

VANCOUVER, British Columbia, May 11, 2017 (GLOBE NEWSWIRE) -- [Pure Energy Minerals Ltd.](#) (TSX-V:PE) (FRANKFURT:A111EG) (OTCQB:PEMIF) (the "Company" or "Pure Energy") is pleased to announce that it has entered into a series of agreements with [Lithium X Energy Corp.](#) ("Lithium X"), GeoXplor Corp. ("GeoXplor"), and Clayton Valley Lithium Inc. ("CVL"), together with GeoXplor, the "Optionors") to acquire Lithium X's interest in 756 unpatented mineral claims covering approximately 15,000 acres (the "LIX Claims") in Clayton Valley, Nevada (the "Acquisition"). With the addition of the LIX Claims, Pure Energy will have an interest in 1,104 unpatented mineral claims covering approximately 26,300 acres in Esmeralda County.

A map accompanying this announcement is available at <http://www.globenewswire.com/NewsRoom/AttachmentNg/06e219cd-41bb-44e2-b269-fcdd974b2725>

The LIX Claims are held by three wholly owned subsidiaries of Lithium X. Pure Energy will acquire the three subsidiaries by issuing to Lithium X 20,038,182 common shares (the "Consideration Shares") and 2,022,290 common share purchase warrants (the "Consideration Warrants"), under terms and subject to certain conditions that are detailed below.

Lithium X has also agreed to make a strategic investment into Pure Energy of \$2 million; the companies have entered into a subscription agreement whereby Lithium X has agreed to acquire 3,571,428 units of the Company ("Units") at a price of \$0.56 per Unit (being a 9.8% premium to the Company's closing price on May 10, 2017, the "Investment"). Each Unit is comprised of one common share (an "Investment Share") and one-half of one common share purchase warrant (each whole warrant, an "Investment Warrant").

Pure Energy has also entered into a new option agreement (the "Option Agreement") with the Optionors that will supersede and terminate pre-existing option agreements with Pure Energy and Lithium X. Pursuant to the Option Agreement, Pure Energy assumes operatorship on the properties and will have the option to acquire a 100% interest in 359 unpatented mineral claims covering approximately 10,000 acres (the "Optioned Claims") in Clayton Valley for cash and share payments as detailed below. Completion of the Acquisition, the Investment, and the Option Agreement remain subject to the approval of the TSX Venture Exchange ("TSXV").

#### Highlights of the Transactions

- Consolidates dominant land positions in North America's only productive lithium district
  - Surrounds Albemarle's Silver Peak Lithium Mine on the north and south
  - Control of >26,000 acres of Federal mining claims
- Adds new exploration targets with demonstrated lithium brine in Clayton Valley north
- Resource growth potential only 1.1km west of newly identified CV-8 higher grade brine
- Significantly decreases royalties on many Clayton Valley South claims
- Reduces costs of exploration by assuming operatorship over the entire expanded project
- Acquisition includes 100% ownership of >9,500 acres of mining claims at Clayton Valley west
- Strengthens Pure Energy board with new nominee from Lithium X

Pure Energy CEO, Patrick Highsmith, commented, "The business of building new lithium production starts with securing the key ground and underlying resources. Acting in concert with Lithium X and our partners at GeoXplor, we have consolidated the most important Clayton Valley exploration assets into Pure Energy. This combination draws upon the underlying strengths of both Lithium X and Pure Energy. We applaud the strategic vision of Lithium X in agreeing to: invest with us at a premium to market; lock up the Consideration Shares; and support Pure Energy's management. At the same time, we add value by deploying our team and technical expertise on the consolidated properties. We believe that combining these properties with our emergent technology into a huge, next-generation sustainable lithium brine project – immediately adjacent to North America's only lithium producer - establishes Pure Energy as the premier lithium brine developer in North America."

Lithium X Executive Chairman, Paul Matysek, commented, "This transaction represents a strategic investment by Lithium X in Pure Energy that expands their resource base and land holdings and completely surrounds the only producing lithium mine in North America. Having enjoyed much success working with Patrick on Lithium One, I am confident that he and his team will advance the combined properties expeditiously toward a development decision. As Pure Energy's largest shareholder, we are excited by the opportunity to create value as Pure Energy leads the way among US lithium brine developers."

Walter Weinig, Pure Energy's Vice President of Projects and Permitting, discussed the near-term exploration opportunities afforded by the new acquisition, "Lithium X has already identified lithium brine on the northern block of claims within gravels that are similar to those encountered at CV-8. This acquisition also gives us potential targets extending west of the newly discovered deep brines at CV-8. We look forward to utilizing our geophysical tools on the new northern and western claim blocks to better define the exploration targets that we can already infer. The phase 1 Preliminary Economic Assessment (PEA) expected in the next few weeks on the CVS Project is just the first step in evaluating the potential economics of these combined properties."

## Summary of the Acquisition

Pursuant to the Purchase Agreement, Pure Energy has agreed to acquire, directly or indirectly, all of the issued and outstanding common shares of three wholly-owned subsidiaries of Lithium X (the "Subsidiaries"). As consideration for the Acquisition, Pure Energy will issue to Lithium X 20,038,182 common shares (the "Consideration Shares") and 2,022,290 common share purchase warrants (the "Consideration Warrants"). Each Consideration Warrant is exercisable to acquire one common share at an exercise price of \$0.75 per common share for a period of 3 years from the Closing Date, provided that, subject to certain restrictions, Pure Energy may accelerate the expire date of the Consideration Warrants by providing Lithium X 30 days' notice upon the occurrence of the 20<sup>th</sup> consecutive trading day on which the closing price of the Company's common shares on the TSXV is equal to or greater than \$1.25.

The Consideration Shares and Consideration Warrants are subject to a four-month hold period in accordance with applicable securities laws, and the Purchase Agreement requires that Lithium X will not, directly or indirectly, sell or transfer: (i) any of the Consideration Warrants for a period of 12 months; and (ii) any of the Consideration Shares except in accordance with a release schedule whereby 50% of the Consideration Shares may be sold after 12 months, and a further 25% each 3 months thereafter, provided that the release schedule shall be accelerated if the closing price of the common shares on the TSXV is equal to or greater than \$1.12 for a period of 20 consecutive trading days (the "Lock-up Provisions").

Upon issuance, the Consideration Shares and Investment Shares will represent 19.99% of the issued and outstanding common shares of the Company. Upon issuance, the Investment Shares, Consideration Shares, Investment Warrants and Consideration Warrants will represent 22.5% of the issued and outstanding common shares of the Company on an as-converted partially diluted basis. Lithium X has agreed that it will not exercise any Investment Warrants or Consideration Warrants if, upon exercise, Lithium X would become a "Control Person" or the exercise would result in a "Change of Control" of Pure Energy (as such terms are defined in the policies of the TSXV) unless Pure Energy has obtained the prior approval of its shareholders and of the TSXV, as applicable.

Completion of the Acquisition is subject to a number of closing conditions, including:

- the TSXV having conditionally approved the Acquisition and the Investment;
- the concurrent completion of the Investment;
- the Closing Date occurring on or before May 30, 2017; and
- Lithium X and Pure Energy having entered into the Investor Rights Agreement (as defined below) and Pure Energy having appointed one nominee of Lithium X to its board of directors on the Closing Date.

Pure Energy and Lithium X are at arm's length. The Acquisition does not require the approval of the shareholders of the Company. There are no finder's fees or commissions payable in connection with the Acquisition.

## Summary of the Investment

Pursuant to the Investment, Lithium X will acquire Units at a price of \$0.56 per Unit for gross proceeds of \$2,000,000. Each Unit is comprised of one Investment Share and one-half of one Investment Warrant. Each Investment Warrant is exercisable on the same terms as the Consideration Warrants. The Investment Shares and Investment Warrants will be subject to a four-month hold period in accordance with applicable securities laws. No finder will receive any fee or commission in connection with the Investment.

Completion of the Investment is subject to a number of closing conditions, including:

- the TSXV having conditionally approved the Investment;
- the concurrent completion of the Acquisition on or before May 30, 2017; and
- the Investment not requiring the approval of the shareholders of the Company;

In connection with the Investment, on the Closing Date the Company and Lithium X will enter into an investor rights agreement (the "Investor Rights Agreement") which provides that, for so long as Lithium X maintains a 5% partially-diluted interest, it shall have: (i) a right maintain its pro rata interest ownership in the Company; and (ii) a right to nominate one director to the Company's board. The Investor Rights Agreement also provides that Lithium X will vote in favour of all matters proposed by management of the Company for a period of 24 months. Lithium X has also agreed to certain provisions to facilitate the orderly sale of any common shares held by it.

## Summary of the Option Agreement

Pure Energy has also entered into the Option Agreement with the Optionors. Effective upon the closing of the Acquisition and the Investment (the "Closing Date"), the Option Agreement will supersede and terminate an option agreement dated April 30, 2014 entered into between Pure Energy and GeoXplor, as well as an option agreement dated November 5, 2015 between a subsidiary of Lithium X and CVL. In addition, an exploration management agreement entered into between GeoXplor and a subsidiary of Lithium X shall be terminated by the Option Agreement effective on the Closing Date. Pursuant to the Option

Agreement, Pure Energy will have the option to acquire a 100% interest in the Optioned Claims in Clayton Valley, Esmeralda County, Nevada. Certain of the LIX Claims are included in the Optioned Claims.

In order to exercise the Option, Pure Energy must:

- make the following cash payments to GeoXplor:
  - US\$375,000 on the Closing Date; and
  - US\$375,000 on or before the date that is one year from the Closing Date.
- on or before December 31, 2018 (which may be extended to December 31, 2019 in certain circumstances) (the “Feasibility Study Date”), prepare and file a feasibility study on SEDAR;
- issue to GeoXplor the following common shares in the capital of the Company:
  - 1,250,000 common shares on the Closing Date;
  - 1,250,000 common share on or before the date that is one year from the Closing Date; and
  - 2,500,000 common shares on or before December 31, 2018.
- on or before the date that is 20 business days after the earlier of the Feasibility Study Date and the date of filing of the Feasibility Study on SEDAR, the Company shall either, at the election of GeoXplor:
  - pay GeoXplor US\$500,000; or
  - issue to GeoXplor such number of common shares having a value of US\$500,000
- on or before the date that is 20 business days after the earlier of: (i) the date of completion by the Company of any debt or equity financing (or series of financings) related to the Optioned Claims aggregating not less than US\$20,000,000, such financings to take place after the date of the Option Agreement; or (ii) the date that is 18 months after the date of filing of the Feasibility Study on SEDAR, the Company shall either, at the election of GeoXplor:
  - pay GeoXplor US\$4,500,000; or
  - issue to GeoXplor such number of common shares having a value of US\$4,500,000.

The Company may elect to accelerate any of the above payment or delivery dates. Other than the cash payments and common share issuances due on the Closing Date, none of the other obligations of the Company under the Option Agreement are firm commitments. Pure Energy will act as operator during the duration of the Option Agreement.

The Company will grant in favour of the Optionors, a 3% gross value returns royalty (the “Royalty”) in respect of production from the Optioned Claims. In addition, the Company will pay to the Optionors an advance royalty of US\$250,000 on each of the fourth and fifth anniversary of the Closing Date and US\$500,000 on each anniversary thereafter (the “Advance Royalty”). Any Advance Royalty paid shall be applied against any payable Royalty. The Company shall have the right to repurchase the Royalty, subject to certain conditions, after the eighth anniversary date of the Closing Date for a substantial purchase price and thereafter shall have no further obligation to pay the Royalty and the Advance Royalty.

Completion of the transactions contemplated by the Option Agreement is subject to a number of closing conditions, including:

- the TSXV having conditionally approved the transactions contemplated by the Option Agreement;
- the concurrent completion of the Acquisition; and
- the TSXV having approved the Option Agreement within 60 days of the date of the Option Agreement.

Pure Energy is at arm’s length with each of the Optionors. No finder’s fees or commissions are payable in connection with the Option Agreement. All common shares issued under the Option Agreement will be subject to a four-month hold period in accordance with applicable securities laws.

#### Quality Assurance

Patrick Highsmith, Certified Professional Geologist (AIPG CPG # 11702), is a qualified person as defined by NI 43-101, and has supervised the preparation of the scientific and technical information in this news release. Mr. Highsmith is not independent of the Company as he is an officer and director.

#### About Pure Energy Minerals Limited

Pure Energy is a lithium resource developer that is driven to become a low-cost supplier for the growing lithium battery industry. The Company’s current focus is on the development of the CVS Lithium Brine Project and the adjoining Glory Lithium Clay Project in Clayton Valley, Nevada. Pure Energy also recently acquired a purchase option on a major new lithium brine project in the Lithium Triangle of South America, the Terra Cotta Project (“TCP”). The TCP is located on Pocitos Salar in Salta, Argentina, where it enjoys some of the best infrastructure and access of any lithium brine exploration project in Argentina.

Pure Energy has developed core strengths in innovative development and processing technologies for lithium brines and lithium

mineral deposits. Key attributes and activities include:

- A large, strategic land position with excellent infrastructure in a first-class mining jurisdiction: approximately 4,500 hectares (11,000 acres) in Clayton Valley, Esmeralda County, Nevada, located a 3-hour drive from the Gigafactory;
- A pending agreement to expand the Clayton Valley land position to more than 26,000 acres;
- The only lithium brine resource in North America except for Albemarle's adjoining Silver Peak lithium brine mine, which is the only producing lithium operation in North America;
- An inferred mineral resource containing approximately 816,000 metric tonnes of Lithium Carbonate Equivalent (LCE) at an average grade of approximately 102 mg/L lithium, reported in accordance with NI 43-101 (see July 2015 Inferred Resource Report);
- An advanced program of testing the efficacy and economics of modern, environmentally-responsible processing technologies to convert the CVS brines into high purity lithium products for new energy storage uses;
- A new early stage exploration program on the 13,000-hectare (32,000 acre) Terra Cotta Project (TCP), located on Pocitos Salar in Salta Province; and
- An active business development program, applying Company expertise to the evaluation of new lithium targets around the world.

On behalf of the Board of Directors,

“Patrick Highsmith”  
Chief Executive Officer

CONTACT:

[Pure Energy Minerals Ltd.](http://www.pureenergyminerals.com) ([www.pureenergyminerals.com](http://www.pureenergyminerals.com))

Email: [info@pureenergyminerals.com](mailto:info@pureenergyminerals.com)

Telephone: +1 604 608 6611, ext 7

Forward Looking Statements: The information in this news release contains forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in world commodity markets, equity markets, costs and supply of materials relevant to the mining industry, change in government and changes to regulations affecting the mining industry. Forward-looking statements in this release include statements regarding: completion of the Acquisition, the Investment and the transactions contemplated by the Option Agreement; receipt of approval of the TSXV in respect of the Acquisition, the Investment and the transactions contemplated by the Option Agreement; future issuances of securities; future payments under the Option Agreement; the preparation and delivery of a feasibility study; the benefits of the Acquisition, the Investment and the transactions contemplated by the Option Agreement; and the payment of the Royalty, the Advance Royalty and the repurchase thereof. Although we believe the expectations reflected in our forward looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements.

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