

# Peal Mexico Announces Shareholdings in Magna Gold Corp.

Hermosillo, Mexico--(Newsfile Corp. - July 17, 2020) - Peal Mexico S.A de C.V. ("**Peal**") announces that on June 30, 2020 it acquired 11,000,000 common shares of Magna Gold Corp. ("**Magna**") under the terms of a settlement agreement between Peal and a subsidiary of Magna entered into to settle an existing arbitration proceeding between the parties in relation to Magna's San Francisco gold mine located in Sonora, Mexico (the "**Settlement**"). The common shares were issued at a deemed price of \$0.35 per share for aggregate deemed consideration of \$3,850,000.

Before giving effect to the Settlement, Peal had ownership and control over 3,266,6183 common shares of Magna representing approximately 4.44% of the issued and outstanding common shares. After giving effect to the Settlement, Peal has ownership or control over 14,266,618 common shares of Magna representing approximately 16.87% of the issued and outstanding Common Shares.

Peal has no current intention to increase its beneficial ownership of, or control or direction over, securities of Magna. Peal may, depending on various factors including, without limitation, market and other conditions, increase or decrease its beneficial ownership, control or direction over common shares or other securities of Magna, through market transactions, private agreements, treasury issuances, exercises of convertible securities or otherwise.

Peal has prepared an early warning reporting in accordance with the requirements of National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* that will appear under Magna's profile on [www.sedar.com](http://www.sedar.com).

For additional information, or to obtain a copy of the early warning report, please contact:

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