

TORONTO, ONTARIO--(Marketwire - July 4, 2017) - [MacDonald Mines Exploration Ltd.](#) (TSX VENTURE:BMK) ("MacDonald Mines", the "Company", or "BMK") and [Sage Gold Inc.](#) (TSX VENTURE:SGX) ("Sage") announce that they have signed a Letter of Intent for MacDonald Mines to purchase Sage's 100% interest in the Soocana Claims, adjacent to the Holdsworth property, in the Esquega and Corbiere Townships of Northern Ontario (*Figure 1*).

Quentin Yarie, MacDonald's President and CEO commented: *"We have secured the remainder of the 99-year lease on the Soocana Claims. Work done on the claims in the 1930s and 40s uncovered several quartz veins with varying concentrations of gold, but not much exploration has been conducted there since. We have reason to believe that the Soocana Claims host an extension of the Oxide Sands on the adjacent Holdsworth property - the immediate gold target on our Wawa-Holdsworth Project."*

Nigel Lees, Sage's President and CEO commented: *"We are pleased to sign an agreement with MacDonald Mines on this property. We are focused on our Clavos Gold property in Timmins. The MacDonald team has the knowledge and expertise in the area to successfully develop the property. We look forward to being a partner as a shareholder and royalty holder."*

About the Soocana Claims

The Soocana Claims consist of a contiguous block of 12 claims that cover 437.3 acres. The claims are under a 99-year lease agreement with Josephine Forest Resources Ltd. that expires on July 31, 2039.

The Reed-Booth Showing (*Figure 1*) forms the largest gold showing recognized to date on the Soocana Claims. The mineralized system, discovered in 1933 by Reed & Booth (who thereafter founded the Soocana Mining Co.) is comprised of two veins, the largest one being named Vein #1. Vein #1 was traced over a strike length of 414 metres in the 1930s by surface mapping and diamond drilling. The best channel sample taken in the 1930s by the Soocana Mining Co. in that vein contains 23.6 g/t gold over 3 metres (OFR5798). Grab samples taken by the Ontario Geological Survey in 1981 and 1990 in the waste rock of the vein system also returned high gold content with an individual grab sample containing up to 124.49 g/t gold and 33.86 g/t silver (OFR5798).

The Golden Goose Shear Zone, where MacDonald Mines collected a grab sample that contains 5.36 g/t gold (see December 13, 2016 news release) is located 875 metres NNW of the Reed-Booth Showing and falls along Vein #1's NNW strike.

To view Figure 1, please visit the following link: <http://media3.marketwire.com/docs/bmk0704fig1.pdf>.

Acquisition Terms

In consideration for the acquisition of the claims, MacDonald Mines will issue 4,000,000 units of its Class A common shares and warrants to Sage and issue a 1% NSR (net smelter return) royalty on the property. Closing is subject to TSX Venture Exchange approval and certain other customary closing conditions.

Wawa-Holdsworth Project Highlights

- Approximately 285 hectares, 20 kilometres northeast of the town of Wawa
- 18 fee simple absolute patented claims, includes surface and mining rights
- Neighbouring Argonaut's Magino Gold Project & Richmond's Island Gold Mine
- Numerous gold showings with diversified mineralization styles occurring in a 500 metres-wide deformation corridor
- Year-long road access and easy access to rail, road, electrical power, labour force and suppliers

Overview of the Wawa-Holdsworth Project

Historic work by previous operators defined three gold targets on the Wawa-Holdsworth Project:

- Greenstone-hosted quartz-carbonate vein deposit (Soocana Vein System);
- BIF-hosted gold deposits (gold-bearing pyrite zones in an Algoma-type iron formation);
- Gold-bearing Oxide Sands developed from the weathering of the auriferous Pyrite Zones.

MacDonald Mines is focusing its near-term exploration program on the Oxide Sands. These appear to extend for more than 2 kilometres on the property as corroborated by MacDonald's recent airborne magnetics results (see June 1, 2017 News Release) and reach a depth of at least 8 metres.

Recent preliminary sampling of the Oxide Sands by MacDonald Mines returned an average grade of 5.45 g/t gold (see May 16, 2017 News Release).

Preliminary metallurgical testing conducted by previous operators on composite samples recovered, without crushing, between 69% and 98.7% gold. Earlier this year, MacDonald Mines initiated in depth metallurgical testing of the Oxide Sands to achieve the highest possible gold and silver recovery. Results are expected this Fall.

The soft and relatively unconsolidated Oxide Sands material can be extracted like an aggregate. The Company is working to better define the Oxide Sands as continues to prepare for their potential extraction.

Qualified Person

Quentin Yarie, P Geo. is the qualified person responsible for preparing, supervising and approving the scientific and technical content of this news release.

About MacDonald Mines Exploration Ltd.

[MacDonald Mines Exploration Ltd.](#) is a mineral exploration company headquartered in Toronto, Ontario focused on gold and silica exploration in Canada. The Company has built a portfolio of safe-jurisdiction, infrastructure-rich projects that demonstrate the greatest market potential for return. The Company is aggressively advancing its highly prospective Wawa-Holdsworth Project.

The Company's common shares trade on the TSX Venture Exchange under the symbol "BMK".

To learn more about MacDonald Mines, please visit www.macdonaldmines.com.

Cautionary Statement:

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. The foregoing information may contain forward-looking statements relating to the future performance of the Company. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially from the Company's plans and expectations. These plans, expectations, risks and uncertainties are detailed herein and from time to time in the filings made by the Company with the TSX Venture Exchange and securities regulators. MacDonald Mines does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Contact

[MacDonald Mines Exploration Ltd.](#)

Quentin Yarie
President & CEO
(416) 364-4986
qyarie@macdonaldmines.com

[MacDonald Mines Exploration Ltd.](#)

Mia Boiridy
Investor Relations
(416) 364-4986
mboiridy@macdonaldmines.com
www.macdonaldmines.com