MGX Minerals Announces Completion of Site Visit by SRK Consulting at Heino Gold Deposit

VANCOUVER, BRITISH COLUMBIA / August 19, 2020 / **MGX Minerals Inc.** ("**MGX**" or the "**Company**") (CSE: XMG / FKT: 1MG / OTC: MGXMF) is pleased to announce the completion of a site visit report in accordance with the N.I. 43-101. This report is an amendment to the previously filed Technical Report completed by SRK Consulting (Canada) Ltd. for the Heino Gold Deposit and Tillicum Claims dated June 2020. The majority of the report is provided below with complete report to be filed on SEDAR shortly:

Introduction

- SRK undertook a site visit to the MGX's Heino Gold Project on 7-9 July 2020.
- The primary aim of the Phase 1 work was to verify and resample mineralized intercepts from available historical drill core.
- In addition, surface and underground outcrops were examined to gain an understanding of the geological controls on the mineralization and provide input to the Phase 2 lithological, structural and resource modelling.
- Work was undertaking with the guidance and assistance of the MGX team and geologist Andris Kikauka

Geology overview

- Mineralization is hosted within the Milford Group, a sequence of Upper Paleozoic to Triassic pelitic schists, calc-silicates and metavolcanoclastics
- Three intrusive episodes are recognized:
  1. Porphyritic dioritic sills (Jurassic)
  2. Monzonitic Goat Canyon and Halifax Creek stocks (Late Cretaceous)
  3. Lamprophyre dykes (Eocene)
- The area is structurally complex with at least two stages of folding, multiple shear zones and faults recognised.

- Peak metamorphic grade throughout the region is typically of sillimanite facies.

Geology overview

- Gold and Silver is reported from shear zone related skarns developed adjacent to, or in close proximity to quartz monzodiorite porphyry sills.
- Mineralization is strongly structurally controlled with two styles recognised:
  1. Steeply dipping, Heino-Money Zone type mineralization
  2. Shallower dipping East Ridge Zone type mineralization

- The age, interrelationship and timing between the two styles is still poorly understood with some interpretations considering the highgrade Heino-Money Zone a remobilization and enrichment of the East Ridge Zone mineralization style.

Geology overview

- Finely disseminated sulphides occur within the foliation or as coarse-grained aggregates with quartz, plagioclase, sericite, tremolite-actinolite, clinozoisite, garnet, biotite and microcline assemblages
- Sulphides include pyrrhotite, pyrite-marcasite, arsenopyrite, sphalerite, galena, and minor chalcopyrite and tetrahedrite.

- Native gold occurs within and along the margins of quartz calcsilicate segregations and associated with sulphides.

Drill Core observations

Ductile Shear Zones

High strain zones with a mylonitic foliation. Note banding and preserved deformed porphyroclasts with tails (arrowed)

Drill Core observations

Transposition folds

High strain zones with a folded and transposed vein leucocratic vein and folded and deformed sulphide stringer (arrowed)

Drill Core observations

Ductile shearing

Thin folded calcite veins associated with ductile shears

Tightly cuspate folds with associated sulphides

MGX

Drill Core

observations

Late brittle faults

Faults displace mineralized ductile shear zones
Note well developed slickensides (arrowed)

Mineralisation

Coarse grained sulphides (mainly pyrrhotite) with disrupted quartz stringers

Mineralisation

Fine grained sulphide stringer (Pyrite chalcopyrite) parallel to foliation.

Note

scattered euhedral pyrite

Note late cross cutting quartz veinlets

Mineralisation

Fine grained sulphide stringer (Pyrite chalcopyrite) parallel to foliation.

Mineralisation

Fine grained sulphide stringer (Pyrite chalcopyrite) parallel to foliation.

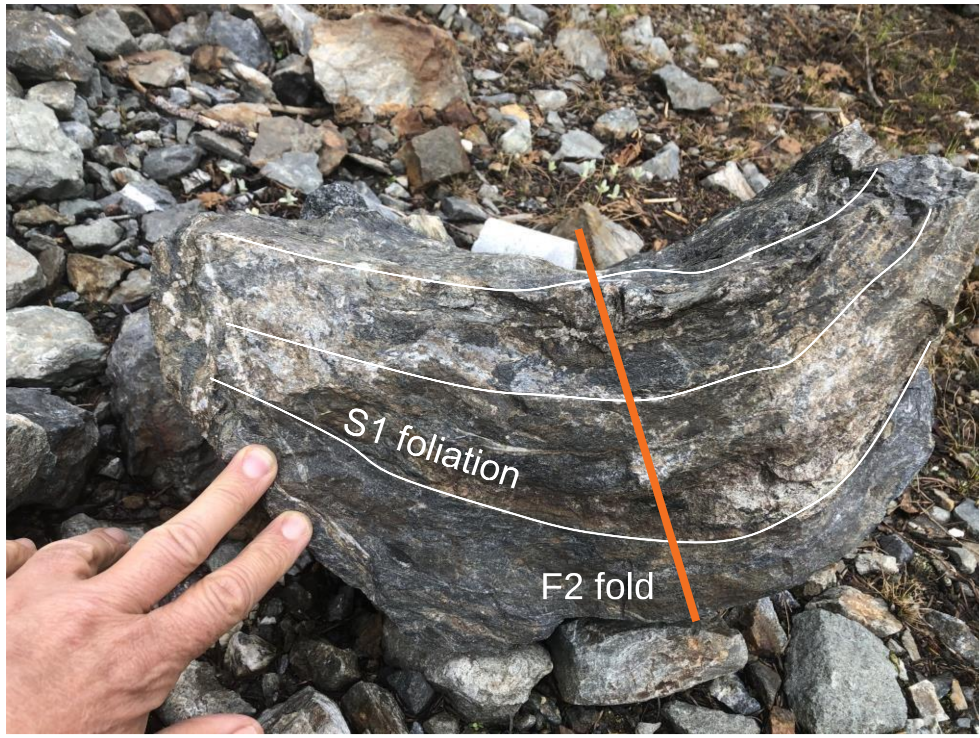
Surface exposures

Approximate shear zone outline on the exposed Heino Money Zone

Sample sites across shear zone

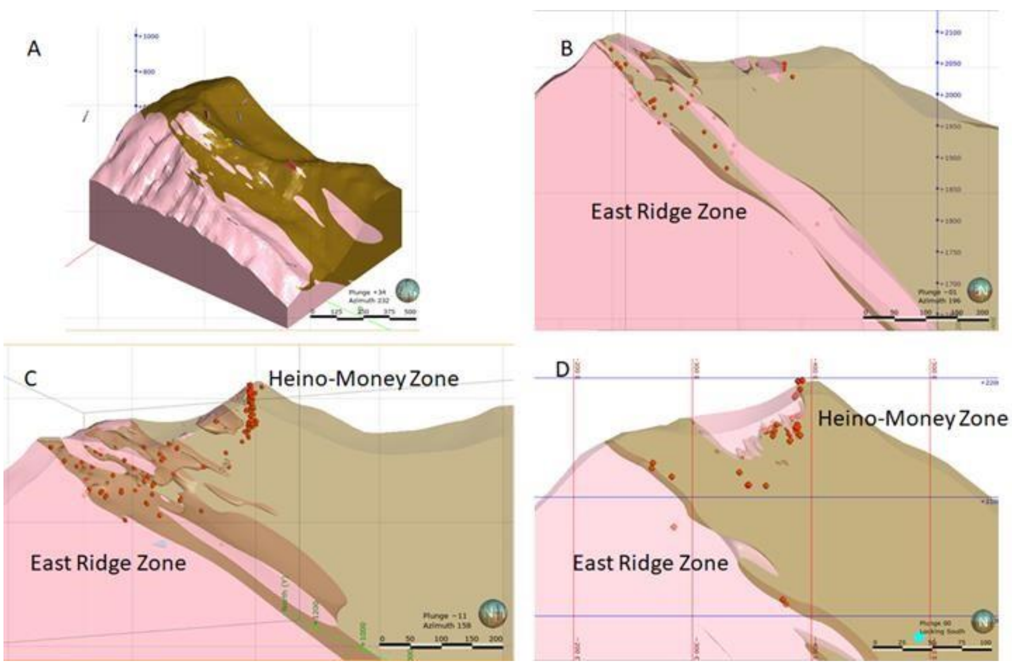
Surface exposures

Open fold deforming the main penetrative S1 foliation, most likely an F2 fold



Underground exposure

Mineralization controls

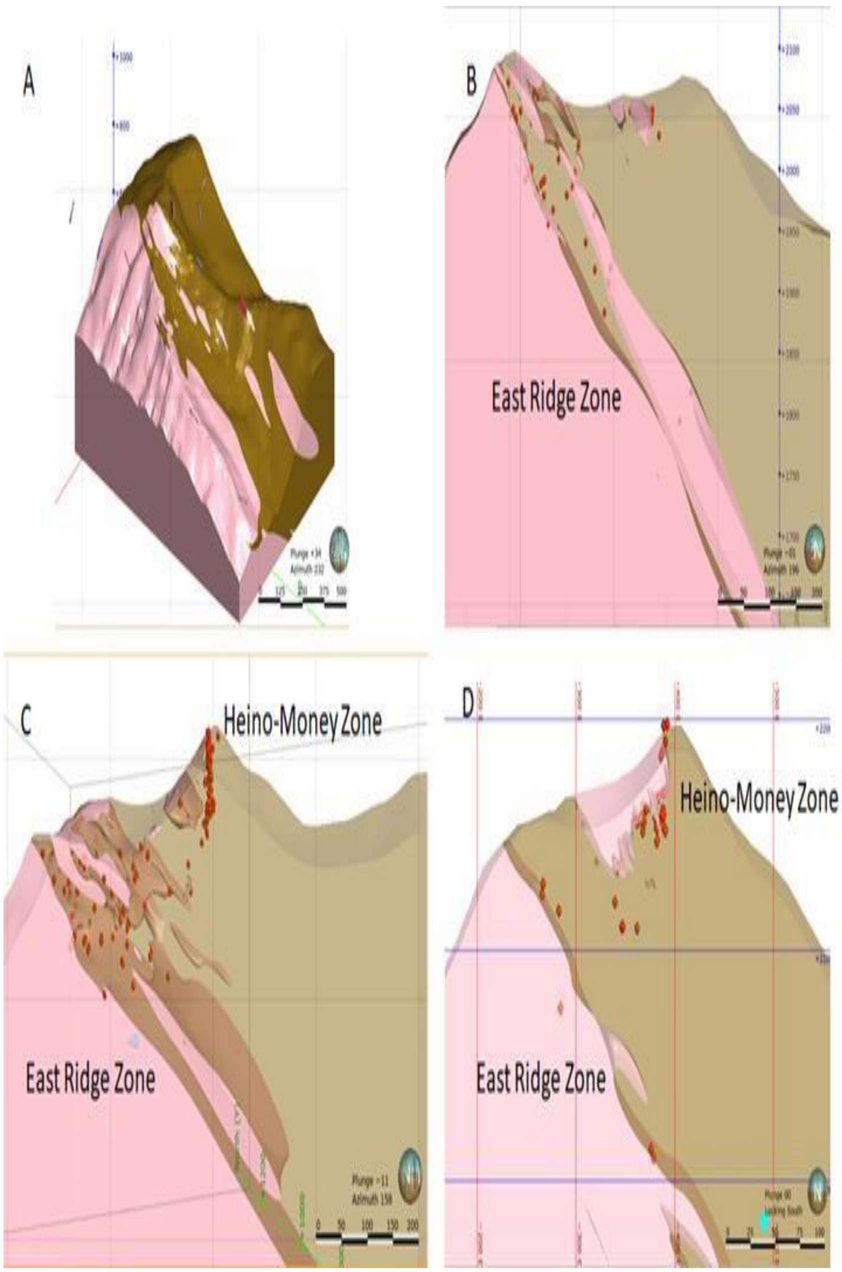


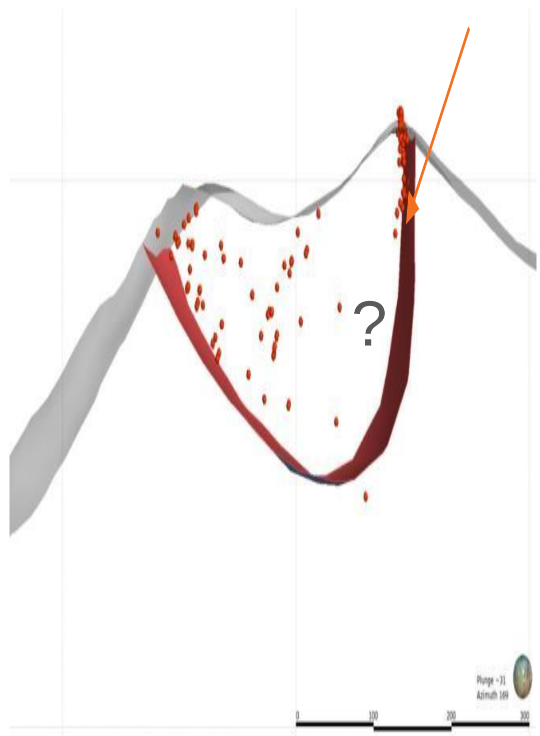
Mineralization is associated shear zones associated with, and marginal to intrusives (pink The structural geometry is still poorly constrained.

The link between the East Zone and Heino –Money Zone needs to be understood.

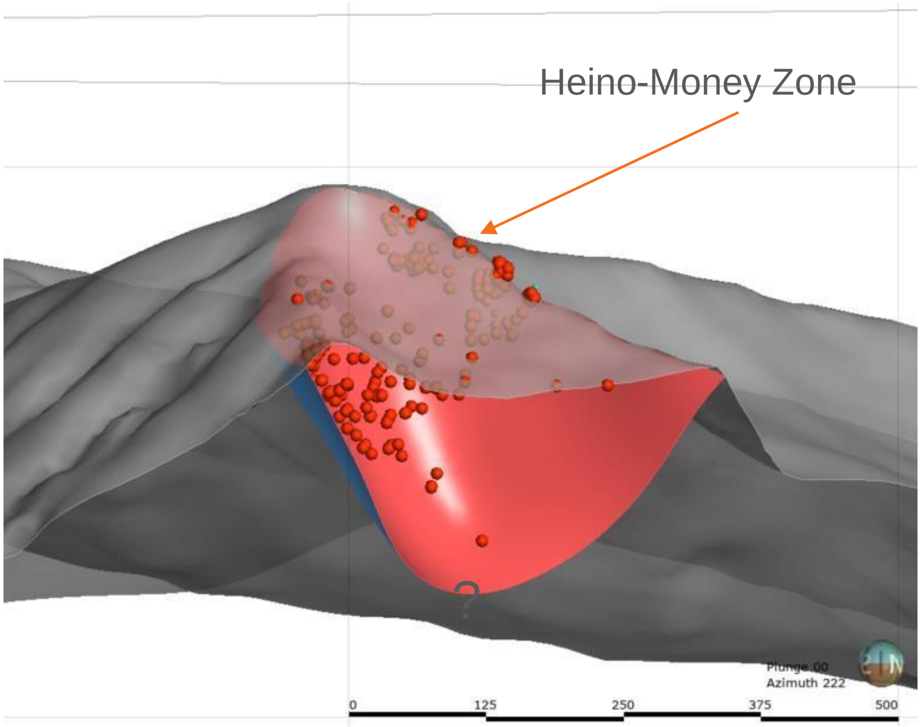
High grade Au (red dots)

Mineralisation controls





Mineralisation controls - Fold Model

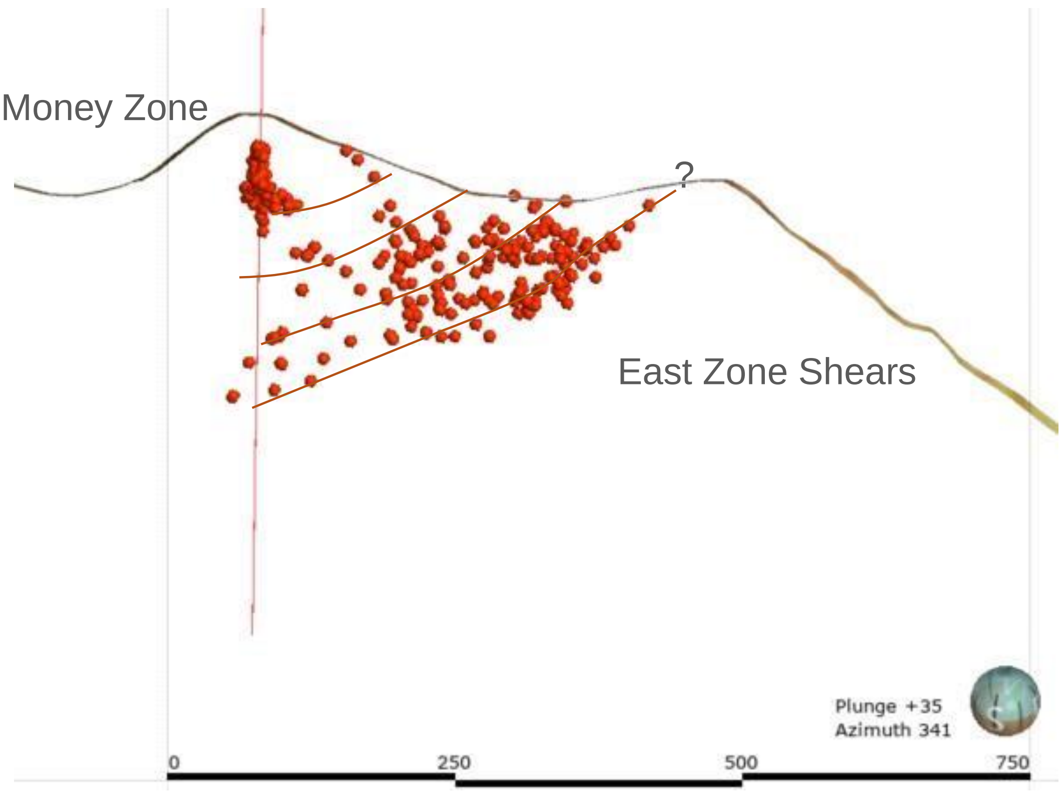


This may represent a fold zone supported by the foliation data which broadly defines an easterly plunging fold.

Mineralisation controls- Shear zone model

Shear

Heino-Money Zone



Further work

From the site visit SRK can recommend the following to develop a more detailed understanding of the structure and controls on mineralization:

- High resolution LiDAR survey with detailed structural interpretation
- Further surface structural mapping
- Development of a 3D lithostructural model
- Integration of structural interpretation with high resolution geophysics
- Understanding timing and kinematics of shearing and mineralization
- Relationship of mineralization age to intrusive history
- Re-evaluation of mineralization models. For example, Skarn type versus shear zone hosted and intrusion related systems?

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 NI 43-101.

Advisors

Kingsdale Advisors is acting as strategic shareholder and communications advisor and Norton Rose Fulbright Canada LLP is acting as legal advisor to MGX Minerals Inc.

About MGX Minerals Inc.

MGX Minerals Inc. invests in commodity and technology companies and projects focusing on battery and energy mass storage technology, extraction of minerals from fluids, and exploration for industrial minerals and precious metals.

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Forward-Looking Statements

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