

# Magna Gold Reports on Final Payments for the San Francisco Mine Acquisition

TORONTO, May 7, 2021 /CNW/ - Magna Gold Corp. (TSXV: MGR) (OTCQB: MGLQF) ("Magna" or the "Company") is pleased to announce the payment of US\$5,000,000 to Argonaut Gold Inc. ("Argonaut") in relation to the acquisition of the San Francisco Mine.

Pursuant to a definitive share purchase agreement dated March 5, 2020, as amended April 24, 2020, between Mexican subsidiaries of Argonaut and Magna for the acquisition of the San Francisco Mine, Magna was required to pay US\$5,000,000 plus a working capital differential by May 6, 2021. Magna has completed the US\$5,000,000 payment from working capital and provided a promissory note for the remaining balance of US\$2,675,000 to be paid in four monthly installments commencing July 6, 2021 and ending October 6, 2021. The promissory note bears uncompounded interest at a rate of 5% per annum.

Magna President and CEO Arturo Bonillas commented: "We are very pleased to be fulfilling our obligations to Argonaut. With this payment behind us we are looking forward to reaching a steady rate of production at the San Francisco Mine and strengthening our balance sheet primarily through the cash flow generated by the operations."

## About Magna Gold Corp

Magna is a mineral exploration company focused on acquiring, exploring, developing and operating quality precious metals properties in Mexico. The primary strength of the Company is the team of highly experienced mining professionals with a proven track record of developing properties in Mexico from discovery to production on budget and on time.

Magna is a Mexico focused gold/silver exploration company that is committed to advancing its 100% owned highly prospective mineral properties located in Sonora and in Chihuahua. The Company's shares trade on the TSXV under the trading symbol "MGR" and OTCQB under the trading symbol "MGLQF". Magna employs community members and services in its operations.

## ON BEHALF OF THE BOARD OF DIRECTORS

### Arturo Bonillas

President and CEO

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