

MGX Minerals Announces Wholly Owned Subsidiary MGX Renewables Inc. Completes Financing for Gross Proceeds of \$2,005,000 for Public Listing and Advancement of Zinc-Air Flow Battery Production

VANCOUVER, June 12, 2019 /CNW/ - **MGX Minerals Inc.** ("MGX" or the "Company") ([CSE: XMG](#) / [FKT: 1MG](#) / [OTCQB: MGXMF](#)) is pleased to announce that its wholly owned subsidiary **MGX Renewables Inc.** ("MGXR") has closed the previously announced offering of subscription receipts for gross proceeds of \$2,005,000 through the sale of 8,020,000 subscription receipts at \$0.25 per subscription receipt. Gross proceeds from the offering will be held in escrow by Computershare Trust Company of Canada and will be released upon completion of the escrow release conditions, which include completion of the plan of arrangement involving MGX and MGXR.

MGXR is a wholly-owned subsidiary of MGX Minerals Inc., and the financing is part of the listing transaction, whereby MGX will spin out 40% of the common shares of MGXR pursuant to a plan of arrangement under the Business Corporations Act (British Columbia), and MGXR will seek a listing on the Canadian Securities Exchange ("CSE"), which is expected to occur, immediately after closing the plan of arrangement. The spin out is non-dilutive to shareholders of MGX Minerals Inc.

Each subscription receipt represents the right to automatically receive, upon closing of the plan of arrangement, one unit of MGXR, each unit comprising one MGXR share and one-half of one MGXR share purchase warrant. Each warrant will entitle the holder to acquire one MGXR share at a price per MGXR share of \$0.35 until November 30, 2020, subject to accelerated expiry. The warrants will contain an

accelerator clause whereby, if at any time after the date of issuance and prior to the expiry of the warrants the volume-weighted average trading price of the common shares exceeds \$0.50 for a period of 10 consecutive trading days, MGXR is entitled, at its option, to accelerate the expiry date of the warrants by delivering written notice to the holders of warrants, to a date that is not less than 30 days following the delivery of such written notice.

MGXR paid finder's fees to EMD Financial and certain registered finders in connection with their assistance in the financing. The finder's fees are presently "held in escrow" pending the release of the subscription receipt proceeds to MXGR. The financing proceeds are expected to be used for further advancement of MGXR's renewable energy mass storage technology as well as general working capital purposes.

MGXR Energy Storage System

The MGXR ESS is a modular Energy Storage System designed to deliver power in the range 20kW - 50MW and energy storage in the range of 120kWh - 1GWh over extended periods of time. With the advantage of rechargeable zinc-air flow battery technology, the system can be configured to support a wide range of discharge power, recharge power and duty cycle requirements. Since the energy storage capacity of the system is determined only by the size of the zinc storage tank, a very cost-effective and scalable solution now exists as an alternative to the fixed power/energy ratio of the lithium ion battery.



Figure 1. MGXR modular Energy Storage System (ESS) (CNW Group/MGX Minerals Inc.)

Technology

The MGXR ESS is based upon unique patented zinc-air flow battery technology. Energy is stored in the form of zinc particles, similar in size to grains of sand. When the system is delivering power, the zinc particles are combined with oxygen drawn from the surrounding air. When the system is recharging, zinc particles are regenerated, and oxygen is returned to the surrounding air.

Applications

The flexibility of the MGXR ESS enables it to service a wide range of applications. Typical examples include:

- Storage and smoothing current from renewable energy sources such as wind and solar
- Commercial, industrial backup replacing diesel generators
- Industrial scale, on-demand power for peak shaving or standby
- Grid scale energy storage for energy trading and arbitrage

Architecture

The MGXR ESS is designed according to a modular architecture that

enables a wide variety of system configurations to be created from a small number of common subsystems. Each subsystem implements a single element of the technology:

- The Zinc Regeneration Subsystem (ZRS) provides the recharging function
- The Fuel Storage Subsystem (FSS) provides the energy storage function
- The Power Generation Subsystem (PGS) provides the discharging function

About MGX Renewables

MGX Renewables has developed a patented zinc-air flow battery that efficiently stores energy in the form of zinc particles and contains none of the traditional high cost battery commodities such as lithium, vanadium or cobalt. The technology allows for low cost mass storage of energy and can be deployed into a wide range of scalable energy storage applications. The zinc-air flow-battery is differentiated from other battery technologies by its ability to decouple the relationship between energy (kWh) and power (kW), by the very low cost of its zinc energy storage medium, and by the inherent safety of its chemistry. For more information visit www.mgxrenewables.com.

About MGX Minerals

MGX Minerals is a diversified Canadian resource and technology company with interests in global advanced material, energy and water assets. Learn more at www.mgxminerals.com.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements, which include completion of the proposed plan of arrangement, the listing on the CSE, development of technologies, future plans, regulatory approvals and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or

the negative thereof or similar variations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including but not limited to, business, economic and capital market conditions, the ability to manage operating expenses and dependence on key personnel. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for its products, anticipated costs and the ability to achieve goals.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

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