

Megumagold Defines Soil Geochemistry Anomalies At Touquoy West Project ; On Strike Of The Touquoy Mine

November 20, 2019

Halifax, Nova Scotia- MegumaGold Corp. (CSE: NSAU, OTC: NSAUF, FWB: 2CM2) (“MegumaGold” or the “Company”) is pleased to announce that it has received initial analytical results for a soil geochemistry program recently completed at its Touquoy West Project in Nova Scotia.

The company is very pleased with the initial Touquoy West Project b-horizon soil survey results, particularly the extensive development of coherent arsenic anomalism, supported by low level gold values, coinciding with northwest cross cutting structures. These significant features represent the development of real targets on the Moose River anticline which plays host to St. Barbara’s Touquoy Deposit.

A total of 1062 soil samples were collected during September and October of 2019 and submitted for gold and multi-element analysis at Eastern Analytical Ltd. in Springdale, NL. Analytical results for approximately half of the total sample set were recently received and have been reviewed by the Company. Notably, spatial distribution of currently available data is not uniform, and results are still pending for substantial areas. Notwithstanding this limitation, it is already apparent that a two large-scale arsenic in soil geochemical anomalies are present, both of which are locally supported by low-level, anomalous gold in soil values.

Figure 1 below shows the location of the Touquoy West Project land position relative to that of St. Barbara Ltd.’s Touquoy Gold Mine. This mine is located approximately 4 km to the northeast of MegumaGold’s holding along the trend of a distinct airborne magnetometer survey anomaly (Figure 1). The Company interprets the airborne anomaly as broadly coinciding with the location of the highly favourable Moose River Anticline and associated argillite-rich stratigraphy that in part host the Touquoy Gold Mine deposit. Arsenic anomalism is spatially associated with gold-bearing bedrock argillite and greywacke sequences in the immediate area of this deposit and defines a broad halo that extends beyond the deposit’s gold-bearing limits. The Company believes that such bedrock anomalism may be represented in b-horizon soil samples or till samples of material derived from such altered and mineralized bedrock sequences. Patterns of arsenic anomalism in bedrock, soil or till materials are therefore considered important indicators of gold target potential, particularly in instances where arsenic and gold anomalies are coincident, or show systematic spatial support. Soil samples on the Touquoy West survey grid were initially collected at 50 m stations along 200 m spaced survey lines, which were subsequently infilled by additional sampling to provide 50 m by 100 m sample station spacing. The sampling grid measures approximately 5.5 km in northeast extent, parallel to the underlying airborne magnetometer survey anomaly noted above, and from 0.1 to 1.5 km in northwest-southeast dimension, depending upon survey line location.

Figure 1 (<https://market-alert.com/meguma-gold/>)

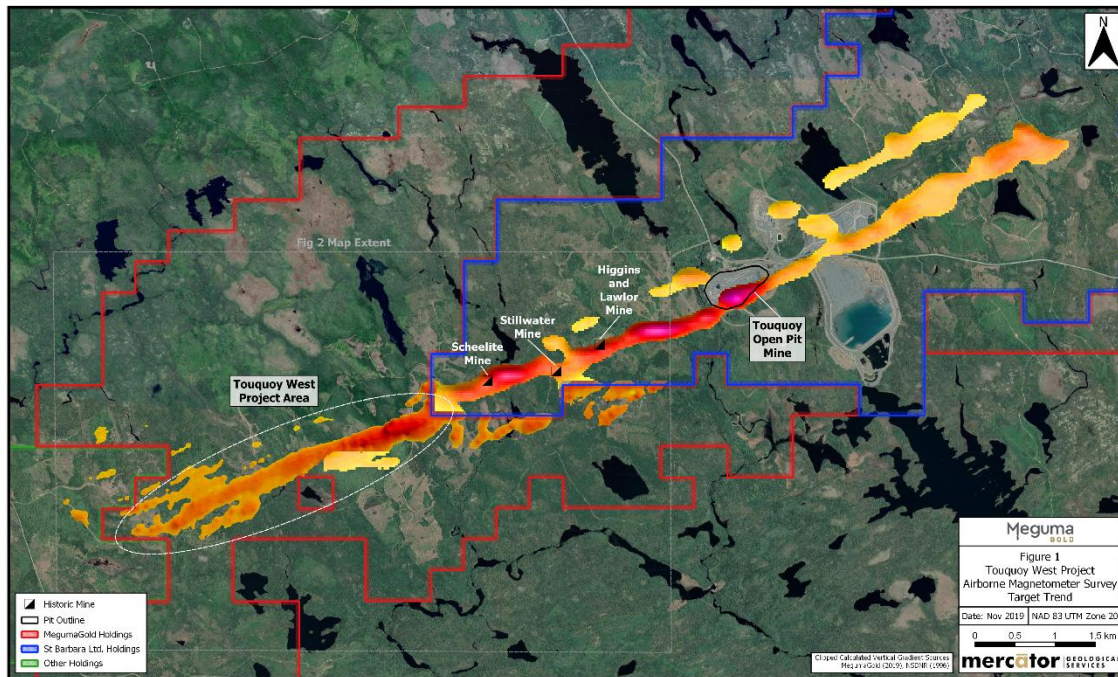
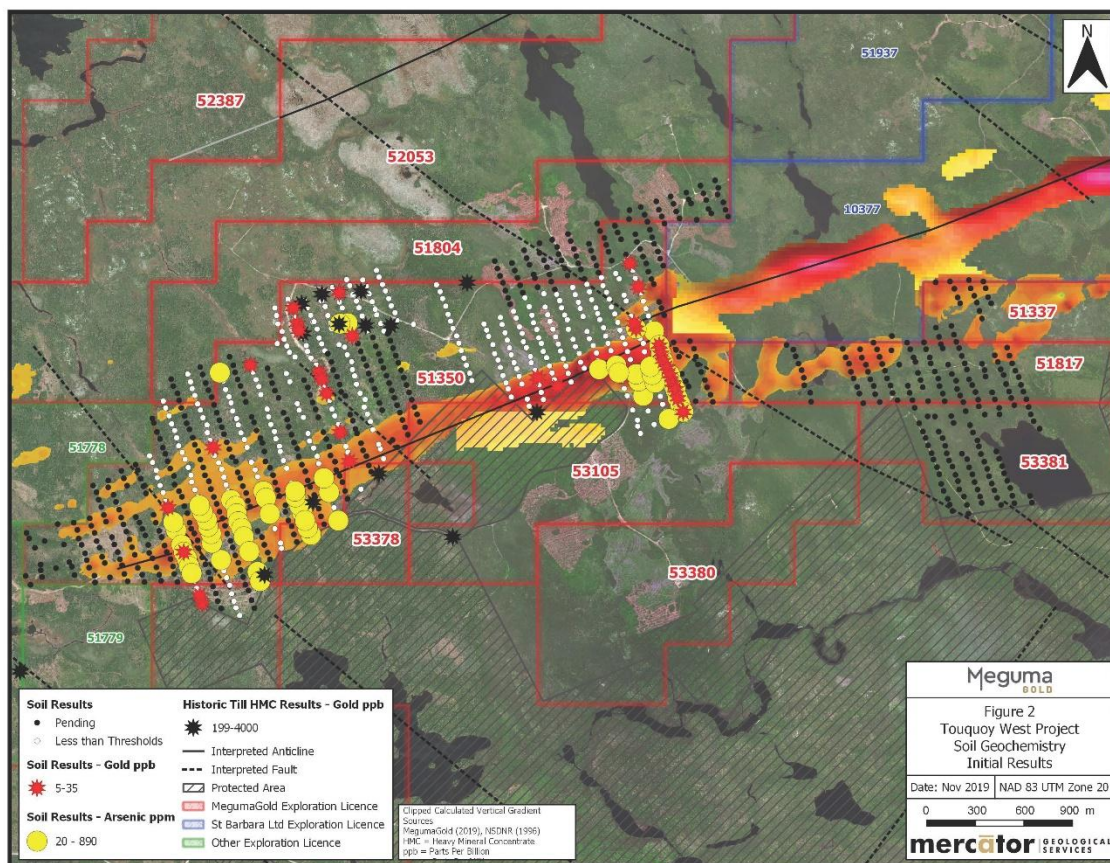


Figure 2 presents summarized presentations of soil arsenic and gold analytical results received to date and also identifies the areas for which results are currently pending. While incomplete at present, the data set defines a soil arsenic anomaly in the western grid area that measures approximately 1.1 km in length and ranges between 100 m and 600 m in width. The trend is open to the west, where no analytical results are pending, and appears to be centred on an interpreted northwest trending fault corridor that disrupts the main, east-trending airborne anomaly in this area. This is significant, since a northwest cross-structure and arsenic anomalism association are interpreted by the Company as being present in bedrock in the vicinity of the Touquoy Gold Mine to the northeast. A second area of arsenic anomalism occurs at the eastern limit of the Touquoy West claim group, where it adjoins St. Barbara holdings. In that instance, anomalism occurs along a length of approximately 500 m and across a width range of 50 to 400 m. This trend remains open to the east, onto St. Barbara holdings, and also appears to be open to the south and west. Like the western arsenic anomaly, this feature coincides with an interpreted northwest trending fault that offsets the main airborne survey trend.

Anomalous soil gold values are also presented in Figure 2, along with compiled results of historic till heavy mineral concentrate (HMC) gold surveying from Nova Scotia government sources. In comparison to soil samples, HMC samples typically have much higher anomalism thresholds due to their concentrated nature and this is represented in the Figure 2 legend by a gold threshold of 100 ppb. Soil gold values greater than 5 parts per billion (ppb) are also presented in Figure 2 and show coincident, but spatially irregular association with the two main soil arsenic anomalies discussed above. Scattered anomalous gold values also form a spatial group in the north-central grid area where anomalous historic till (HMC) gold values (>100 ppb) have been reported.

The company is very pleased with the initial Touquoy West Project b-horizon soil survey results discussed above, particularly in the spatially extensive and strong development of coherent arsenic anomalism, which coincides with significant north west cross cutting structures. Although much less common and systematic in their occurrence, low level gold values are present within, and generally support, the main soil arsenic trends defined to date. When currently pending soil program analytical results are received, they will be combined with current results to provide a more complete understanding of existing trends. The entire multi-element soil geochemistry and soil gold datasets will be modelled in detail at that time.

Figure 2 (https://market-alert.com/meguma-gold/)



MegumaGold President Theo Van der Linde stated; *“We are very pleased and excited about the initial soil geochemistry survey results returned for the Touquoy West Project. Meguma has been operating under the realization that the entire Meguma formation has the potential to host broad anticlinal structures, which are relatively uniform in setting and geology. To see arsenic and gold anomalism along the trend of our main airborne survey anomaly in this area is indeed encouraging. The two main arsenic-gold soil anomaly areas will be tested by Induced Polarization (IP) geophysical surveying in the next few weeks and combined datasets will be used to define core drilling targets for early 2020”*

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.

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 17025 standards for gold and multi-element analysis procedures.

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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Forward-Looking Statements

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