

[Magellan Gold Corp.](#) (OTCQB: MAGE) ("Magellan" or "the Company") today announced that its Peruvian exploration venture with [Rio Silver Inc.](#) (TSX.V: RYO) has agreed to acquire three concessions from a Peruvian company owned jointly 60:40 by [Newmont Mining Corp.](#) and Southern Peru Copper Corporation. The concessions total 2,200 hectares and lie immediately west of and adjacent to Magellan's Niñobamba Silver-Gold Project, which is located 330 kilometers southeast of Lima in the Department of Ayacucho, Peru. Consideration for transfer of the concessions includes a small cash payment and a 2% NSR. The transaction includes an extensive database comprising geological, geochemical, geophysical and drilling data.

"This acquisition adds substantially to the potential for a large, bulk tonnage, disseminated silver-gold deposit", said Dr. Pierce Carson, CEO. "The area under our control will be expanded to 31 square kilometers (7,660 acres), and the new concessions contain untested silver anomalies that appear to reflect direct extensions of the main mineralized zones at Niñobamba. In Peru and elsewhere, the "high sulfidation" style of gold-silver mineralization as represented at Niñobamba has produced world class precious metals deposits."

Previous exploration in the new concessions identified a number of gold-copper, gold-silver and silver exploration targets, of which only four of the gold-copper targets received limited drilling. Several of the untested silver anomalies appear to be westward extensions of the main mineralized zones at Niñobamba, namely the North, Dilation, Escondida and South Zones. The South Zone, for example, on which trench samples show potential silver ore grades (42 meters grading 4.2 opt silver in Rio Silver's westernmost trench), appears to continue into the new concessions for 1,800 meters as a strong silver anomaly evident in the newly acquired data.

On July 5, 2016, the Company announced it had signed a Letter of Intent ("LOI") with [Rio Silver Inc.](#) pursuant to which Magellan is granted the option to earn an undivided 50% interest in the Niñobamba Silver-Gold Project by exploration expenditure of \$2.0 million over three years. The newly acquired concessions form part of the Project. Due diligence has been satisfactorily concluded and the parties are proceeding to replace the LOI with a definitive agreement.

In connection with the Rio Silver transaction, Magellan is required to complete two private placement unit financings in Rio Silver, each for aggregate proceeds of Cdn\$75,000. The Company has completed the first unit private placement financing.

About Magellan Gold Corporation

[Magellan Gold Corp.](#) (OTCQB: MAGE) is a US public enterprise focused on the exploration and development of precious metals. The Company's two mineral properties are located in Arizona and in Peru.

The 100% owned Silver District Property in southwest Arizona comprises over 2,000 acres covering the heart of the historic Silver District. The property contains a near-surface historical drilled resource of 16 million ounces of silver and exhibits exploration promise for significant expansion. The Niñobamba Silver-Gold Property in southern Peru, on which the Company has the right to earn a 50% interest, covers 7,660 acres and demonstrates potential for a large, bulk tonnage, silver-gold deposit.

To learn more about Magellan Gold Corporation, visit <http://www.magellangoldcorp.com>.

Cautionary Statement

The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can legally extract or produce. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves. Currently we have not delineated "reserves" on any of our properties. We cannot be certain that any deposits at our properties will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." Investors are cautioned not to assume that all or any part of any "resource" estimates will ever be confirmed or converted into reserves or that they can be economically or legally extracted.

Forward Looking Statements

This release contains "forward-looking statements." Such statements are based on good faith assumptions that [Magellan Gold Corp.](#) believes are reasonable but which are subject to a wide range of uncertainties and business risks that could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Factors that could cause actual results to differ from those anticipated are discussed in Magellan Gold Corporation's periodic filings with the Securities and Exchange Commission.

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