

VANCOUVER, BRITISH COLUMBIA / TheNewswire / August 18, 2016 - [MGX Minerals Inc.](#) ("MGX" or the "Company") (CSE: XMG / FKT: 1MG) is pleased to report the Company has entered into an Definitive Agreement (the "Agreement") to acquire a 100% interest in the Sturgeon Lake Lithium Brine Property ("Sturgeon Lake" or the "Property") located in west-central Alberta.

The Property is located directly south and west of the Town of Valleyview, approximately 85 km east of the city of Grande Prairie and 270 km northwest of the capital city of Edmonton, Alberta. The Property consists of 15 contiguous Industrial and Metallic Mineral Permits encompassing 132,773.74 hectares (328,091.06 acres).

The mineral permits overlie the Sturgeon Lake oilfield, which has been producing hydrocarbons since the mid-1950s from the Devonian Leduc Formation at depths of approximately 2,500 m to 3,100 m below surface. Metallic mineralization on the property consists of lithium-enriched formation water, or brine, that is hosted in aquifers within Devonian Leduc Formation carbonate reef complexes.

Devonian-aged wells at Sturgeon Lake produce excessive amounts of brine in comparison to petroleum due to the mature nature of the oilfield where increased pumping is required to produce crude oil. The brine is considered a waste product as it is presently treated to separate and remove petroleum and then reinjected back down into subsurface formations. It is conceivable that existing water processing procedures could be modified to extract lithium and other elements from the Leduc Formation aquifer system brine; however, at this stage of exploration there is no guarantee that lithium can be economically extracted from the formation waters with current technology. New technologies require testing and may or may not extract all or a portion of the elements of interest.

Historical 1990's to 2010's government studies reported that brine geochemical fluid data from the Devonian aquifers associated with the Leduc Formation have anomalous values of lithium (e.g., greater than 75 mg/L and up to 140 mg/L lithium) along with other elements (e.g., potassium; boron; and bromine). In 2011, Lithium Exploration Group Inc. sampled and analyzed brine from 60 separate wells within the Sturgeon Lake oilfield (and within the boundaries of the permit area acquired by MGX). Of the 62 brine samples collected, 47 were collected from the Leduc Formation. Other samples included brine from: Mississippian (1 sample from Banff), Triassic (11 samples from Montney, Spray River and undefined), Jurassic (1 sample from Nordegg) and Cretaceous (2 samples from Wapiabi, Gething) strata.

The analytical results showed that the Devonian Leduc aquifer contains brine that is significantly enriched in lithium in comparison to the Triassic to Cretaceous brine. Lithium Exploration Group Inc. reported that the Leduc Formation brine from the Sturgeon Lake oilfield contained up to:

- -83.7 mg/L lithium (average 67 mg/L lithium);
  
- 6,470 mg/L potassium (average 4,641 mg/L potassium);
  
- 137 mg/L boron (average 114 mg/L boron); and
  
- 394 mg/L bromine (average 394 mg/L bromine); note: one mg/L is equal to one ppm).

These values supported and confirmed the government published lithium-enriched formation waters within the boundaries of the Sturgeon Lake Property. Lithium Exploration Group Inc.'s historical brine sampling and chemical analysis, which was overseen by APEX Geoscience Ltd., was conducted by Maxxam Environmental ("Maxxam") of Edmonton, Alberta. Maxxam is an accredited laboratory with the Standards Council of Canada (Laboratory No. 160; valid to 2019-03-06) and with the Canadian Association for Laboratory Accreditation (Membership No. 2996; valid to 2017-06-08), where Maxxam's standard conforms to requirements of ISO/IEC 17025.

Since the 2011 Lithium Exploration Group Inc. work, no brine sampling, analytical testing, mineral processing or mineral separation/recovery test work has been completed at the Sturgeon Lake Property.

"Previous exploration for lithium at the Sturgeon Lake oilfield indicates the potential for a high volume lithium bearing aquifer. We look forward to the testing of lithium brine from the field with our proprietary rapid lithium extraction process to confirm the lithium-enriched brine and determine the economic feasibility of the project," stated MGX Minerals CEO Jared Lazerson.

Pursuant to the Agreement MGX will issue 1,000,000 common shares of the Company to Zimtu Capital Corp. (TSX.V: ZC) and 1,000,000 common shares to Mr. Patrick Power. Additionally, Sturgeon Lake is subject to a 2% gross overriding royalty on future production of all minerals, payable equally to Mr. Ryan Kalt (1%) and Mr. Luke Schuss (1%).

Qualified Person

The technical portions of the press release were prepared by Roy Eccles (P. Geo.) of APEX Geoscience Ltd., and have 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.

## 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 that offer near-term production potential, minimal barriers to entry and low initial capital expenditures. The Company operates lithium, magnesium and silicon projects throughout British Columbia and Alberta. For further information, please visit the Company's website at [www.mgxminerals.com](http://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](http://www.sedar.com).

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