

Magna Gold Corp. Clarifies Certain Technical Disclosure

TORONTO, Jan. 8, 2021 /CNW/ - Magna Gold Corp. (TSXV: MGR), (OTCQB: MGLQF) ("**Magna**" or the "**Company**") announces that, as a result of a review by staff of the Ontario Securities Commission, it is issuing the following news release regarding the Company's technical disclosure in respect of the Company's Mercedes property (the "**Mercedes Property**"). The Company has updated the corporate presentation posted on its website to, among other changes:

- Remove certain disclosure of "resources" in respect of a deposit on the Mercedes Property which did not use the applicable mineral resource categories set out in section 1.2 of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") contrary to section 2.2(a) of NI 43-101 and that disclosed the quantity, grade or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource or a measured mineral resource contrary to section 2.3(1)(a) of NI 43-101;
- Remove certain disclosure of the quantity of contained metal or mineral in respect of a deposit on the Mercedes Property which did not state both the grade or quality and the quantity for each category of the mineral resources contrary to section 2.2(d) of NI 43-101;
- Remove certain disclosure regarding the production and sale of gold from the Mercedes Property, including anticipated production and associated capital and operating expenditures and cash flows, that may be characterized as the results of an economic analysis that includes or is based on inferred mineral resources or an exploration target contrary to section 2.3(1)(b) of NI 43-101;
- Remove any use of the term "ore" in the context of mineral resources that may be potentially misleading; and
- Include the name and relationship to the Company of the qualified person that prepared or supervised the preparation of the information that forms the basis for the written disclosure or that approved the written disclosure in accordance with section 3.1 of NI 43-101.

The updated corporate presentation is now available on the Company's website.

Additionally, the Company wishes to clarify certain disclosure regarding the potential production and sale of gold from the Mercedes Property. The decision to produce at the Mercedes Property was not based on a technical report supporting either mineral resources or mineral reserves demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, which include increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions. It is further cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Qualified Person

James Baughman (P. Geo.), Consulting Geologist and a Qualified Person as defined by NI 43-101, has approved the scientific and technical information in this news release.

About Magna Gold Corp.


Magna Gold Corp. is a Canadian gold company engaged in operations, development, exploration and acquisitions in Mexico. Its primary asset is the producing San Francisco gold mine in Sonora, Mexico and exploration stage projects include San Judas, La Pima and Mercedes.

The Company's shares trade on the TSXV under the trading symbol "MGR" and OTCQB under the trading symbol "MGLQF". Magna is well integrated into its nearby communities, employs local residents and uses local services when possible.

For more information, please visit www.magnagoldcorp.com or contact Arturo Bonillas, President, Chief Executive Officer and a Director of the Company.


This news release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will" or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, information about the Company's objectives, goals or future plans, the production and sale of gold, production decisions, anticipated production costs, cash flow and profitability. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, failure to identify mineral resources, failure to convert estimated mineral resources to reserves, the inability to complete a feasibility study which recommends a production decision, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, inability to fulfill the duty to accommodate First Nations and other indigenous peoples, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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