

Magna Gold Amends Loan Agreement with Auramet International LLC

TORONTO, March 4, 2022 /CNW/ - Magna Gold Corp. (TSXV: MGR) (OTCQB: MGLQF) ("Magna" or the "Company"), announces that it has entered into an amending agreement (the "Amending Agreement") in respect of the secured promissory note and guaranty dated February 11, 2021 (as first amended on September 21, 2021, the "Note") previously issued by Magna's subsidiary, Molimentales del Noroeste, S.A. ("Molimentales"), in favour of Auramet International LLC (the "Lender"), an arm's length third party. The amendments to the Note provide for, among other things, the disbursement to Molimentales of an additional US\$2,000,000 loan from the Lender, which will be governed pursuant to the terms of the amended Note (the "New Loan" and together with the US\$2,000,000 in principal amount previously outstanding under the original Note, the "Loan"). The proceeds of the New Loan are expected to be used for general working capital and other business and operational needs of the Company and its subsidiaries.

In consideration of the Lender's agreement to advance the New Loan, the Company has agreed to issue to the Lender 1,500,000 non-transferable common share purchase warrants of the Company (the "Bonus Warrants"). Each Bonus Warrant is exercisable into one common share of the Company for a period of one year following the date of issuance at an exercise price of C\$0.78 per share. The issuance of the Bonus Warrants remains subject to the approval of the TSX Venture Exchange (the "Exchange"). Further, the Bonus Warrants, and any shares issued on exercise thereof, will be subject to a hold period expiring four months and a day following the date of issuance.

Pursuant to the terms of the amended Note, the Loan will be paid and satisfied by the delivery to the Lender, commencing on July 29, 2022, of an aggregate of 2,586 ounces of gold (at a gold price of US\$1,816.80 per ounce) in six equal monthly instalments. Further, pursuant to the terms of the amended Note, the Loan will not bear any interest, until such time as there occurs an event of default in which case, the Lender may, upon notice, cause the principal amount outstanding under the Loan to bear interest at a rate equal to the lower of 18% per annum and the highest rate permitted by applicable law. The obligations of Molimentales under the amended Note are guaranteed by the Company and its subsidiary, Minera Magna S.A. de C.V. ("Minera Magna"), and are secured by a pledge, in favour of the Lender, of certain securities of Molimentales and Minera Magna held by the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

Arturo Bonillas
President and CEO

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements

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 "plans". 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, statements with respect to (i) the Company's objectives, goals or future expectations (including, with respect to the use of the proceeds of the New Loan), (ii) the approval by the Exchange of the Bonus Warrants, and the issuance thereof, (iii) completion of the transactions contemplated herein (including, the approval of the Exchange of the said transactions), and (iv) the anticipated future payment obligations of the Company and/or its subsidiaries pursuant to the terms of the Note, as amended. These forward-looking statements are based on current expectations, and are naturally subject to uncertainty and changes in circumstances that may cause actual results to differ materially. 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, 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, operating and reclamation costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, risks related to the effects of COVID-19 on the Company; 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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For further information: For further information, please visit the Company's SEDAR profile at www.sedar.com or the Company's corporate website at www.magnagoldcorp.com or contact us at telephone +52 (662) 310 0326, email info@magnagoldcorp.com.

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