



AGUILA AMERICAN
— GOLD —

AGUILA AMERICAN GOLD ANNOUNCES ACQUISITION OF DISTRICT SCALE GOLD PROJECT IN THE USA AND CONCURRENT FINANCING

Vancouver, British Columbia – August 5th, 2020: Aguila American Gold Limited (“Aguila” or the “Company”) (TSX-V: AGL) - is pleased to announce signing of a Letter of Intent (“LOI”) to secure through Joint Venture the WUSA Epithermal Gold Project (the “WUSA Project”), a district-scale, underexplored, permitted and drill ready epithermal gold-silver project located within the Western Cascades, Oregon, USA.

In conjunction with this LOI the Company announces its intention to complete a non-brokered part and parcel private placement of up to 11,000,000 units (the “Units”) at a price of \$0.225 per Unit for aggregate gross proceeds to the Company of \$2,475,000 (the “Private Placement”). Each Unit comprises one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.45 per common share for a period of two years from closing.

Key Points

- Aguila has signed an LOI detailing investment terms to acquire up to an 80% interest in the WUSA Project from [Mawson Resources Ltd](#) (“Mawson”). The project area lies in the central Western Cascade Ranges of Lane and Douglas Counties, Oregon, USA;
- WUSA is a district-scale project, highly prospective for high and low sulphidation epithermal gold systems. The site lies adjacent to a 19th century gold rush area where placer mining is being actively undertaken;
- The MOU delivers to Aguila the mineral rights to approximately 70,000 hectares of land. Due to long term ownership by a single private landholder, the region has been behind locked gates and largely unexplored for more than 150 years;
- Through mapping, soil and stream sediment geochemical sampling, ground magnetics, historic data analysis and drilling, Mawson defined three areas for detailed exploration, the **Scorpion-Cinnabar**, **Huckleberry** and **Walker Creek** prospects. Each prospect is characterised by gold anomalous soil and rock geochemistry with associated, Sb, As, Hg, Bi, Mo that are coincident with classic epithermal alteration zones (alunitic, silicification, argillic and propylitic);
 - At **Scorpion-Cinnabar**, a gold in soil geochemical anomaly has been identified across a 2.2 km long up to 400-metre-wide area. Soil samples regularly exceed 1g/t Au (up to 5.51g/t Au) above highly acid altered rocks;
 - At **Huckleberry**, siliceous ridges trend over 3 kilometres with high sulphidation vuggy silica textures and acidic steam vents that outcrop for 1,000 metres. Geochemically anomalous rock samples with Sb, As, Hg, Bi, Mo are coincident with classic epithermal alteration zones;
 - At **Walker Creek**, high-level maar-type low sulphidation epithermal alteration is developed over an area of more than 3 square kilometres. 10 vertical RC holes by an earlier explorer intersected anomalous gold over significant intervals;
- Mawson completed 4 diamond drill holes at WUSA for 1,033 metres during 2018. A single scout hole drilled at Scorpion was very successful, intersecting 7.6 metres @ 0.41 g/t Au, 3.1 g/t Ag, 1133 ppm As, 88.1 ppm Sb and 0.5 ppm Te from 21.3 metres and 36.6 metres @ 0.15 g/t Au, 0.5 g/t Ag, 597 ppm As, 111.6 ppm Sb and 0.5 ppm Te from 106.7 metres. Gold and pathfinder elements are both indicative of a potential mineralizing system;

- Three holes drilled by Mawson at Huckleberry intersected strong As, Sb, Hg, Bi, Mo anomalism and argillic and silica-alunite alteration.
- Drill permits at WUSA are in place for a more extensive drill program, which Aguila plans to begin immediately on securing financing.

"With gold achieving historic highs, this is an exciting time to gain the opportunity to explore a district scale project with a gold discovery in drilling only recently made," said Mr. Mark Saxon, President & CEO. "Despite widespread indications of alteration and gold mineralization, the WUSA project remains under-explored as it has sat behind locked gates in the hands of a single large private landholder for generations. With drill permits in place, this project allows Aguila to immediately commence the exploration and discovery process.

In conjunction with the acquisition, the proposed financing will place Aguila in a strong position to explore WUSA and continue the search for other gold projects."

The LOI, signed with Mawson Resources Ltd. provides the Company with the right to earn an 80% interest in the WUSA Epithermal Gold Project, Oregon. Through exploration expenditure of US \$200,000 and completion of 600 meters of drilling during calendar 2020, the Company shall earn a 51% interest in the project. In addition, by investing a further US \$1,000,000 in exploration, by no later than by December 31, 2022, the Company shall earn an additional 29% interest in the project (80% in total). On the Company acquiring an 80% interest, the 20% holding of Mawson will be non-dilutable until a decision to mine, and Mawson shall be free carried by loans from Aguila, repayable from production cash flows. The acquisition of the WUSA Project by the Company is subject to completion of the Private Placement. The proceeds from the Private Placement will be used by the Company primarily for exploration of the WUSA Project in order to earn its interest in the project.

The WUSA Project consists of an area of interest of 150,500 hectares ("Exploration Agreement Area") within which an arm's length private landholder (the "Landholder") holds substantial property rights (Figure 1). Mawson has optioned 10,301 hectares of mineral and land rights ("fee-simple land") within the Exploration Agreement Area from the Landholder and retains the right to option further area based on exploration results. Within the Exploration Agreement Area additional areas of mineral rights owned by the Landholder total approximately 1790 hectares. Mawson press releases regarding the WUSA project from [5th November 2018](#) and [26th February 2019](#) may be found at the links provided.

Agreements signed by Mawson with the Landholder in 2018 secures 100% of the mineral rights for the WUSA project for Mawson subject to certain royalty clauses. The exploration expenditure commitments and lease payments described under the LOI between the Company and Mawson ensure the Agreement with the Landholder remains in good standing.

The Cascade Range in Oregon is underlain by Eocene to Holocene intermediate to felsic volcanic and volcanoclastics rocks erupted along the western margin of North America. Immediately adjacent to the WUSA project lies a well-mineralized district containing multiple mineral deposits including polymetallic veins (Bohemia, a gold-rush mining area discovered in 1858) and historic hot-spring style mercury mines. Placer gold mining is still undertaken within the option area.

The qualified person for the Company's projects, Mr. Mark Saxon, the Company's Chief Executive Officer, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists, has reviewed and verified the contents of this release.

About Aguila American Gold Ltd (TSX.v: AGL)

Aguila American Gold is an emerging gold company enhancing shareholder value through exploration and discovery.

ON BEHALF OF THE BOARD,

"Mark Saxon"

Mark Saxon
President & CEO

For further information, please contact:

www.aguila.gold
1305 – 1090 West Georgia St., Vancouver, BC, V6E 3V7
info@aguila.gold

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 Note Regarding Forward-Looking Statements

Certain information set out in this news release constitutes forward-looking information. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are based upon the opinions and expectations of management of the Company as at the effective date of such statements and, in certain cases, information provided or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, and that information obtained from third party sources is reliable, they can give no assurance that those expectations will prove to have been correct. Readers are cautioned not to place undue reliance on forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. Accordingly, the actual events may differ materially from those projected in the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward-looking statements, except as may be required by applicable securities laws.

Figure 1: Location of WUSA Exploration Area and Key Prospects

