

MEGUMAGOLD FURTHER EXPANDS SOIL GEOCHEMISTRY TARGET AREAS AT TOUQUOY WEST PROJECT

LARGE NEW SOIL ANOMALY ALONG FOLD CORRIDOR TREND 2.5 KM SOUTHWEST OF TOUQUOY GOLD MINE

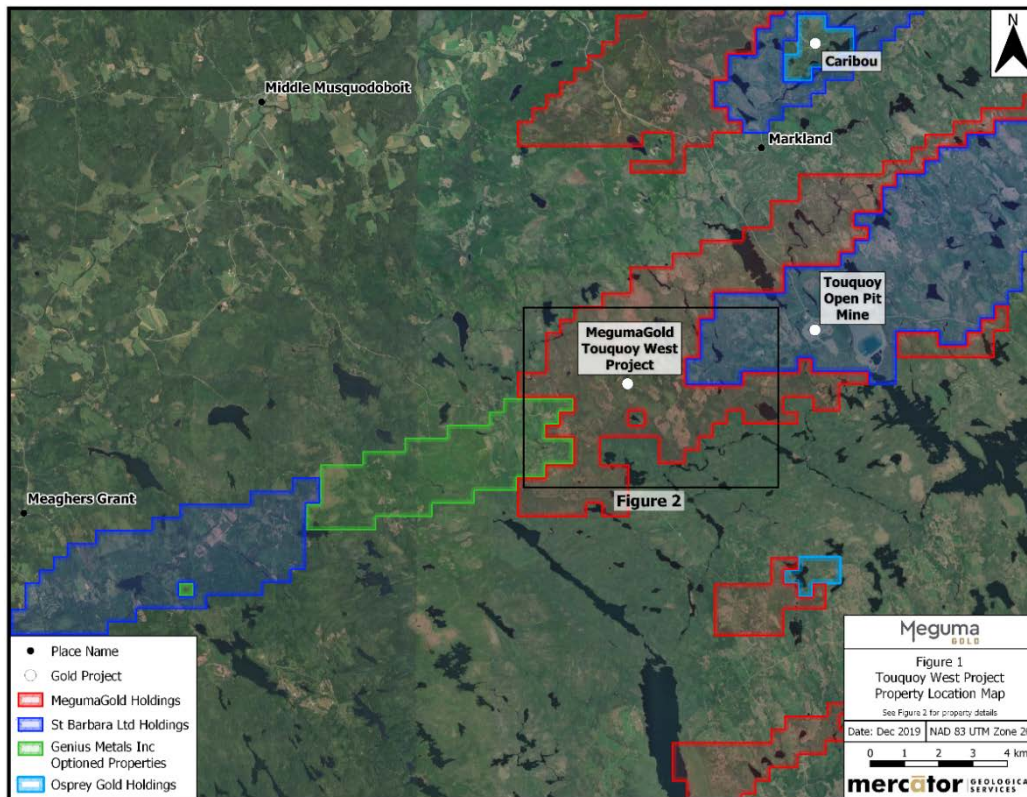
January 6, 2020

Halifax, Nova Scotia- MegumaGold Corp. (CSE: NSAU, OTC: NSAUF, FWB: 2CM2) (“MegumaGold” or the “Company”) is pleased to announce that it has now received all remaining soil geochemistry results for sampling completed during 2019 at its 6,230 hectare Touquoy West Project in Nova Scotia.

MegumaGold President Theo Van der Linde stated, *“Receipt of the final soil geochemistry results for the Touquoy West Project survey grid has resulted in definition of a third large exploration target area along the interpreted trend of the Meguma anticlinal fold corridor that hosts the St. Barbara Ltd. Touquoy Gold Mine as well as other gold deposits. We’re very pleased to see these large arsenic and gold anomalies taking shape and believe there is similarity of the grade and size of these large arsenic and gold anomalies to the adjacent mine. The significance of arsenic in the surrounding rocks and soils of many of the major deposits in Nova Scotia is well documented and we now have three such anomalies on an anticlinal corridor which has the proven ability to host multiple large, low cost gold deposits.”*

The most recent soil geochemistry results apply primarily to the east and northeast areas of the approximately 70-line kilometer survey grid area (Figure 1 and Figure 2 below).

Figure 1

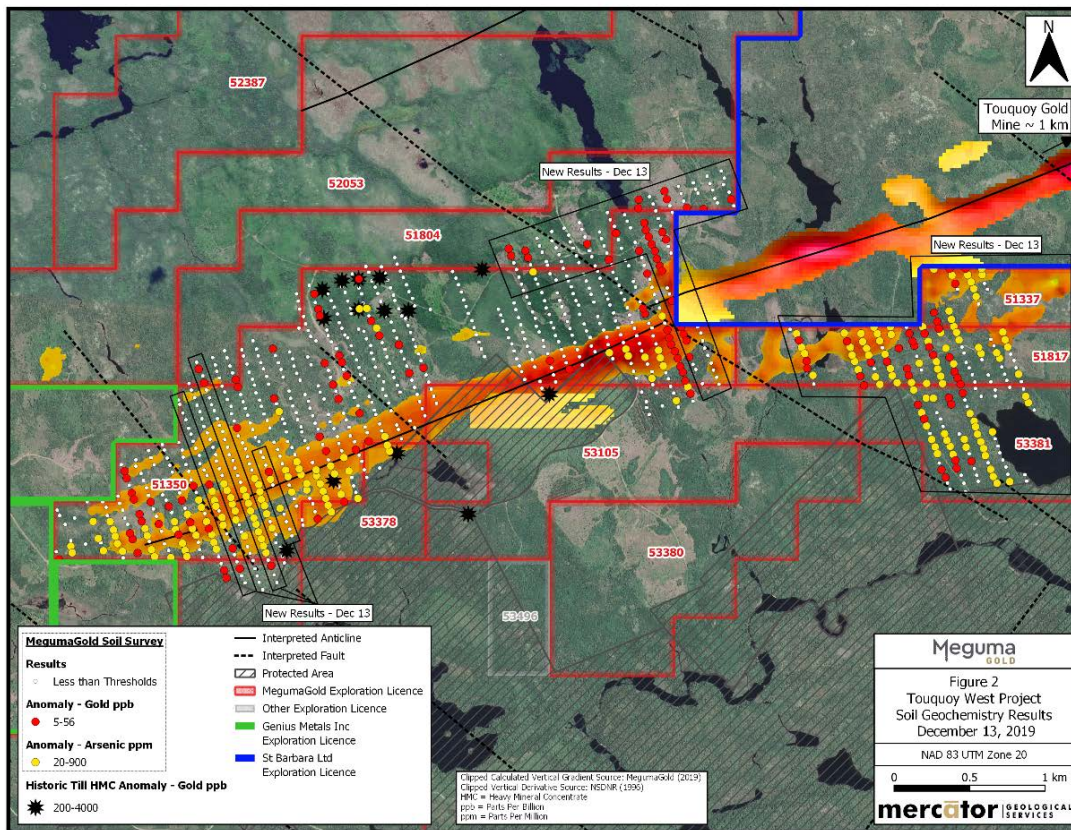


Touquoy West Project Property Location Map

Soil arsenic results define an anomaly in the eastern area that measures approximately 1 km in east-west extent and 0.1 to 1.0 km in north-south extent. Anomalous gold values occur locally within this larger arsenic zone and in one instance show line to line continuity of 600 m. The new anomalous trend remains open to both northeast and southwest at present.

The association of arsenic and gold values in the newly defined anomaly is similar to that described in earlier Company disclosure related to soil geochemistry anomalies located approximately 1 km and 3.5 km to the west and southwest on the same grid (see MegumaGold press releases dated November 20th, 2019 and November 29th, 2019; also Figure 2 below).

Figure 2



Touquoy West Project Soil Geochemistry Results December 13, 2019

The three main arsenic – gold anomalies referred to above and illustrated in Figure 2 parallel the interpreted northeast trend of the Moose River anticlinal fold corridor and are developed in areas either directly overlying, or to the south of, the interpreted main fold hinge zone. This fold corridor structural association is interpreted by the Company to have similarities to that of the Touquoy Gold Mine deposit, located within the same anticlinal corridor approximately 2.5 km northeast of the new anomaly described above (Figure 1 and Figure 2). As reported previously, the western-most anomaly on the Touquoy West Project survey grid remains open onto the adjacent Genius Metals Inc. property to the west that was optioned recently by MegumaGold (see Figure 2 and MegumaGold press release dated December 9th, 2019).

Soil samples across the entire survey grid were collected at 50 m intervals along survey lines nominally spaced at 100 m intervals. Gold values returned for the 2019 program that define anomalous trends are generally similar in magnitude to b horizon soil sample gold values returned from historic surveying by Seabright Exploration Ltd. (Seabright, 1988) on what is now the adjacent St. Barbara property.

Review and Qualified Person

This press release has been reviewed and approved by Regan Isenor, Chief Executive Officer of MegumaGold Corp.; Michael Cullen, P. Geo., of Mercator Geological Services Ltd., an “Independent Qualified Person” as defined under National Instrument 43-101, has reviewed and

approved references to historic and current exploration information included in this press release.

Technical Notes

B-horizon soil samples were submitted to Eastern Analytical Ltd. (Eastern) in Springdale NL for preparation and analysis. After drying and sieving, a 30-gram fine pulp split was analyzed for gold using fire assay methods and atomic absorption finish (FA-AA). A second fine pulp split was prepared for multi-element analysis by Inductively Coupled Plasma (ICP) methods after four acid digestion. MegumaGold's Quality Assurance and Quality Control protocol for the soil samples included systematic analysis of certified reference materials, blank samples and duplicate pulp splits. Eastern is a fully accredited commercial analytical services firm registered to ISO 1725 standards for gold and multi-element analysis procedures.

References

Seabright, 1988: Report NS AR ME 1988 -115; NS Department of Mines and Energy Assessment Report by Seabright Exploration Inc., 1869p.

About MegumaGold Corp.

MegumaGold is a Canadian junior gold exploration company engaged in the business of acquiring, exploring and developing natural resource properties. During 2018, the Company centered its exploration focus on the developing Meguma Supergroup gold play of Nova Scotia. As a result, the Company has assembled a strategically-positioned land position of 107,114 hectares within this promising geological domain.

For more information please contact
Mr. Regan Isenor, Chief Executive Officer
902-233-4381

info@megumagold.com
www.megumagold.com

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