MEGUMAGOLD DRILLING DEFINES NEW GOLD HALO AT KILLAG PROJECT

2019 RC DRILLING DEFINES CONTINUOUS ANOMALOUS GOLD HALO IN KILLAG STRUCTURAL CORRIDOR COMPARABLE TO ALTERATION NOTED IN OTHER MEGUMA GOLD DEPOSITS

February 20, 2020

Halifax, Nova Scotia- MegumaGold Corp. (CSE: NSAU, OTC: NSAUF, FWB: 2CM2) ("MegumaGold" or the "Company") is pleased to announce that it has initiated a geological modeling and bedrock gold distribution study for its Killag Project in the Killag Gold District of Nova Scotia, Canada. This program will integrate results of the Company's 2019 Reverse Circulation (RC) drilling program, which intercepted near surface high gold values in several quartz-veined intervals of altered greywacke and argillite (see previous MegumaGold press release dated May 9, 2019 and Figure 2a below). This drilling also defined several long intervals of anomalous gold occurring in altered greywacke and argillite rock packages. These intervals occur along the axis of the Killag-Goldenville anticline and are located to the east of historical drill core gold intercepts and underground workings. The long widths of anomalous gold at Killag (see Table 1 in technical notes) indicate that mineralization extends beyond the limits of traditionally known high grade quartz veins and has been deposited at low levels in surrounding thick slate/argillite/greywacke packages comprising the host rock sequence. This is referred to as the alteration halo concept. Notably, the east extension of the anticlinal structure present in the Killag Gold District hosts the Goldenville Gold District, approximately 50 km to the east, to which Nova Scotia government records assign 209,383 ounces of historic gold production between 1862 and 1941.

MegumaGold President Theo Van der Linde stated, *"Recognition of the extensive alteration halo in argillite and greywacke rocks at Killag signifies an important step in developing an understanding of a potential disseminated gold deposit at Killag. We believe that the gold halo at Killag may be part of a larger alteration system having significant potential for new gold discoveries at the Killag property."*

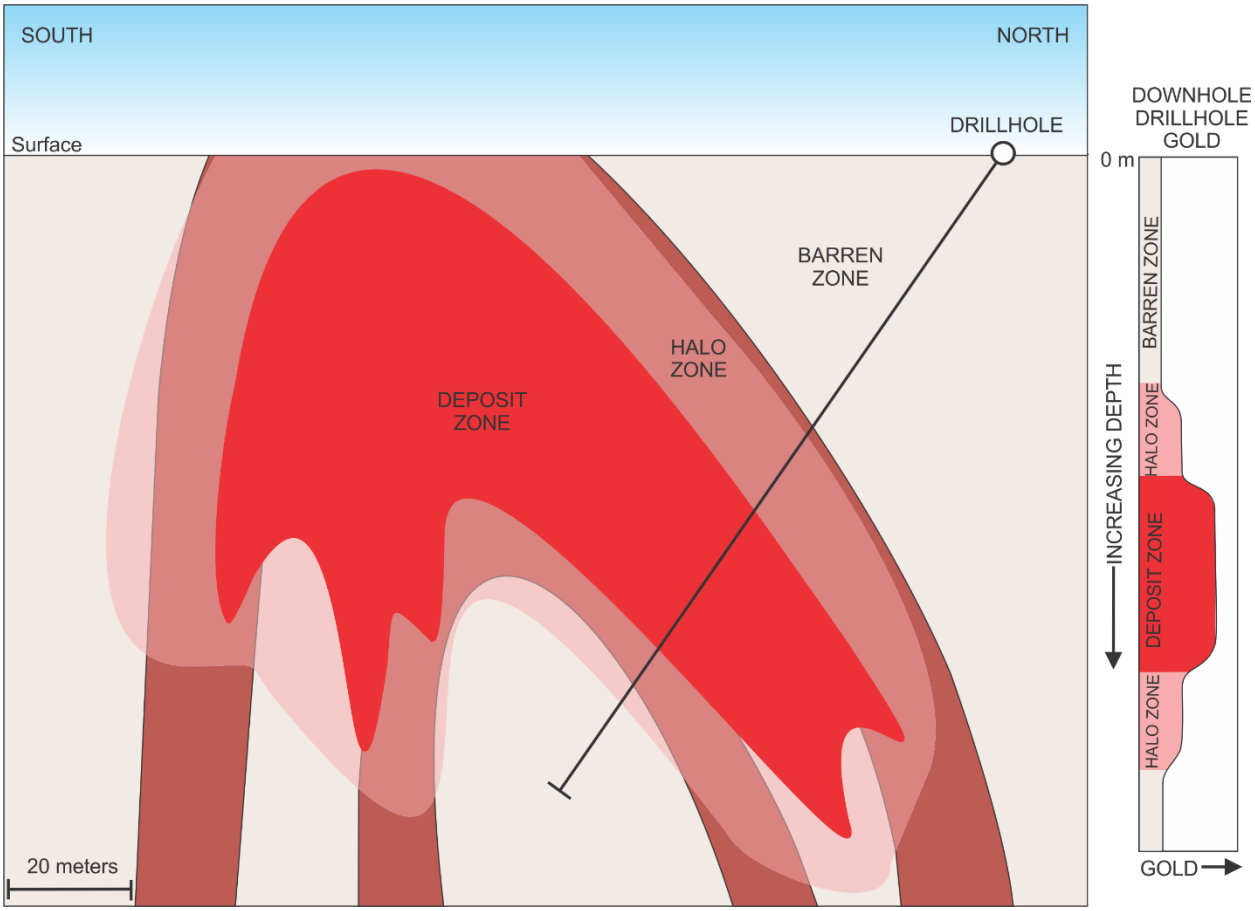
The alteration halo concept is schematically represented in Figure 1 that shows gold mineralization with an anomalous gold halo occurring within the core of an anticlinal fold. This deposit setting is typical of the Nova Scotia goldfields and the drillhole included in Figure 1 illustrates the halo zone concept. Gold haloes surrounding deposits of significant importance have already been documented in the Nova Scotia goldfields, examples of which include St. Barbara Ltd.'s Touquoy, Fifteen Mile Stream, Beaverdam and Cochrane Hill deposits, as well as Anaconda Mining Inc.'s Goldboro deposit, among others.

Van der Linde continued, "*We see this as a significant milestone in the Killag story. Historical gold production from some of the currently most prominent deposits of the Nova Scotia goldfields, including Touquoy, Fifteen Mile Stream and Beaver Dam, was from narrow, high grade quartz veins. It wasn't until pervasive gold mineralization in the wall rock was discovered in such cases that their potential bulk tonnage was understood. At Killag we are now seeing significant widths of anomalous gold values within wall rock peripheral to the area of old mine*

workings that exploited narrow quartz veins. Based on experience elsewhere in the Nova Scotia goldfields, we believe that this is a positive development in evaluating the property's gold potential

The 2019 RC drilling at Killag referred to above intercepted high gold values in several quartz veined intervals of altered greywacke and argillite (see previous MegumaGold press release dated May 9, 2019). Longer intervals of continuous, anomalous gold values in the 20 parts per billion (ppb) to 100 ppb range were intercepted in some of the 2019 holes and also have substantial exploration significance (Table 1 technical notes). The Company believes that these may denote presence of a gold-bearing hydrothermal alteration halo centered on the anticlinal corridor at Killag. This concept is supported by in-house alteration index and RC chip logging results. Detailed study and three dimensional modeling of the entire 2019 RC drilling dataset in conjunction with historic drilling and underground mine workings datasets for Killag is now underway and the anomalous gold halo concept is being integrated in that process to define 2020 core drilling targets for the property.

Figure 1: Cross-section through an idealized model of a Nova Scotia goldfields deposit showing a gold "halo zone" surrounding a mineralized "deposit zone".



The longitudinal section in Figure 2a below parallels Killag's east-west trending anticlinal hinge zone corridor and illustrates the spatial extent of the gold halo defined by the 2019 RC drilling results (see plan map in Figure 2b). The longest such interval to date occurs in hole KGRC-36 and has a gold grade of 0.11 g/t over 81 m, beginning at a downhole depth of 8 m. Details of contributing gold assay results appear in Table 1 and show that the intervals of interest are consistently mineralized with gold at low levels and do not simply reflect weighted averaging of high grade gold values over substantial intervening zones of barren wall rock. In each drill hole supporting the current halo assessment illustrated in Figure 2a sample intervals with gold grades greater than 1 g/t were capped at 1 g/t to reduce grade smearing effects. The Company believes that potential exists for this style of gold halo to be transitional to higher gold grades within the Killag anticline's hinge zone corridor.

Figure 2a: Killag East 20 ppb threshold low level gold distribution in longitudinal section

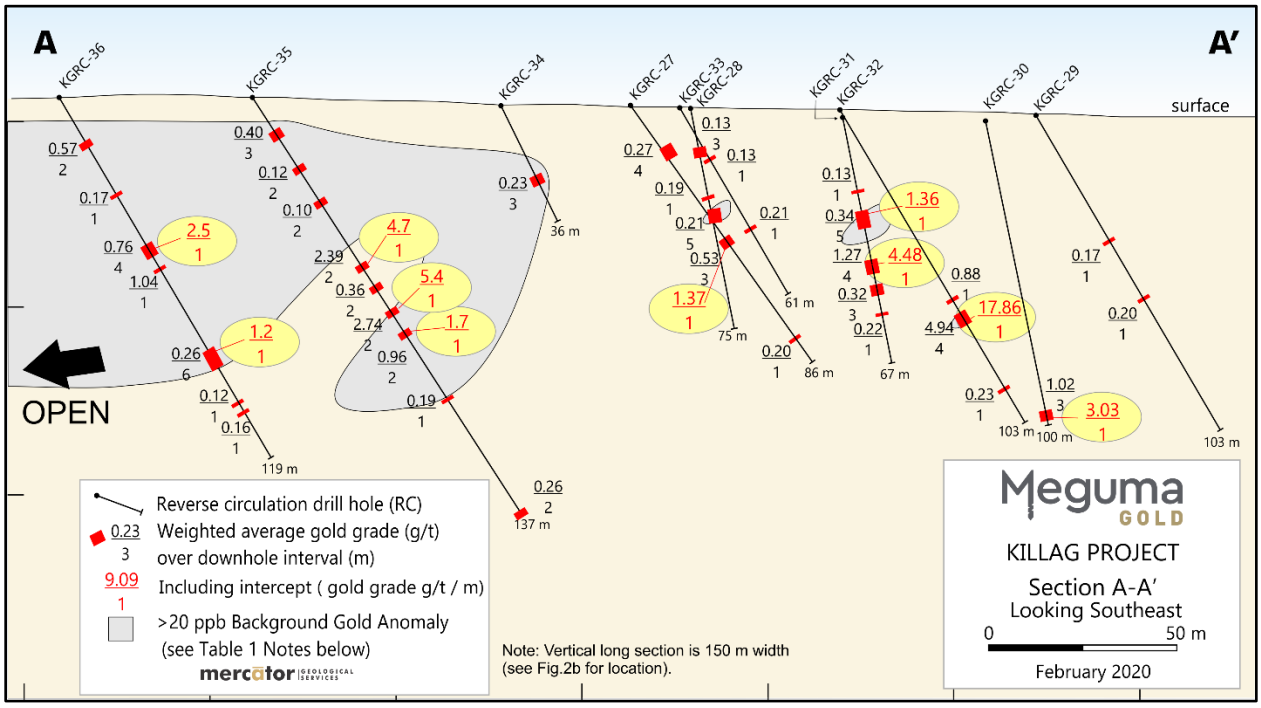
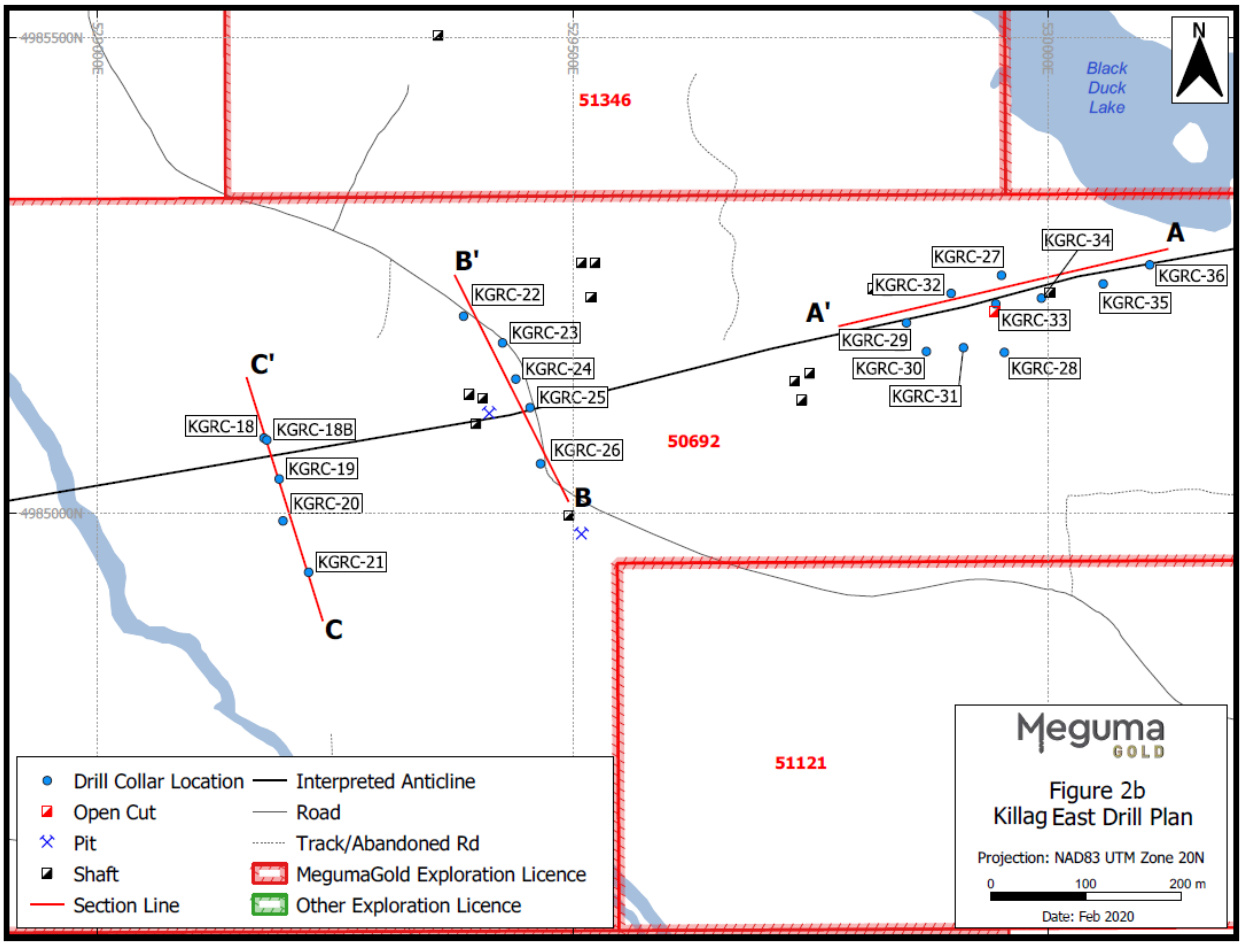


Figure 2b: Location map for the 2019 RC drill holes at Killag East



MegumaGold's review of publicly available historic drilling data from the Nova Scotia goldfields (see "References" below) has shown that gold levels within interpreted alteration halo zones vary between deposits and also within individual deposits. However, where present, halo zone gold values typically fall in the range of 30 to 200 ppb. While very encouraging in an exploration context for the Killag Project, the Company cautions that presence of a low level gold halo such as that identified at Killag to date provides no certainty of association with a large, undiscovered gold deposit.

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 the scientific and technical information included in this press release.

Technical Notes

Table 1: 2019 RC Program Low level Gold Intercepts

Hole	From (m)	To (m)	Length (m)	Weighted Average Gold Grade (g/t)	No. <.02 Au g/t Intervals
KGRC-28	**30**	**35**	**5**	**0.21**	**1**
KGRC-31	**31**	**40**	**9**	**0.17**	**2**
KGRC-32	**67**	**72**	**5**	**0.55**	**0**
KGRC-34	**17**	**30**	**13**	**0.08**	**1**
KGRC-35	**8**	**50**	**42**	**0.06**	**5**
KGRC-35	**55**	**60**	**5**	**0.23**	
KGRC-35	**70**	**100**	**30**	**0.11**	**1**
KGRC-36	**8**	**89**	**81**	**0.10**	**5**

Note: True widths of the above intercepts are currently unknown. Included sample intervals with gold grades greater than 1 g/t were capped at 1 g/t to reduce grade smearing. A maximum of 1 sample in ten not meeting a 20 ppb cut-off value was allowed in continuously mineralized sections. Intervals measuring less than 5 m are not included.

MegumaGold 2019 RC Drilling Program Sampling and QAQC Protocols

Reverse circulation drill chip field samples measuring 1 m in downhole length and approximately 2.5 kg in mass were obtained through rotary splitting at the drill site. Field samples were assigned for processing by either screen metallics methods or regular assay methods on the basis of percentage of recorded quartz. Samples selected for regular assaying were submitted to the Minerals Engineering Center (MEC) at Dalhousie University, in Halifax, Nova Scotia, for crushing and subsequent pulverization to create >80% passing 200 mesh pulp material. Pulp material was riffle split to produce a 100 g subsample that was sent by commercial carrier to ALS Canada Ltd. (ALS) in Sudbury, ON for processing, with subsequent gold analysis at that firm's Vancouver, BC facility by Fire Assay – Atomic Absorption (FA-AA) methods using a 30 g pulp split. Multi-element analysis of specified pulp samples was also carried out at ALS. Samples selected for screen metallics processing were shipped by commercial carrier to Eastern Analytical Limited (Eastern) in Springdale, NL for crushing to -10 mesh followed by pulverization to 95 % passing -150 mesh.

The plus 150 mesh fraction and one 30 g split of the minus 150 mesh fraction were separately analysed for gold using standard FA-AA methods and a mass-weighted average of results for the two analyses was recorded as the gold grade for the sample. Archived splits from certain samples analyzed initially at ALS that returned anomalous gold levels were submitted to Eastern for screen metallics processing using the same method.

MegumaGold's Quality Control and Quality Assurance (QAQC) protocol for RC samples includes (1) field measurement of sample split weights, (2) blind insertion of certified reference materials at 1 in 40 frequency, (3) blind insertion of blank samples at 1 in 40 frequency, and (3) analysis of duplicate pulp splits at 1 in 40 frequency. QAQC samples are inserted/analysed in offset sequences. Both ALS and Eastern are independent, commercial analytical services firms registered to ISO 17025 and accredited by the Canadian Association for Laboratory Accreditation Inc. (CALA). MEC is an independent, analytical services laboratory operated by Dalhousie University that provides analytical and metallurgical processing services to commercial and academic clients. All laboratories have internal QAQC protocols that include analysis and results monitoring for certified reference materials, blank samples and duplicate split samples. MEC has an internal QAQC protocol that applies specifically to sample preparation parameters of the MegumaGold program. Results of all QAQC programs were continuously monitored by MegumaGold and acceptable results were received for all analytical work associated with this press release.

References

Beaverdam Deposit
Acadian Gold Corporation, 2007: Report NS AR ME 2007-91; NS Department of Mines and Energy Assessment Report by Mercator Geological Services Ltd.
Touquoy Deposit
D.D.V. Gold Ltd., 2006: Report NS AR ME 2006-57; NS Department of Mines and Energy Assessment Report by D.D.V. Gold Ltd.
Goldboro Deposit
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About MegumaGold Corp.

MegumaGold is a Canadian junior gold exploration company engaged in the business of acquiring, exploring and developing natural resource properties. Since 2018 the Company has centered its exploration focus on the developing Meguma Supergroup gold district of Nova Scotia. As a result, the Company has assembled a strategically-positioned land position of approximately 105,000 hectares within this promising geological domain.

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