# Medalist Capital Ltd. ceases to be an insider of Magna Gold Corp.

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TORONTO, May 7, 2020 - Medalist Capital Ltd. ("Medalist") announces that it has ceased to be an insider of Magna Gold Corp. ("Magna"). On May 6, 2020, Magna announced the closing of (i) the acquisition (the "Transaction") of the San Francisco Mine located in Sonora, Mexico through the acquisition of Molimentales del Noroeste, S.A. de C.V. for consideration including, among other things, the issuance of 9,740,000 common shares in the capital of Magna (each a "Magna Share"); and (ii) a concurrent non-brokered private placement (the "Private Placement") consisting of 5,714,286 Magna Shares. In connection with the Transaction, Medalist acquired ownership of 601,428 Magna Shares in respect of advisory fees, and, in connection with the Private Placement, Medalist acquired ownership of 200,000 Magna Shares at a price of $0.35 per Magna Share for aggregate consideration of $70,000 as a subscriber under the Private Placement and acquired ownership of 34,260 Magna Shares and 28,550 non-transferable common share purchase warrants of Magna in respect of finder's fees (collectively, the "Acquisitions"). Notwithstanding the Acquisitions, after giving effect to the Transaction, the Private Placement and the Acquisitions, the holdings of Medalist decreased to less than 10% of the issued and outstanding Magna Shares on a partially-diluted basis.

Immediately prior to the Transaction, the Private Placement and the Acquisitions, Medalist had beneficial ownership of or control over, directly or indirectly, an aggregate of 3,966,250 Magna Shares, representing approximately 10.12% of the issued and outstanding Magna Shares on a non-diluted basis. Immediately after the Transaction, the Private Placement and the Acquisitions, Medalist had beneficial ownership of or control over, directly or indirectly, an aggregate of 4,801,938 Magna Shares, representing approximately 8.62% of the issued and outstanding Magna Shares on a non-diluted basis, and approximately 8.66% of the issued and outstanding Magna Shares on a partially-diluted basis (assuming the exercise in full of the 28,550 common share purchase warrants of Magna held by Medalist).

Medalist acquired the securities for investment purposes. Medalist may acquire or dispose of additional securities of Magna in the future through the market, privately, or otherwise, as circumstances or market conditions warrant. Any transaction that Medalist may pursue may be made at any time and from time to time without prior notice and will depend on a variety of factors, including, without limitation, the price and availability of Magna's securities, subsequent developments affecting Magna, its business and prospects, other investment and business opportunities available to Medalist, general industry and economic conditions, the securities markets in general, tax considerations and other factors deemed relevant by Medalist.

This news release is being issued in accordance with National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues in connection with the filing of an early warning report. The early warning report respecting the occurrence giving rise to this filing will be filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under Magna's issuer profile. To obtain a copy of the early warning report filed by Medalist, please contact Stephen Sandusky at (416) 917-8164 or refer to SEDAR at www.sedar.com under Magna's issuer profile.

Medalist's head office is located at 145 Adelaide Street West, Suite 401, Toronto, Ontario M5H 4E5.

SOURCE Medalist Capital Ltd.

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