

MGX Minerals Files Maiden N.I. 43-101 Resource Estimate for Driftwood Creek Magnesium; Commences Preliminary Economic Assessment

VANCOUVER, BRITISH COLUMBIA / September 27, 2016 / **MGX Minerals Inc.** (“MGX” or the “Company”) ([CSE: XMG](#) / [FKT: 1MG](#) / [OTC: MGXMF](#)) reports the Company has filed on SEDAR a National Instrument (N.I.) 43-101 technical report (the “Report”) for its flagship Driftwood Creek magnesium project (“Driftwood Creek”). The Report includes a maiden N.I. 43-101 compliant mineral resource estimate for Driftwood Creek.

The maiden N.I. 43-101 resource estimate was prepared by Mr. Allan Reeves. Mr. Reeves is a Professional Geologist and independent Qualified Person (QP) as defined by N.I. 43-101 Standards of Disclosure for Mineral Projects. He has over 35 years of industry experience and spent 23 years at BHP Billiton where he held senior-level positions at both the Ekati Diamond Mine and Island Copper Mine.

Highlights

- Measured plus Indicated (M+I) mineral resource totaling 8.028 million tonnes grading 43.31% magnesium oxide (MgO)
- Inferred mineral resource totaling 846,000 tonnes grading 43.20% MgO
- Bulk of resource is located less than 100 meters from surface
- Opportunities to expand mineral resource along strike and at depth with additional drilling

Class	Tonnes x 1000	MgO%	Al ₂ O ₃ %	CaO%	Fe ₂ O ₃ %	SiO ₂ %	LOI%
Measured	2,828	43.34	1.08	0.90	1.39	5.19	47.16
Indicated	5,200	43.29	1.17	0.80	1.35	6.17	46.40
M + I	8,028	43.31	1.14	0.84	1.36	5.82	46.67
Inferred	846	43.20	1.30	0.47	0.51	6.87	45.09

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all, or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. The LG constrained shell economics used a mining costs of US\$6.25, processing costs of US\$129.41/tonne and a commodity price of US\$400.00/tonne 95%MgO DBM.
3. Mineral resources are reported within the constrained shell, using a cut-off grade of 42.5% MgO (based on 40 years) to determine ‘reasonable prospects for eventual economic extraction’.
4. Tonnages are reported to the nearest 1,000 tonnes, and grades are rounded to the nearest two decimal places.



5. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal.

The resource estimate was prepared in accordance with Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves as adopted by the CIM Council.

The Company has commenced work on a N.I. 43-101 compliant Preliminary Economic Assessment ("PEA") for Driftwood Creek and expects completion before the end of 2016. The PEA is being prepared by AKF Mining Services Inc.

Project Background

MGX Minerals has the right to acquire a 100% interest, in the Driftwood Creek magnesium project. The project is located 164 kilometers north of Cranbrook, British Columbia and is accessible by a network of maintained logging roads. The Company has conducted two diamond drilling programs at Driftwood Creek and recently completed a 100-tonne bulk sample program (see press release dated June 9, 2016). MGX received a 20-year Mining Lease for Driftwood Creek in January (see press release dated January 11, 2016).

Pilot Plant Mill

The Company is in the process of transporting and assembling a pilot plant mill (the "Mill") at the current stock-pile location of the recently completed 100-tonne bulk sample (see press release dated June 9, 2016). The Mill equipment includes a jaw crusher, ball mill, flotation cells, cyclone dewatering equipment and a tailings filtration and thickener system. Previously the Mill was utilized to process polymetallic concentrate. MGX intends to process mineralized bulk sample material through the Mill using reverse flotation to produce two products- a high purity magnesite tailing and silica sand float byproduct. The magnesite (MgCO_3) material will then be shipped off site to undergo calcination optimization testing to produce magnesium oxide (MgO) as well as thermal and electrolytic analysis to produce magnesium metal (Mg).

Metallurgy

Extensive metallurgical and process design work was previously completed on mineralized material from Driftwood Creek by SGS Lakefield ("SGS"). The process design developed by SGS closely follows the current flowsheet plans for the pilot plant mill, inclusive of the reverse flotation and tailings dewatering system, to produce high grade magnesite concentrate. Pilot plant testing will allow the Company to further optimize grinding, milling and flotation elements to develop a finalized process flow.



About Magnesium

Magnesium (Mg) is a non-metallic abundant alkaline earth metal that represents an important material for today's modern lifestyle- smartphones, automobiles, aircrafts, and other everyday essentials all require magnesium. Magnesium's unique characteristics make it 75% lighter than steel and 33% lighter than aluminum while still offering comparable strength-to-weight ratios. Magnesium is the third most used structural metal (behind iron and aluminum) and considered a critical strategic metal by the United States and European Union. China is responsible for approximately 80% of annual worldwide production. There is currently only one magnesium metal producer in the US.

Magnesium Oxide (MgO) is a widely used industrial mineral with end uses in fertilizer, animal feed, and environmental water treatment as well as industrial applications primarily as a refractory material in the steel industry. The majority of refractory grade MgO used in the US and Canada is imported from China.

Qualified Person

This press release was prepared under the supervision and review of Andris Kikauka, P. Geo. and 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.

Cautionary Notes

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. The Mineral Resource estimate stated herein includes Inferred material, which is normally considered too geologically speculative to have economic considerations applied, thereby to enable them to be categorized as Mineral Reserves. There is also no certainty that Inferred material will be converted to either the Indicated or Measured categories of Mineral Resources, through further drilling. Similarly, there is no certainty that Mineral Resources will convert to Mineral Reserves, once economic considerations are applied.

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. The Company operates lithium, magnesium and silicon projects throughout British Columbia and Alberta. MGX recently [released a maiden N.I. 43-101 compliant mineral resource estimate for its Driftwood Creek magnesium project](#), which outlined 8 million tonnes grading 43.31% magnesium oxide. In January the Company [received a 20-year Mining Lease for Driftwood Creek](#). Additionally, the Company recently [acquired the Sturgeon Lake lithium brine project in west-central Alberta](#), increasing the Company's lithium brine land position to over 376,000 hectares throughout the Province. For further information, please visit the Company's website at www.mgxminerals.com.



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