

MEGUMAGOLD ACQUIRES STRATEGIC GROUND NORTHEAST OF THE TOUQUOY MINE; CONTINUING TO EXPAND ITS FOOTPRINT IN THE MEGUMA GOLD BELT

November 22, 2019

Halifax, Nova Scotia- MegumaGold Corp. (CSE: NSAU, OTC: NSAUF, FWB: 2CM2) (“MegumaGold” or the “Company”) is pleased to announce that it has strategically expanded its exploration holdings by acquiring an additional 47 claims (761 hectares) to the northeast of St Barbara’s Touquoy Gold Mine (Figure1).

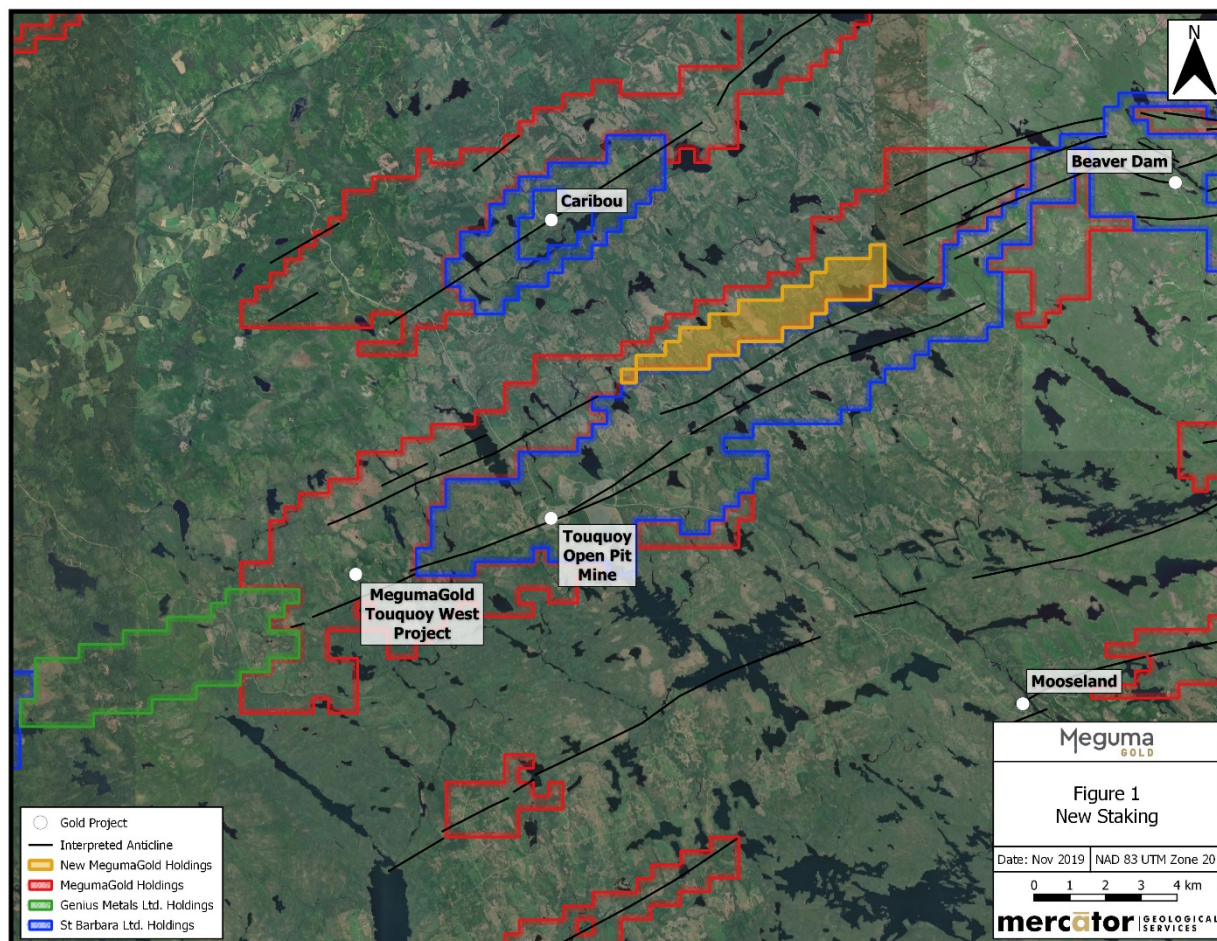
This strategic acquisition provides the Company with an expanded and now continuous land position along the northern side of the favourable Moose River - Beaver Dam - Fifteen Mile Stream mineralized/structural corridor (St Barbara’s “Moose River Corridor”). The newly acquired claims provide infill between the Company’s existing Touquoy West Project area, that adjoins to the west of St Barbara’s Touquoy Gold Mine holdings, and its extensive holdings in the vicinity surrounding that company’s Beaver Dam gold deposit. Both of these gold deposits occur within a common, broad, mineralized/structural corridor and were central to the St Barbara take over of Atlantic Gold for \$722 million in 2019.

The Company’s interpretation of reprocessed historic airborne magnetometer survey results for the newly staked area indicates that second-order folding may have locally resulted in repetition of favourable mineralized/structural corridor stratigraphy to a near-surface position in the northeast portion of holding. The effects of a major northwest trending fault corridor in this northeast area are also apparent in airborne survey results and increase local structural complexity. Multiple structural complexity influences plus local potential for favourable argillite-bearing stratigraphy combine to make the new holding an attractive exploration target for MegumaGold. The Company is initiating a detailed compilation of historic geological, geochemical and geophysical survey results for the area to specifically assess prospectivity and potential for near-term drilling target development.

Theo Van der Linde, President of MegumaGold stated: “We’re very excited to have been able to acquire this ground immediately when it became available given it’s strategic location within/adjacent to St Barbara’s Moose River Corridor. This ground provides the Company with a new exploration opportunity beginning approximately 4.2km north-northeast from the Touquoy Gold Mine. The Company is poised to build near-and long-term value through this and other strategic district-scale landholdings and ongoing work programs.

Figure 1 below shows the location of the newly acquired licences.

<https://market-alert.com/meguma-gold/>



District-Scale Land Package Development

Since initially acquiring 3,888 claims covering 62,985 ha in late 2017, the Company has expanded that footprint by approximately 70 percent to its current holdings of 6,613 claims that cover 107,114 ha. The current exploration property portfolio now forms the largest gold exploration land position present in the under explored and emerging Nova Scotia gold camp, where St Barbara is leading the way with 2019 annual gold production of 93,000 ounces from its open pit Touquoy Gold Mine. This company’s proven and probable gold reserves total 1,877,000 contained ounces within the entire Moose River Consolidated project. (St Barbara Corporate Presentation - September 2019).

In addition to the exploration footprint detailed above, in August of 2019 the Company began to diversify its exposure to the Meguma gold camp, announcing the Company’s participation in a non-brokered private placement of Osprey Gold Development Ltd. (“Osprey”) (TSX-V: OS). The Company acquired 13,100,000 units of Osprey (“Units”) at a price of \$0.05 per Unit. Each Unit consists of one common share and one share purchase warrant (“Warrant”), each Warrant

entitling the holder to purchase an additional common share at a price of \$0.075 per share for a period of 24 months from date of issuance.

“We saw this as a great way to further our exposure to an emerging gold camp where we already have a huge footprint of under explored ground. The synergies between Osprey and MegumaGold are clear from a geological and geographical point of view, it only makes sense that we would work in the same direction. There is a real potential for growth at both of Osprey’s Goldenville and Caribou projects, and their close proximity to operating or soon to be operating facilities is a bonus. We see any future consolidation in the Meguma terrane as being very beneficial for all stakeholders involved, said Theo Van der Linde in relation to the Osprey deal.

Exploration Approach

The Company’s exploration approach in Nova Scotia began with completion of one of the largest non-government airborne geophysical surveys ever flown in the province. This survey was carried out in mid-2018 and collected both magnetic field and radiometric data over the majority of the Company’s current gold exploration holdings in Eastern Nova Scotia. LIDAR surveying of the same portfolio was also completed to provide high resolution topographic data that has been used to develop property-level detailed interpretations of geomorphology and bedrock structural trends such as folding and faulting. In combination, these interpretations have informed our exploration team’s understanding of glacial overburden and bedrock structural characteristics. These in turn contributed and continue to contribute to planning of field assessments that will ultimately lead to core or reverse circulation (RC) drill testing of high priority targets. Another very important element of the Company’s exploration initiative has been development of a litho-geochemical alteration index based on compiled public record multi-element geochemical data and a large proprietary data set representing core and bedrock sampling studies carried out by the Company. This litho-geochemical factor has created a fingerprint of alteration specific to gold bearing rocks of the Meguma Supergroup.

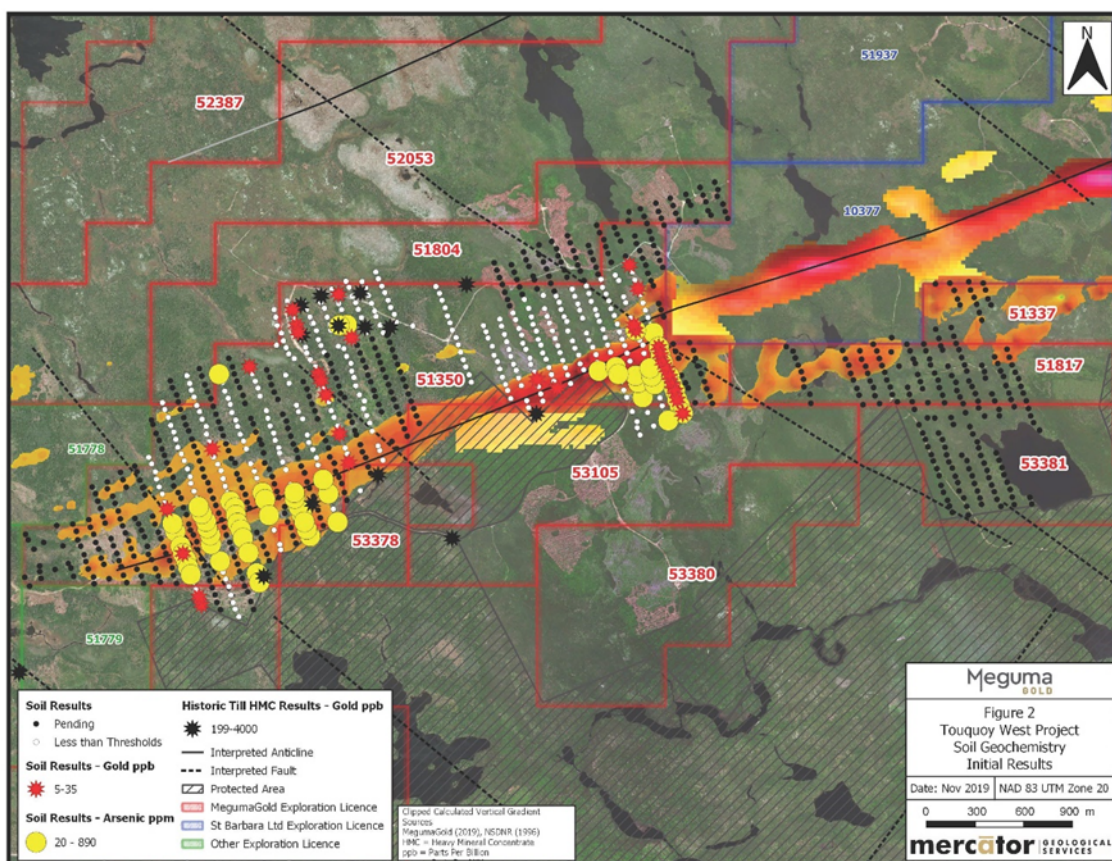
After definition of a large number of initial exploration targets, and rating of these on the basis of various factors, MegumaGold carried out an initial, multi-stage RC drilling program that began in 2018 and extended to early-mid 2019. Initial results of that program highlighted the Company’s Killag exploration property as having gold mineralization over a strike length of 1 km as defined by reverse circulation (RC) drilling results disclosed previously (see press release dated May 9, 2019). Assessment of potential for bulk minable gold is the priority at this location and a core drilling program is currently being planned for Killag to expand on and define the encouraging initial reconnaissance style RC results.

In addition to Killag, 2018-2019 RC work defined a large arsenic anomaly associated with altered bedrock at the Ragged Lake exploration target. The Company’s alteration factor data for a portion of this target area indicate that favourable hydrothermal bedrock alteration is locally present in association with the arsenic anomalism. These results are scheduled for further investigation in 2020.

Current field work is focused in the Touquoy West area where the Company has established a large target area defined by soil geochemical anomalies (see press release dated November 20, 2019) on strike and approximately 4 kms to the southwest of St Barbara’s Touquoy Mine.

These soil anomalies are being followed up with an Induced Polarization (IP) survey to define core drilling targets early in 2020.

Figure 2 below shows soil geochemistry results at Touquoy West (see Company press release dated November 20, 2019). <https://market-alert.com/meguma-gold/>



“We feel that the Company’s systematic approach to assembling and evaluating exploration data for its large exploration holding is creating a pipeline of good quality targets that require further detailed assessment. While there are excellent opportunities represented at the Touquoy West and Killag sites which currently is in the exploration forefront, the Company has a list of priority-ranked opportunities that are also being prepared for future detailed assessment. With such a large land package of under explored ground we have evaluated less than 10% of potential anticlinal strike length within the Company’s portfolio”, continues van der Linde.

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 technical information included in this press release.

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 has centered its exploration focus on the developing Meguma formation of Nova Scotia. As a result, the Company has assembled a strategically-positioned tenure of 107,114 hectares within the Meguma Gold District.

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