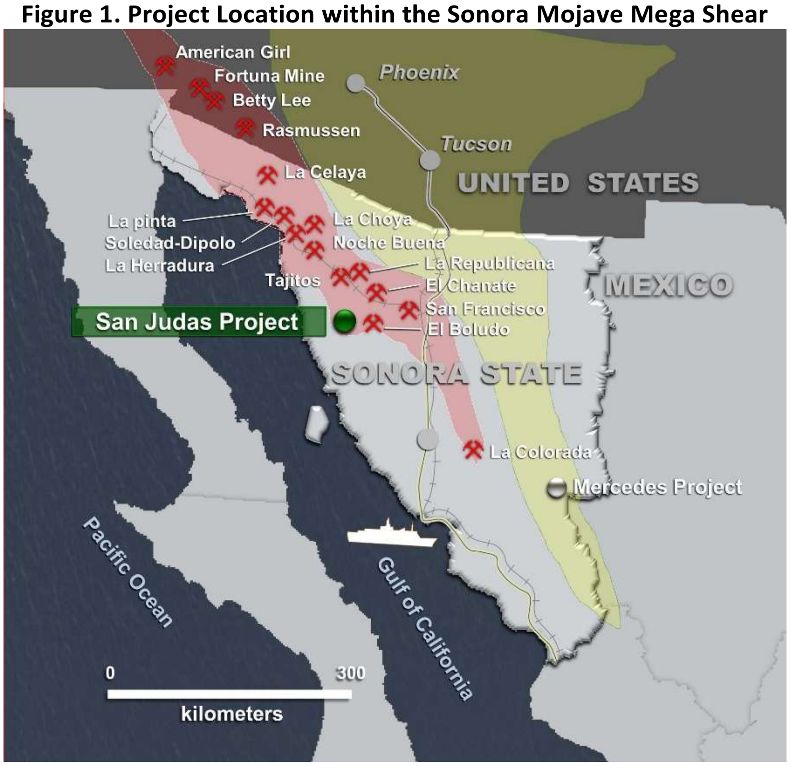
# MAGNA GOLD CORP. ENTERS INTO LETTER OF INTENT TO ACQUIRE SAN JUDAS GOLD PROJECT IN SONORA, MEXICO – PROVIDES CORPORATE UPDATE

TORONTO and NEW YORK, September 30, 2019 -- Magna Gold Corp. (TSXV: MGR, OTCQB: MGLQF) ("**Magna**" or the "**Corporation**"), is pleased to announce that it has entered into a binding letter of intent (the "**LOI**") dated September 30, 2019, with Ricardo Estanislao Carranza Leon, Maria del Rosario Mendivil Bejarano and Ernesto Villaescusa Cordova (the "**Concessionaires**"), individuals resident in the Sonora State of Mexico, for the assignment of the option (the "**Option**") of a 100% undivided interest of two mining claims (the "**San Judas Project**") located in the municipality of Trincheras, Sonora, Mexico, for a five-year period (the "**Transaction**"). The Project consists of two contiguous claims covering an aggregate area of approximately 2,806 hectares located approximately 240 kilometers north-west along the Federal Highway 16 from the state capital, Hermosillo. (**Figure 1**)

**Figure 1. Project Location within the Sonora Mojave Mega Shear**



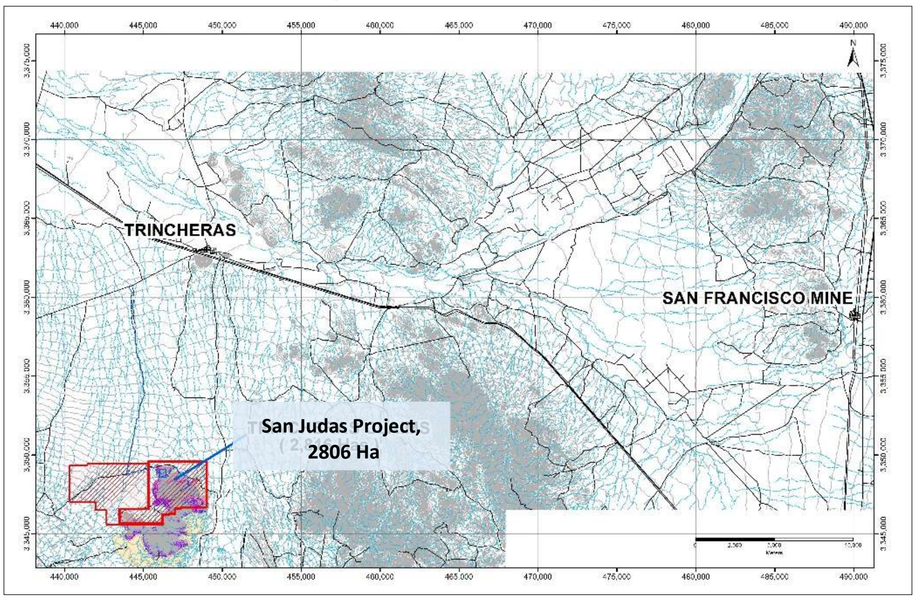

Pursuant to the LOI, the Corporation will have the exclusive right to conduct verifications, evaluations and other due diligence activities on the San Judas Project for up to ninety (90) days prior to entering into a definitive option agreement (the "**Definitive Agreement**").

It is presently anticipated that the Corporation will enter into the Definitive Agreement with the Concessionaires to acquire a 100% undivided interest in the San Judas Project. In consideration of the assignment of the Option, Magna will pay to the Concessionaires an aggregate of USD$1,680,000 plus VAT of 16%, paid in the following installments:

(a) USD$50,000 plus VAT upon the execution of the Definitive Agreement (the "**Closing Date**").
(b) USD$50,000 plus VAT to be paid upon the twelfth month from the Closing Date.
(c) USD$100,000 plus VAT to be paid upon the twenty-forth month from the Closing Date.
(d) USD$150,000 plus VAT to be paid upon the thirty -sixth month from the Closing Date.
(e) USD$300,000 plus VAT to be paid upon the forty-eighth month from the Closing Date.
(f) USD$1,030,000 plus VAT to be paid upon the sixtieth month from the Closing Date.

Completion of the Transaction is subject to a number of conditions including, but not limited to, the parties entering into the Definitive Agreement (such agreement to include customary representations, warranties, conditions and covenants for a transaction of this type), receipt of all necessary regulatory approvals including acceptance from the TSX Venture Exchange and, if applicable, shareholder approval. **(Figure 2)**

**Figure 2. Concessions Map**




## San Judas Project

The project is located at the southern end of the Caborca Orogenic Gold Belt or Sonora Mojave Mega Shear, a trend known to host several orogenic gold-bearing deposits within an area extending from north-western Mexico into the southwestern United States measuring more than 600 km long and 60 to 80 km wide. Of the deposits within the Caborca Orogenic Gold Belt are a number of large open pit heap leach gold operations such as La Herradura, Soledad-Dipolos and Nochebuena (Fresnillo PLC), San Francisco mine (Alio Gold Inc), Cerro Colorado (Gold Group), El Chanate (Alamos Gold Inc) and La Choya (Hecla Mining). The combined gold reserves and resources identified within the trend to date total in excess of 20 million ounces of gold.

San Judas is an early stage exploration project hosting structurally controlled mineralization within lithologies similar in age to the La Herradura and San Francisco gold mines. The project is underlain by a basement composed of a Precambrian aged igneous-metamorphic sequence including granite, gneiss, pegmatites and schists. Augen gneiss is locally present and is likely derived from pegmatitic granitic protolith. The entire sequence is affected by multiple deformations and the emplacement of intrusions such as leucocratic granites and andesitic dikes.

Historical rock chip sample data comprises 109 samples collected from numerous small, underground artisanal-style workings and surface prospecting pits distributed across three main localities within the San Judas Project. Data contained in the historical database indicates gold mineralization ranges from below detection up to a high value of 230 g/t Au. Gold mineralization at San Judas is associated with oxidized quartz-breccia veins, quartz veins and quartz stockworks emplaced along a series of parallel, foliated, low-angle shear zones within the igneous-metamorphic sequence. Field observations made by historical workings and Magna Gold staff suggest that gold may be hosted in several sub-parallel structures, increasing the exploration potential compared to a previously considered model based on a single mineralized structure.

Structural and lithological interpretation of available data suggest the mineralized structures, characterized by gold-bearing quartz veins and mineralized quartz-sericite altered hanging-wall rocks extend under the surface. Magna plans to initiate a comprehensive surface exploration program including geological and structural mapping, trenching, and reconnaissance sampling in conjunction with a surface geophysical program to define targets in anticipation of a maiden drilling campaign.

**High gold grade, 230 g/t in a in a quartz breccia hosted in the intrusive and metamorphic sequence**


**Quartz veinlets with gold values hosted in a very deformed metamorphic sequence in one of the exploration targets**

All technical information in this press release has been reviewed and approved by Dale Brittliffe, P.Geo., geological consultant to the Corporation and a “Qualified Person” under National Instrument 43-101.

**Corporate Update**

Magna Gold Corp initiated its Phase 1 exploration program on its Mercedes Property on June 17, 2019. The Mercedes Property is an early stage exploration property prospective for gold located in the State of Sonora, Mexico within the Sierra Madre Occidental province, a historically productive, regionally extensive Tertiary volcanic field which stretches from the United States/Mexico border to Central Mexico. The project encompasses a total land tenure of 1,239 hectares located on a 20 km long regional mineralized trend hosting known exploration targets and numerous old relevant mining works.

The initial drilling is still underway and is designed to test the historical grades and widths reported by previous operators at the Lamosa target area. To date, the company has completed over 2,000 meters of reverse circulation (RC) drilling in 17 holes, designed to test the target structure over a strike length of 250 meters and 150m depth. Magna continues to receive assay results from ongoing work and is currently in the process of validation and interpretation of the data prior to public dissemination.

Concurrently, as originally announced, the second target of this exploration phase which includes field reconnaissance, geological mapping and sampling over the rest of the property covering approximately 500 hectares of surface is still underway. This work has already identified zones of interest including occurrences of structurally controlled hydrothermal breccias related to the batholitic stocks, porphyritic intrusive and strong silica alteration of the volcanic sequence. Based upon the reconnaissance work, the Corporation will initiate a program of systematic sampling and mapping, drone flights and IP geophysics with the aim of designing the next drill program.

Magna expects to release results of its Phase 1 of exploration in early October.

**About Magna Gold Corp.**

For more information, please visit www.magnagoldcorp.com or contact Francisco Arturo Bonillas Zepeda, the Chief Executive Officer, Corporate Secretary and a Director of the Corporation.
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