

Magna Terra Announces Filing of Information Circular for the Annual & Special Meeting of Shareholders - Provides Update on the Acquisition of ExploreCo Assets From Anaconda Mining Inc. and the Concurrent Private Placement

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TORONTO, Feb. 03, 2020 - [Magna Terra Minerals Inc.](#) (the "Company" or "Magna Terra") (TSX-V: MTT) is pleased to announce the filing and mailing of its information circular dated January 27, 2020 (the "Circular") in relation to the annual and special meeting (the "Meeting") of Magna Terra shareholders (the "Shareholders") scheduled to take place in Toronto on February 27, 2020 at 10:00 am. In addition to the required annual approvals the Company is required to obtain from its Shareholders, Magna Terra will also be soliciting the approval of its Shareholders in connection with, notably, a share consolidation on the basis of one (1) new share of Magna Terra for every seven (7) common shares of Magna Terra presently issued and outstanding (the "Share Consolidation") and the acquisition by Magna Terra of all of the issued and outstanding common shares of 2647102 Ontario Inc. ("ExploreCo") from Anaconda Mining Inc. ("Anaconda") (the "Acquisition") (see news releases dated October 15 and December 3, 2019).

As previously disclosed by the Company, ExploreCo owns a 100% interest in the Cape Spencer Project situated in New Brunswick and the Great Northern and Viking Projects situated in Newfoundland and Labrador (the "ExploreCo Assets"). The Acquisition constitutes a "Reverse Take-Over" and "Non-Arms Length" transaction within the meaning of the policies of the TSX Venture Exchange (the "Exchange") as (i) Anaconda will become a "Control Person" (within the meaning of the policies of the Exchange) of Magna Terra following the closing of the Acquisition and (ii) Mr. Lew Lawrick and Mr. Michael Byron, respectively President & Chief Executive Officer and Directors of the Company, are also Directors of Anaconda. The Acquisition is therefore subject to Magna Terra obtaining the approval of its disinterested Shareholders at the Meeting.

The closing of the Acquisition is also subject to, notably, the following conditions: (i) Magna Terra obtaining Shareholder approval at the Meeting for the Share Consolidation and (ii) the execution of an investor rights agreement between Magna Terra and Anaconda. For more information on the Meeting, the Share Consolidation, the Acquisition and ExploreCo Assets, please consult the Circular which is available under the Company's SEDAR profile at www.sedar.com.

UPDATE ON MAGNA TERRA FINANCING

As previously disclosed (see the Company's news release dated December 3, 2019), concurrently with the Acquisition, Magna Terra will complete, on a post-Share Consolidation basis, a non-brokered private placement of subscription receipts (the "Subscription Receipt Offering"). The minimum proceeds of the Subscription Receipt Offering have been increased to \$3.1 million and the maximum proceeds remain at \$3.5 million. The Subscription Receipt Offering will be comprised on a combination of (i) flow-through common share subscription receipts (the "FT Subscription Receipts") that qualify as flow-through shares for the purposes of the *Income Tax Act* (Canada) at a price of \$0.25 per FT Share Subscription Receipt (minimum proceeds of \$1.3 million and maximum proceeds of \$1.7 million) and (ii) unit subscription receipts of the Company (the "Unit Subscription Receipts") at a price of \$0.20 per Unit Subscription Receipt (gross proceeds of \$1.8 million).

Upon satisfaction of the Escrow Release Conditions (as defined below), each FT Subscription Receipt shall

be exchangeable for one flow-through common share of the Company. Each Unit Subscription Receipt shall be exchangeable for one unit of the Company (a "Unit") comprised of one common share of the Company and one-half of one share purchase warrant (each whole warrant being a "Warrant"); each Warrant entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.30 per share for a period of 24 months following the closing. The Warrants will also be subject to an accelerated expiry provision whereby should the common shares of the Company trade on the Exchange at a price of \$0.50 or more for a period of 10 consecutive trading days, the Warrants will expire 30 days following the receipt of a written notice to that effect from the Company.

The Subscription Receipt Offering is anticipated to close on or before March 31, 2020. The funds received from the Subscription Receipts Offering will be held in escrow (the "Escrowed Funds") by an escrow agent pending completion of the Acquisition. Release of the Escrowed Funds will be conditional upon satisfaction of the following conditions (together, the "Escrow Release Conditions"): (i) Magna Terra shareholders' approval of the Share Consolidation; (ii) Magna Terra disinterested shareholders' approval of the Acquisition and Reverse-Take Over; (iii) the closing of the Subscription Receipt Offering for minimum proceeds of \$3.1 million; (iv) the closing of the Acquisition; and (v) the receipt of all required regulatory approvals including, without limitation, the approval of the Exchange for the Acquisition, Reverse-Take-Over and the Subscription Receipt Offering.

ADDITIONAL INFORMATION ON EXPLORECO

Anaconda incorporated ExploreCo on September 10, 2018 as a wholly owned subsidiary to focus on early-stage gold exploration projects within Atlantic Canada. ExploreCo holds all the property and contractual interests in the ExploreCo Assets.

The Great Northern and Viking projects comprise two (2) separate claim blocks (9,775 hectares) that are located 3 kilometres north and 15 kilometres south of the community of Jackson's Arm, Newfoundland & Labrador, respectively. The Great Northern project is comprised of four (4) mineral exploration licences that collectively encompass 167 mineral claims covering approximately 4,175 hectares. Two (2) mineral exploration licences are held 100% by ExploreCo. Two (2) other licences, are held 100% by ExploreCo under terms of an option agreement with [Metals Creek Resources Corp.](#) The Viking project is comprised of three (3) mineral exploration licences totalling 224 claims covering 5,600 hectares. The Cape Spencer project is an exploration stage project that has a history of past-production and the potential for near-term resource growth and discovery. The Cape Spencer project is located 15 kilometres southeast of Saint John, New Brunswick, comprising 104 mineral exploration claims covering 2,365 hectares of land acquired via staking and through an option agreement.

For the purposes of the Reverse Take-Over, the Cape Spencer and Great Northern projects are considered to be the material properties of ExploreCo, and of Magna Terra following the completion of the Acquisition (hereinafter, "New Magna Terra"). Furthermore, the Cape Spencer Project is considered as the "Qualifying Property" within the meaning of the policies of the Exchange. Additional information on the Cape Spencer Project and the Great Northern Project, as required under Form 3D1 of the Exchange, is available in the Circular.

The following table sets forth selected historical financial information from the carve-out financial statements representing the assets and related operations of the Cape Spencer Project and the Great Northern Project, including the Viking and Rattling Brook Projects, collectively referred to as "Atlantic Canada ExploreCo". The carve-out statement of comprehensive loss for the nine month periods ended September 30, 2019 and 2018 and the years ended December 31, 2018 and 2017 reflect all expenses directly attributable to Atlantic Canada ExploreCo and an allocation of Anaconda's expenses that were common to both Atlantic Canada ExploreCo and Anaconda. The allocation was calculated on a pro-rata basis to Atlantic Canada ExploreCo based on the proportion of the carrying values of Atlantic Canada ExploreCo's exploration and evaluation assets to Anaconda's exploration and evaluation assets and property, mill and equipment. All assets and liabilities directly attributable to Atlantic Canada ExploreCo were presented in the carve-out statement of financial position. Such information is derived from the Carve-Out Financial Statements of Atlantic Canada ExploreCo and should be read in conjunction with such financial statements attached to the Circular as Schedule G.

Financial Results	Nine months ended September 30, 2019 (\$)	Nine months ended September 30, 2018 (\$)
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Revenue	—	—
Net loss and comprehensive loss	(246,247)	(186,926)
Cash flows from operating activities	(201,384)	(164,278)
Cash flows from investing activities	(166,898)	(126,211)

As at	September 30, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)	January 1, 2017 (\$)
Current assets	82,547	2,486	-	13,268
Total assets	2,343,111	2,115,209	1,296,101	1,220,339
Current liabilities	13,000	19,057	-	101,722
Non-current liabilities	350,000	350,000	314,000	314,000
Shareholders' equity	1,980,111	1,746,152	982,101	879,617

INFORMATION ON NEW MAGNA TERRA

Upon completion of the Reverse Take-Over, ExploreCo will become a wholly-owned subsidiary of New Magna Terra, which will have two (2) wholly-owned subsidiaries, being ExploreCo and Atala Resources Corporation. New Magna Terra will continue the current businesses of the Company and ExploreCo. The primary objectives of New Magna Terra will be to conduct exploration activities on ExploreCo's Cape Spencer and Great Northern projects (see the Circular for the recommended exploration programs on both projects).

At the closing of the Reverse Take-over, assuming a Subscription Receipt Offering for minimum proceeds of \$3.1 million and maximum proceeds of \$3.5 million, there will be a minimum of 39,187,020 and a maximum of 40,787,020 New Magna Terra common shares ("New Magna Terra Shares") issued and outstanding after the closing of the Subscription Receipt Offering, of which: (i) the current shareholders of the Company will hold an aggregate of 12.49 million New Magna Terra Shares (31.88% for the minimum Private Placement and 30.63% for the maximum Private Placement), (ii) Anaconda will hold 12.49 million New Magna Terra Shares (31.88% for the minimum Private Placement and 30.63% for the maximum Private Placement), and (iii) new investors will hold a minimum of 14.2 million New Magna Terra Shares (36.24%) and maximum of 15.8 million shares (38.74%).

New Magna Terra will use the net proceeds from the Subscription Receipt Offering for working capital purposes and to carry out the exploration programs as recommended in the Cape Spencer Report and the Great Northern Report. The Company believes that New Magna Terra's working capital available to fund ongoing operations upon completion of the Subscription Receipt Offering and Reverse Take-Over will be sufficient to meet New Magna Terra's obligations, as currently contemplated, for a minimum of 18 months.

In connection with the Subscription Receipt Offering, New Magna Terra may pay finder's fees equal to 6% of the gross proceeds and issue up to 948,000 non-transferable warrants (the "Broker Warrants") to various registered dealers or finders, representing up to 6% of New Magna Terra Shares, sold through such registered dealers or finders in the Subscription Receipt Offering. Each Broker Warrant will entitle the holder thereof to purchase one (1) New Magna Terra Share at a price of \$0.30 per share for a period of twenty-four (24) months from the closing date of the Reverse Take-Over.

For more information on the Subscription Receipt Offering, the pro forma share capital of New Magna Terra, the available funds and principal use of such funds by New Magna Terra following the closing of the Subscription Receipt Offering and the Reverse Take-Over, please consult the Circular.

If the Reverse Take-over is successfully completed, it is expected that the Board of Directors of New Magna Terra will be comprised of Lewis Lawrick, Michael J. Byron, Richard L. Bedell Jr., Denis Hall and Dennis Logan, all of which are currently directors of the Company. It is expected that the officers of New Magna Terra will be the same as those of the Company, namely, Lewis Lawrick, President and Chief Executive Officer, and Errol Farr, Chief Financial Officer. Please consult the Circular for additional information on each proposed director and officer of New Magna Terra.

About Magna Terra

[Magna Terra Minerals Inc.](#) is a precious metals focused exploration company, headquartered in Toronto, Canada. With the closing of the ExploreCo Acquisition, Magna Terra will have 2 district-scale, advanced gold exploration projects in the world class mining jurisdictions of New Brunswick and Newfoundland and Labrador. The Company maintains a significant exploration portfolio in the province of Santa Cruz, Argentina which includes its precious metals discovery on its Luna Roja Project, as well as an extensive portfolio of district scale drill ready projects available for option or joint venture.

Completion of the transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and disinterested shareholder approval by the shareholders of Magna Terra. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular dated January 27, 2020, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Magna Terra should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

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.

Cautionary Statements Regarding Forward Looking Information

Some statements in this release may contain forward-looking information. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding potential mineralization) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, failure by the parties to complete the Acquisition, the possibility that future exploration results will not be consistent with the Company's expectations, changes in world gold markets or markets for other commodities, and other risks disclosed in the Circular and the Company's public disclosure record on file with the relevant securities regulatory authorities. Any forward-looking statement speaks only as of the date on which it is made and except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement.

FOR FURTHER INFORMATION PLEASE CONTACT: [Magna Terra Minerals Inc.](#) Lewis Lawrick, President & CEO 647-478-5307 Email: info@magneterraminerals.com Website: www.magneterraminerals.com

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