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## **VanGold Mining Corp. Announces Private Placement ~Accelerates Development of the El Pinguico Silver and Gold Project~**

July 21, 2020 – Vancouver, British Columbia – VanGold Mining Corp (the “Company” or “VanGold”) (TSXV:VGLD) has arranged a non-brokered private placement financing of up to 15,800,000 units (“Units”) at a price of \$0.155 per Unit for gross proceeds of approximately \$2,450,000 (the “Financing”). Each Unit will consist of one common share of the Company and one half (1/2) of a common share purchase warrant (each whole warrant a “Warrant”); with each Warrant entitling the holder to purchase one common share of the Company at a price of \$0.25 within two years of closing, subject to acceleration in certain events.

VanGold intends to use the net proceeds from the Financing to accelerate the development of the El Pinguico silver and gold project in Guanajuato, Mexico, and for general corporate and working capital purposes. Specifically, the Company intends to initiate an underground drilling campaign to target extensions of high-grade in-situ silver and gold epithermal veins and stockworks. These vein and stockwork features are exposed in the old mine workings from when mining ceased in 1913. The Company is currently developing a computer model of the deposit to assist in generating specific underground drill targets.

The targets being generated are separate and distinct from drilling that may intersect the confluence of the Veta Madre (Mother Vein) and the El Pinguico/El Carmen vein structures. The Company plans to drill these deeper, high impact, conceptual targets from surface later in the year.

The Company intends to conduct the underground drilling program in parallel with its work to clear the El Pinguico shaft and sample the bottom of its underground stockpile, in preparation for the possible haulage of the underground stockpile material to surface for onward delivery to a nearby mill for processing. No contract for processing this material on a long-term basis has as yet been formalized by the Company. Further details of these plans will be discussed by the Company in subsequent news releases.

In May, 2020 the Company sent 1,039 tonnes of material from its surface stockpile to Endeavour Silver Corp.’s (TSX:EDR) Bolanitos mill, located approximately 28km from El Pinguico. The recalculated head grade from that bulk sample was 1.23 gpt AuEq at a 96:1 silver to gold ratio. Please see VanGold’s [June 9, 2020 news release](#).

VanGold’s surface stockpile contains an exploration target of 175,000 to 185,000 tonnes grading 1.25 to 1.35 gpt AuEq. These figures are conceptual in nature.<sup>1</sup> The underground (UG) stockpile consists of material that the

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<sup>1</sup> In 2012 a private company commissioned by the then owner of El Pinguico calculated the volume of the surface stockpile as 92,849.5 m<sup>3</sup>, with a surface of 15,769.40 m<sup>2</sup>. In January 2017, Findore S.A. DE C.V. (“Findore”), a private geological services company engaged by VanGold, dug 10 holes with a backhoe CAT machine in the stockpile at different locations and different depths, taking two samples from each hole (one at the top and one at bottom). The samples confirmed there was no movement of economic values from surface to bottom of the stockpile due to weathering and rains, with the average samples results as follows:

Mexican Geological Survey agency in 2012 determined to be 148,966 tonnes in size.<sup>2</sup> In 2017, VanGold conducted a trenching program at the top of the UG stockpile. This program resulted in a weighted average of all of the trench samples of 1.75 gpt Au and 183 gpt Ag.<sup>3</sup>

The Financing is subject to acceptance of the TSX Venture Exchange (the “TSXV”) and may close in tranches, with an initial closing anticipated for on or about August 4, 2020. All securities issued pursuant to the Financing will be subject to a four month hold period from the date of closing. The Company may pay finder’s fees in cash, shares and/or warrants to certain finders in connection with the sale of Units in accordance with the policies of the TSXV.

### **The El Pinguico Project:**

El Pinguico is a high-grade gold and silver deposit that was mined from the early 1890s until 1913. Toward the end of that period it was mined exclusively by The Pinguico Mines Company of New York City, whose shares traded on the Boston and New York Stock Exchanges. The mining was done principally from the El Pinguico and El Carmen veins, which are thought to be splays off the Mother Vein, or ‘Veta Madre’.

The Veta Madre is associated with a mega fault that outcrops for 25 kilometres and is the most important source of precious metal mineralization in the region. The Veta Madre may cross VanGold’s property at depth, underneath the high grade El Pinguico and El Carmen veins. Very limited drilling has been done on the property and no drilling has attempted to encounter the Veta Madre at depth.

Hernan Dorado Smith, a director of VanGold and a qualified person as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, has approved the scientific and technical information contained in this news release.

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	<i>Au ppm</i>	<i>Ag ppm</i>	<i>AuEq ppm</i>
<i>Top samples</i>	0.62	80.6	1.78
<i>Bottom samples</i>	0.43	61.1	1.31

*Based on the foregoing, VanGold estimates the surface stockpile comprises approximately 175,000 to 185,000 tonnes of material grading between 0.45 gpt Au and 67 gpt Ag (1.25 gpt AuEq) and 0.52gpt Au and 70 gpt Ag (1.35 AuEq). The potential quantity and grade of the surface stockpile is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the stockpile being delineated as a mineral resource.*

<sup>2</sup> *This figure is historic in nature, has not been verified and should not be relied upon.*

<sup>3</sup> *VanGold completed 57 samples from 20 trenches (mostly historic with a few new trenches) at the top of the UG stockpile resulting in the average grades set out above. All samples were collected, recorded, bagged and sent by VanGold’s consulting geologist to ALS Laboratory in Guadalajara, Mexico for sample preparation. Gold, silver and multi-element ICP analysis was completed at the ALS laboratory in North Vancouver, Canada. Rock samples were fine crushed (70% passing a 2mm screen), pulverized (85% passing a 75 micron screen) and a pulp split separated for assaying by a riffle splitter. 30 gram portion of each sample was assayed for gold by standard fire assay and a 10 gram split was analyzed for 35 elements by ICP method. Standard reference material and blank samples were inserted into the sample stream at a 5% insertion rate with pulped samples from the UG stockpile for quality control purposes. The results of the standards and blank samples were satisfactory. All data was collected with industry standard practices and assay results were verified by VanGold’s consulting geologist. Further work by VanGold is required to verify the tonnage estimation by the Mexican Geological Survey agency and assess the distribution of grades within the UG stockpile.*

## **About VanGold Mining Corp.**

VanGold Mining is an exploration and development company engaged in reactivating high-grade past producing silver and gold mines near the city of Guanajuato, Mexico. The Company's El Pinguico project is a significant past producer of both silver and gold located just 7km south of the city. The Company remains focused on the near-term potential for development and monetization of its surface and underground stockpiles of mineralized material at El Pinguico, and in developing silver and gold resources through underground and surface drilling on projects located in this historic mining camp.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

"James Anderson"  
Chairman and CEO

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## **Forward-Looking Statements**

*This news release contains certain forward-looking statements, which relate to future events or future performance (including, but not limited to, the actual size, timing and use of proceeds of the Financing and the proposed underground drilling program at El Pinguico, the results from the Company's 1,039 tonne bulk sample including average grades of gold and silver and the potential implications such results hold for the Company's underground stockpile, the proposed next stage development and timing of and potential for near term monetization of existing stockpiles of mineralized material at the Company's El Pinguico project in Mexico) and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to, market conditions, availability of financing, currency rate fluctuations, actual results of exploration and development activities, environmental risks, future prices of gold, silver and other metals, operating risks, accidents, labor issues, delays in obtaining governmental or regulatory approvals and permits, and other risks in the mining industry. In addition, there is uncertainty about the spread of COVID-19 and the impact it will have on the Company's operations, supply chains, ability to access El Pinguico or procure equipment, contractors and other personnel on a timely basis or at all and economic activity in general. All the forward-looking statements made in this news release are qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required by law.*

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