



News Release

MURCHISON ANNOUNCES CLOSING OF FIRST TRANCHE OF \$2,000,000 PRIVATE PLACEMENT

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August 11, 2016 (Toronto, Ontario): Murchison Minerals Ltd. (“Murchison” or the “Company”) (CSE: MUR) is pleased to announce that further to its press release dated July 21, 2016 and the Consolidation of its Common Shares, the Company has completed the first tranche (“First Tranche”) of its previously announced non-brokered private placement (the “Offering”) through the issuance of 4,103,000 units (each a “Unit”) at a price of \$0.25 per Unit for gross proceeds of \$1,025,750 and 783,400 Flow Through Units (each an “FT Unit”) at a price of \$0.30 per FT Unit for gross proceeds of \$235,020.

Each Unit consists of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each FT Unit consists of one common share to be issued on a “flow through” basis and one half of a Warrant. Each whole Warrant will entitle the holder to purchase one common share at an exercise price of \$0.30 until August 10, 2018. All securities issued under the Offering are subject to a four-month and one day statutory hold period expiring on December 11, 2016. The proceeds from the Offering will be used by the Company to fund the exploration of its 100% owned high-grade Brabant-McKenzie zinc-copper-silver deposit in central Saskatchewan, for general administration and working capital purposes.

In connection with the closing of the First Tranche, certain eligible persons (“Finders”) were paid a cash commission equal to 7% of the proceeds raised from subscribers introduced to the Company by such Finder in the amount of \$29,575 and the Company also issued an aggregate of 112,700 broker warrants, each broker warrant entitling the holder to acquire one common share at a price of \$0.30 for a period of two years from the date of issuance.

Directors, officers and insiders participated in the First Tranche for an aggregate total of \$532,520, which constitutes a “related party transaction” as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). Such related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the related party nor the consideration being paid by the related party exceed 25% of the Company’s market capitalization. The participants in the First Tranche and the extent of such participation were not finalized until shortly prior to the completion of the First Tranche. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the First Tranche pursuant to a material change report filed at least 21 days prior to the completion of the First Tranche.

The second and final tranche of the Offering is expected to close on or before August 23, 2016.

The Company also announces that pursuant to articles of amendment dated August 10, 2016, it has consolidated its common shares on the basis of one new common share for ten old common shares (the “Consolidation”). As a result, the previously issued and outstanding 158,536,884 common shares of the Company have been consolidated into 15,853,695 common shares of the Company.

EARLY WARNING NOTICE

Prior to the completion of the First Tranche and the Consolidation, Robert McEwen, an insider of the Company owned directly and indirectly 31,975,000 common shares of the Company representing approximately 20.17 % of the issued and outstanding common shares of the Company. Upon completion of the First Tranche and the Consolidation, Mr. McEwen will own, directly and indirectly, 3,597,500 common shares of the Company representing approximately 17.35% of the Company's issued and outstanding common shares on a non-diluted basis. If Mr. McEwen was to exercise all of his convertible securities he would own, directly and indirectly, 3,997,500 common shares, representing approximately 18.91% of the Company's then outstanding common shares, on a partially diluted basis. Depending on market and other conditions, or as future circumstances may dictate, Mr. McEwen may from time to time increase or decrease his holdings of common shares or other securities of the Company. This portion of the news release is issued pursuant to National Instrument 62-103 - The Early Warning System and Related Takeover Bid and Insider Reporting Issues of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of Mr. McEwen's early warning report in respect of this transaction will be available on the Company's issuer profile on SEDAR at www.sedar.com.

The existing shares were acquired for investment purposes. Mr. McEwen may, from time to time, on an individual or joint basis, acquire additional securities of the Company, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

About Murchison

Murchison is a Canadian based exploration company with a diversified portfolio of properties, including the high-grade Brabant-McKenzie zinc-copper-silver deposit in north-central Saskatchewan, the HPM Nickel/Copper/Cobalt project in Quebec and holds gold claims in the Pickle Lake area of northwestern Ontario. Murchison also owns the Cloridorme high alumina shale formation, which is contiguous and essentially an extension of the Marin deposit of Orbite Technologies Inc. located on the Gaspé Peninsula in eastern Quebec.

Additional information about Murchison and its exploration projects can be found at www.murchisonminerals.com.

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Forward-Looking Information

Certain information set forth in this news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties. This forward-looking information is subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, the impact of general economic conditions, industry conditions, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. The parties undertake no obligation to update forward-looking information except as otherwise may be required by applicable securities law.

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