



## MAG COPPER ANNOUNCES REDUCTION OF DEBT

**Toronto, Ontario** – June 8, 2016 – Mag Copper Limited ("**Mag Copper**" or the "**Company**") ("**QUE**"- CSE) is pleased to announce that it has reached an agreement with arms-length and non-arm's length debt holders to forgive and settle an aggregate of \$412,189.74 of debt through the issuance of 8,243,794 common shares of the Company (the "**Common Shares**") at a price of \$0.05 per Common Share (the "**Debt Settlement**") with the balance of the debt being forgiven by certain creditors. All Common Shares issued in connection with the Debt Settlement are subject to a four month and one day statutory hold period.

Mr. Terry Loney, a director of the Company, acquired 3,775,154 Common Shares in connection with the Debt Settlement. Mr. Loney will own or control directly, an aggregate of 4,100,554 Common Shares representing approximately 17.1% of the issued and outstanding Common Shares of the Company. Mr. Loney holds stocks options to acquire 80,000 Common Shares (the "**Stock Options**") of the Company. If Mr. Loney were to exercise all of his Stock Options he would own and aggregate of 4,180,554 Common Shares, representing approximately 17.5% of the Company's then outstanding Common Shares on a partially diluted basis.

Wolf Mountain Diamond Drilling Inc., a company controlled by Kyle Loney, acquired 4,468,640 Common Shares in connection with the Debt Settlement. Mr. Kyle Loney will own or control, directly and indirectly, an aggregate of 4,468,640 Common Shares, representing approximately 18.7% of the issued and outstanding Common Shares of the Company.

A copy of Mr. Terry Loney's and Mr. Kyle Loney's early warning reports in respect of this transaction will be available on the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), the Debt Settlement constitutes a "related party transaction" as related parties of the Company will receive 8,243,794 Common Shares of the Company. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, based on the fact that the securities of the Company are only listed on the Canadian National Stock Exchange and the determination that the fair market value of the transaction, insofar as it involves related parties, does not exceed 25% of the market capitalization of the Company. A material change report will be filed less than 21 days before the closing date of the transaction. This shorter period was reasonable and necessary in the circumstances to allow the Company to improve its financial position by reducing its accrued liabilities.

For more information, please contact:

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*The Canadian National Stock Exchange has not reviewed this press release and does not accept responsibility for the adequacy or accuracy of this news release.*

*This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.*