



MAGNAGOLD

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FOR IMMEDIATE RELEASE

Q2 2022 Operating and Financial Results

Toronto, Ontario – August 29, 2022 – Magna Gold Corp. (TSXV: MGR, OTCQB: MGLQF) (“Magna” or the “Company”), today announced operating and financial results for the three and six months ended June 30, 2022 and 2021 (“Q2 2022” and “Q2 2021”, respectively). All figures are in US Dollars, unless otherwise expressed.

Q2 2022 Operating and Financial Highlights

- Total tonnes mined during Q2 2022 were 5.9 million compared to 6.1 million during Q2 2021.
- Q2 2022 strip-ratio was 3.5:1 compared to 4.0:1 during Q2 2021.
- Tonnes of ore processed during Q2 2022 were 1.4 million compared to 1.3 million during Q2 2021.
- Ore mined grade from June 2020 to date averages 0.39 g/t Au, which is within 5-10% of the grades set forth in the technical report dated August 8, 2020.
- Gold production of 10,795 ounces during Q2 2022 compared to 11,713 ounces during Q2 2021.
- Revenues for Q2 2022 were \$21.0 million compared to \$21.2 million during Q2 2021.
- Production costs of \$24.7 million during Q2 2022 compared to \$17.7 million during Q2 2021. The increase is mostly due to inventory drawdown during Q2 2022.

Cash Position and Working Capital

- Cash at June 30, 2022, was \$1.4 million compared to \$0.3 million at March 31, 2022.
- As of June 30, 2022, working capital was negative \$35.4 million compared to negative \$22.7 million at March 31, 2022.

Corporate Update

The Company has experienced some difficulties with operations at the mine relating to ore sourcing from certain areas of the block model. To mitigate the long-term effects of this, the team has undertaken several initiatives, both internal and external, to maximize the value

of the San Francisco Mine. These initiatives include, but are not limited to, financing discussions with various counterparties to accelerate stripping and development activities, mine plan optimization, block model audits and improvements, and exploiting efficiencies in alternative mine sequencing. Management is also open to strategic alternatives and transactions in an ongoing effort to create value for shareholders. Based on prevailing market conditions, management believes it is prudent to preserve capital by reducing mining rates and secondary activities across the Company's portfolio of assets. As a result of these initiatives, the Company's board and management determined that previously stated guidance for FY 2022 will be retracted and revised at a later date when a more accurate estimate of production impacts is known.

Arturo Bonillas, President and CEO of Magna Gold, stated: *"It has been both a rewarding and difficult journey bringing the San Francisco Mine back into production. Given the market conditions and limited resources, the team has managed to accomplish much and through our cost conservative and alternative strategies, we look to build increased value for all our stakeholders moving forward."*

The financial statements and MD&A for the three and six months ended June 30, 2022 and 2021, are available on SEDAR (www.sedar.com) and on the Company's website (www.magnagoldcorp.com).

About Magna Gold Corp.

Magna is a Mexico focused gold and silver production company engaged in acquiring, exploring, developing and operating quality precious metals properties in Mexico. It is committed to advancing its 100% owned flagship San Francisco Mine, its Margarita Silver Project and other highly prospective mineral properties located in Sonora and in Chihuahua. 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. Magna employs community members and services in its operations.

ON BEHALF OF THE BOARD OF DIRECTORS

Arturo Bonillas

President and CEO

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.

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, the Company’s objectives, goals or future plans, exploration results exploration and mine development plans, production (including gold production expectations and guidance), processing and mining expectations (including statements regarding expansion and advancement of assets) and strip ratio trends and expectations. 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.