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McChip Increases Stake in Taranis Resources Inc.

Thursday, August 27, 2020

TORONTO, ONTARIO – McChip Resources Inc. (“McChip” or the “Company”) (TSX-V:MCS) announces that, on August 25, 2020 it acquired units consisting of 1,000,000 flow-through shares and 1,000,000 flow-through warrants resulting in McChip’s collective holdings of 10,497,000 shares and 6,333,333 warrants in the capital of Taranis Resources Inc. (the “**Reporting Issuer**”), a TSX-V listed company. These warrants entitle McChip to purchase flow-through shares of the Reporting Issuer as follows:

- (a) 2,000,000 warrants are exercisable at \$0.15 per share until September 18, 2020,
- (b) 2,000,000 warrants are exercisable at \$0.10 per share until August 28, 2021,
- (c) 1,000,000 warrants are exercisable at \$0.15 per share until August 25, 2022, and
- (d) 1,333,333 warrants are exercisable at \$0.15 per share until December 29, 2022.

Immediately prior to the acquisition, McChip owned 9,497,000 Shares representing approximately 13.36% of the then issued and outstanding Shares. The recent acquisition increases McChip’s position in the Shares of the Reporting Issuer by 1,000,000 Shares to 10,497,000 Shares or approximately 14.26% of the current issued and outstanding Shares of the Reporting Issuer.

The securities were acquired by means of a private placement. McChip has acquired the shares for investment purposes, and may acquire further Shares, or dispose of its holding of the Shares, both as investment conditions warrant. The reporting issuer is listed on the TSX Venture Exchange under the symbol “TRO”.

About McChip

McChip celebrates eighty five years of continual business operations in 2020 Prior to a name change in 1981 the company operated as Madsen Red Lake Gold Mines Limited. The company is listed on the TSX Venture Exchange and has 5,660,096 common shares issued and outstanding.

For further information contact:

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Neither the TSX 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 news release.

Certain statements in this news release constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information contained in forward-looking statements can be identified by the use of words such as “are expected”, “is forecast”, “is targeted”, “approximately”, “plans”, “anticipates”, “projects”, “continue”, “estimate”, “believe” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. This news release contains forward-looking information regarding: (i) the expectations relating to whether a transaction will be consummated, including, without limitation, whether conditions to the consummation of the transaction will be satisfied, or the timing for completing the transaction; and (ii) expectations for the effects of the transaction or the ability of the Company to successfully achieve business objectives, including the effects of unexpected costs, liabilities or delays, and if the transaction is completed, the ability of the Company to allocate the net proceeds as stated above. Forward-looking information involves a number of known and unknown risks and uncertainties, which, if incorrect, may cause actual results to differ materially from those anticipated by the Company, including, without limitation, the risks that the transaction as described in the Agreement may not be completed and the parties may be unable to realize on the anticipated benefits of the transaction. Accordingly, readers should not place undue reliance on forward-looking information.

For additional information with respect to these and other factors and assumptions underlying the forward-looking information made in this news release, see the Company’s most recent management’s discussion and analysis, as well as other public disclosure documents that can be accessed under the issuer profile of “McChip Resources Inc.” on SEDAR at www.sedar.com. The forward-looking information set forth herein reflects the Company’s reasonable expectations as at the date of this news release and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.