

DLP Resources Parent Company Announces Private Placement of Flow-Through and Non-Flow-Through Shares

Cranbrook, British Columbia, (Newsfile Corp. – July 9, 2020) – MG Capital Corporation (the “**Company**”) (**TSXV: DLP**), the parent company of DLP Resources Inc., is pleased to announce a non-brokered private placement of up to 2,631,578 common shares of the Company (the “**Common Shares**”) at a price of \$0.19 per Common Share and up to 4,347,826 flow-through common shares of the Company (the “**FT Shares**”) at a price of \$0.23 per FT Share, for combined gross proceeds of approximately \$1,500,000 (the “**Financing**”).

The Company intends to pay finder's fees in connection with the Financing to certain eligible finders in the form of: (i) a cash commission of 7.5% of the gross proceeds raised under the Financing from investors introduced to the Company by the finder; and (ii) the issuance of such number of non-transferable common share purchase warrants of the Company (the “**Finder's Warrants**”) equal to 7.5% of the combined Common Shares and FT Shares issued under the Financing from investors introduced to the Company by the finder. Each Finder's Warrant will entitle the holder thereof to acquire one common share of the Company for an exercise price of \$0.20 per share for a period of two years from closing of the Financing.

The Company intends to use the proceeds from the Financing as follows:

Purpose	Amount
Mapping, sampling and drilling of the Company's Aldridge 1 Property	\$413,000
Mapping, sampling and drilling of the Company's Aldridge 2 Property	\$267,000
Mapping, sampling and drilling of the Company's Hungry Creek Property	\$200,000
Mapping, sampling and drilling of the Company's Redburn Creek Property	\$150,000
Mapping, sampling and drilling of the DD Project under option from PJX Resources Inc.	\$350,000
General operating expenses	\$120,000
Total	\$1,500,000

If the Company does not raise the anticipated proceeds disclosed in this news release, the amounts allocated to mapping, sampling and drilling outlined in the table above will be decreased as necessary. The Company intends to spend the funds available to it as stated in this news release. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

Existing Shareholder Exemption and Investment Dealer Exemption

The Financing will be made available to existing shareholders of the Company who, as of the close of business on July 8, 2020, held common shares of the Company (and who continue to hold such common shares as of the closing date), pursuant to the prospectus exemption set out in BC Instrument 45-534 – *Exemption From Prospectus Requirement for Certain Trades to Existing Security Holders and in similar*

instruments in other jurisdictions in Canada (the “**Existing Shareholder Exemption**”). The Existing Shareholder Exemption limits a shareholder to a maximum investment of CAD\$15,000 in a 12-month period unless the shareholder has obtained advice regarding the suitability of the investment and, if the shareholder is resident in a jurisdiction of Canada, that advice has been obtained from a person that is registered as an investment dealer in the jurisdiction. If the Company receives subscriptions from investors relying on the Existing Shareholder Exemption exceeding the maximum amount of the Financing, the Company intends to adjust the subscriptions received on a pro-rata basis.

The Company has also made the Financing available to certain subscribers pursuant to BC Instrument 45-536 – *Exemption From Prospectus Requirement for Certain Distributions Through an Investment Dealer* (the “**Investment Dealer Exemption**”). In accordance with the requirements of the Investment Dealer Exemption, the Company confirms that there is no material fact or material change about the Company that has not been generally disclosed.

The Financing is subject to all necessary regulatory approvals including acceptance from the TSX Venture Exchange. All securities issued in connection with the Financing will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

For further information, please contact:

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NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or “occur”. This information and these statements, referred to herein as “forward-looking statements”, are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management’s expectations and intentions with respect to, among other things: the anticipated proceeds to be raised under the Financing; the use of any proceeds raised under the Financing; and finder’s fees to be paid in connection with the Financing.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things: delays in obtaining or failure to obtain required regulatory approvals for the Financing; market uncertainty; and the inability of the Company to raise the anticipated proceeds under the Financing.

In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that: the Company will obtain the required regulatory approvals for the Financing; the Company will be able to raise the anticipated proceeds under the Financing; and the Company will use the proceeds of the Financing as currently anticipated.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.