



News Release

MURCHISON CLOSSES SECOND TRANCHE OF OVERSUBSCRIBED PRIVATE PLACEMENT

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August 31, 2016 (Toronto, Ontario): Murchison Minerals Ltd. (“Murchison” or the “Company”) (CSE: MUR) is pleased to report that it has closed a \$1,307,000 second tranche (“**Second Tranche**”) of its previously announced (see July 21, 2016 press release) non-brokered private placement (the “**Offering**”) through the issuance of 1,160,000 units (each a “**Unit**”) for gross proceeds of \$290,000 and 3,390,000 flow through units (each an “**FT Unit**”) for gross proceeds of \$1,017,000. The Company also announces that the proposed Offering of \$2,000,000 consisting of 4,000,000 post-Consolidation common share units and 3,333,333 post-Consolidation flow-through units was increased to \$2,567,770 consisting of 5,263,000 Units and 4,173,400 FT Units.

Each Unit was issued at a price of \$0.25 and consists of one common share (a “**Common Share**”) and one common share purchase warrant (a “**Warrant**”) exercisable at a price of \$0.30 for 24 months. Each FT Unit was issued at \$0.30 and consists of one common share issued on a “flow through” basis and one half of a Warrant. For the Second Tranche, the Company issued 2,855,000 whole Warrants entitling the holder to purchase one common share at an exercise price of \$0.30 until August 31, 2018. All securities issued under the Offering are subject to a hold period expiring on January 1, 2017.

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 Second 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 \$84,840 and the Company also issued an aggregate of 292,600 broker warrants, each broker warrant entitling the holder to acquire one common share at a price of \$0.30 until August 31, 2018.

Following the closing of the Offering (and the consolidation of its common share on August 10, 2016), the Company currently has 25,290,095 common shares outstanding.

EARLY WARNING NOTICES

Prior to the completion of the Second Tranche, Robert McEwen, an insider of the Company owned 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. Upon completion of the Second Tranche, Mr. McEwen owns, directly and indirectly, 3,597,500 common shares of the Company representing approximately 14.22% 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 15.56% of the Company’s then outstanding common shares, on a partially diluted basis.

Prior to the completion of the Second Tranche, Donald K. Johnson, a director of the Company owned directly and indirectly 5,528,495 common shares of the Company representing approximately 26.66% of the Company's issued and outstanding common shares on a non-diluted basis. Upon completion of the Second Tranche, Mr. Johnson owns, directly and indirectly, 5,528,495 common shares of the Company representing approximately 21.86% of the Company's issued and outstanding common shares on a non-diluted basis. If Mr. Johnson was to exercise all of his convertible securities, he would own, directly and indirectly, 8,728,495 common shares, representing approximately 30.64% 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 and Mr. Johnson may from time to time increase or decrease their 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 and Mr. Johnson's early warning reports in respect of this transaction will be available on the Company's issuer profile on SEDAR at www.sedar.com.

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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