and the salar appears to be the lowest point within the drainage.

The rocks in the drainage surrounding this salar are dominantly volcanic, ranging in age from Eocene to Miocene, juxtaposed with some older rocks. To the west is a Cretaceous sedimentary sequence separated from the volcanic rocks of the Francisco Basin area by the Cerro Guerrita Fault. To the east, an older Oligocene to Miocene volcanic sequence is overlain by the Copiapo volcanic rocks.

The Francisco Basin alluvial basin sits at the junction of three catchments. These river systems presumably provide the fill for the basin and are in part, along with the limits of the salar, structurally controlled. The alluvial fill may be covering post-Copiapo aged faulting.

Laguna Brava Project
The Laguna Brava salar (“Laguna”) is geologically prospective for lithium brine. The catchment is large and dominated by volcanic rocks, many of which have been altered by hydrothermal fluids associated with volcanism. The lake is also fed by active hot springs. Historical sampling of surface brines indicated significant lithium enrichment. In December 2017, CLSH undertook a four-hole reconnaissance drilling program at a southern access point of the salar to investigate the deeper aquifer. Prior to the CLSH reconnaissance drilling program in December 2017, no previous work had been undertaken to assess the volume and grade of the subsurface resource. Previous work recommended that the subsurface brines be investigated on the basis of his conclusion that Laguna Brava is geothermally fed. The presence of hot springs being present either at the margins or beneath salars is common within the Chilean Altiplano, other notable locations include the Salar de Coposa in Region I and Salar de Atacama in Region II. The principal origin of lithium in the Salar de Atacama is interpreted to be the lithium-bearing geothermal waters from the El Tatio Geyser Field, located north of the salar. The geothermal fluids enter the northern part of the Salar de Atacama via surface and subsurface flow. It has also been reported that the chemistry of the salar brines is almost identical to the chemistry of the geothermal fluids of El Tatio.

Furthermore, work by Risacher et al., (2003) has shown that subsurface brines contained within the volcanic geology are of a much higher concentration, typically 250,000–350,000 mg/L TDS. Given this hypothesis, CLSH commissioned a reconnaissance drilling program in December 2017 comprising four bores; the locations are shown in Figure 6-4. Two bores reached the design depth of 120 m, and the other two bores were abandoned due to collar collapse because of high water flows. The results from this program confirmed the presence of lithium at depth. Results were as follows (Sanchez, 2018):

Table 2. Assay Results from Reconnaissance Drilling

Bore	No. of Samples	Li (mg/L)	Na (mg/L)	K (mg/L)	Mg (mg/L)	So^4 (mg/L)	B (mg/L)	Density
LBRC001	5	190	31860	1842	1453	8726	504	1.066
LBRC002	11	167	28376	1635	1175	8189	494	1.058
LBRC003	24	184	30979	1730	1288	8995	536	1.064
LBRC004	16	201	34059	1999	1587	8513	519	1.071
Average		185	31,320	1800	1375	8605	515	1.065

A geophysical program comprising electromagnetic and gravity surveys was completed by CLSH in February 2018. The electromagnetic survey based on sections around the periphery of the salar indicated the presence of high conductivity brines exceeding 100 meter thickness at the margins of the salar. The survey

indicated that drill holes completed prior to the program were in an area with brines of relatively low conductivity.

Within the vicinity of the Laguna Brava salar, the Project includes additional concessions covering Lagunas del Gilguero and the southern margin of Piedra Parada.

Laguna Escondida Salar
The Laguna Escondida project (“Laguna Escondida“) is located approximately 200 km east–northeast of the regional capital and is accessible via a provincial highway to within 10–15 km of the project.

Regional Geology
The Portfolio of projects are located within the Central Volcanic Zone in the foothills of the Andes mountain range on the eastern side of Chile. All the projects are located at altitudes exceeding 4,000 m. The geology of this region, like the rest of Chile, is dominated by the eastward subduction zone under the entire country generating uplift that has created the Andes Mountains and the Coastal Cordillera (Moreno and Gibbons, 2007). This subduction has intensely deformed the older rocks and generated volcanic activity that spans geological history from the Mesozoic to the present.

Terms of the MOU
To acquire an undivided 50% interest in CLS, MGX has agreed to make Option Payments totaling US$1.5 million. The first US$100,000 portion of the Option Payments are payable in cash at the discretion of CLS while the remainder of Options Payments will be payable in common shares of the Company. MGX has agreed to incur exploration expenditures totaling US$2 million and also complete an NI 43-101 resource estimate on at least one of the Projects no later than 20 months after the Effective Date of the MOU. MGX will act as project operator and appoint Mr. Aldo Boitano, current project manager for CLS, as project manager to work alongside Kura Minerals. CLSH shall contribute an equal amount of expenditures to maintain its respective interest in CLS. MGX also maintains the right to participate as a service provider of the engineering, construction and/or procurement of a brine processing plant using its rapid lithium extraction technology. Closing of the transaction remains subject to due diligence.

Rapid Lithium Brine Extraction Technology
MGX has developed a rapid lithium extraction technology that reduces the capital cost of recovery compared to traditional solar evaporation as it does not require the investment in large, multi-phase, lake sized, lined evaporation ponds, greatly reducing the physical footprint and enhancing the quality of extraction and recovery across a complex range of brines previously considered un-processable due to complexity or geographical location outside of solar evaporation appropriate zones. This includes oil and gas wastewater, natural brine, and other brine sources such as lithium-rich mine and industrial plant wastewater. The technology was recently chosen as winner of the Base and Specialty Metals Industry Leadership Award at the 2018 S&P Global Platts Global Metals Awards, held in London earlier this month (see press release dated May 18, 2018).

Qualified Person
Andris Kikauka (P. Geo.), Vice President of Exploration for MGX Minerals, has prepared, reviewed and approved the scientific and technical information in this press release. Mr. Kikauka is a non-independent Qualified Person within the meaning of National Instrument 43-101 Standards.

About MGX Minerals
MGX Minerals is a diversified Canadian resource company with interests in advanced material and energy assets throughout North America. Learn more at www.mgxminerals.com.

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Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements (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.

Photos accompanying this announcement are available at

http://www.globenewswire.com/NewsRoom/AttachmentNg/b7ee824f-0c4e-47be-a14e-86e0c8810687

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