



**CANAMEX GOLD CORP  
NEWS RELEASE**

**Corporate Update**

**Vancouver, British Columbia / October 25, 2019 - Canamex Gold Corp. (CSE: CSQ) (the “Company” or “Canamex”)** provides a general corporate and market update as follows.

**Change of Transfer Agent**

The Company’s registrar and transfer agent services for its common shares has been changed, with the termination of this service provision by Computershare, and the appointment of National Securities Administrators Ltd.(“National”). This decision was made by the Company in order to reduce the costs of share registry administration and transfer agent services, without compromising quality of service and compliance. Further details on National are available here: <https://www.transferagent.ca>

**Sale of Royalty Interest**

The Company, through its 100% owned subsidiary Canamex Resources US Inc. has sold a 0.5% Net Smelter Royalty Interest (the “NSR”) against the Bruner project, for the sum of \$USD 150,000, to Gregory Hahn Revocable Trust (the “buyer”), an entity controlled by Gregory Hahn. The funds will be used for working capital purposes.

As a related party transaction under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”), the board of directors, with Mr. Hahn declaring his interest and abstaining from voting, considered and approved the sale of the NSR. At the time the sale was agreed to, the fair market value of the consideration paid for the NSR was less than 25% of the market capitalization of the Company. As a result, the sale is exempt from the minority approval and valuation requirements contained in MI 61-101.

**Silverton Exploration Project**

In October 2017 the Company acquired the Silverton exploration project, consisting of 70 unpatented lode mining claims totaling approximately 1400 acres, located in Nye County, Nevada. The Company has determined not to continue payment of BLM claim maintenance fees on the claims; and so has relinquished the Silverton project back to the claims title holder.

**SILVERUSA Closing**

On October 3, 2018 the Company opened a non-brokered private placement (“PP”) to accredited investors, of SILVERUSA Security Tokens via a Security Token Offering (“STO”). This PP was suspended to subscriptions on May 6th, 2019 when the BCSC imposed a cease trade order on the Company’s securities. No further subscriptions were or will be accepted by the Company after that date, and the PP will close immediately upon the cease trader order being lifted and revocation order issued. SILVERUSA tokens

subscribed in the PP will be issued, and subject to a 4-month and 1-day hold period, in accordance with National Instrument 45-102 Resale of Securities.

### **Office Holders**

The Board of Directors has resolved on September 27th 2019, to make changes to the management team of the Company. As a result, the officers of the Company currently are as follows:

David Vincent: President and CEO  
Gregory Hahn: Vice President  
Mike Stark: Chairman  
Dong H. Shim: CFO and Corporate Secretary

### **Supply of Services Agreement**

The Company has executed a 12 month Supply of Services Agreement (the “Services Agreement”) with Blockchain Labs Asia Ltd, a company incorporated in Malaysia, who specialise in digital securities and the tokenization of assets. The scope of services to be provided to the Company under the Services Agreement includes the following:

- a) Upgrade of security tokens to be ERC-1400 compliant.
- b) Review of and improvements to all marketing materials, website, social media channels.
- c) Organisation of and preparation for investor roadshows.
- d) Marketing and PR campaign including organisation of roadshow appointments, bookings.
- e) Attending and arranging Company roadshows in Hong Kong, Seoul and Singapore.
- f) The private placement of any Company future security token primary market offerings with selected online portals and the full administration of this process.
- g) Register Company security tokens for potential future listing on a regulated digital securities exchange with full licences and liquidity engines in place.

### **Risk Disclosures**

#### **Equity Interest**

The GOLDUSA and SILVERUSA tokens do not give the token holder any equity or other interest in the Company equivalent to a holder of common shares including, for greater certainty, a right to participate in the profits or the distribution of assets of the Company, nor any voting rights in any meeting of the security holders of the Company. Holders of tokens are only entitled to delivery of gold or silver, on redemption request, pursuant to the terms of the GOLDUSA and SILVERUSA token offerings.

#### **The Bruner Project**

As the Company is still in the development phase with its Bruner gold and silver project, in Nevada, it has yet to produce any gold or silver. The Company has not yet made a production decision, and needs to advance the project through permitting and feasibility, the results of which are anticipated to support a production decision upon completion. Whilst the 2018 updated PEA is positive, and recommends advancing the project through permitting and feasibility, it is based upon mineral resources only, and not mineral reserves. The results of a feasibility study may differ from the results of the PEA. Therefore, GOLDUSA and SILVERUSA tokens linked to the production of such mineral resources is speculative, as there is no definitive time horizon in which commercial production of such resources could commence; given that there is no definitive feasibility study demonstrating economic production.

## **Share Holders**

GOLDUSA and SILVERUSA tokens are effectively long-term royalty interests on the Bruner project, which will require the delivery of gold and silver if or when commercial production is achieved. Holders or potential purchasers of common shares of the Company should be aware that a GOLDUSA and SILVERUSA token holder will receive gold and silver, if or when commercial production is achieved and after redemption of gold and silver are satisfied, the Company could sell any remaining resources available.

## **Accounting**

Companies continue to look to alternative sources of finance and creative deal structures for growth and funding. These have included joint arrangements, divestments, mergers, streaming, royalty deals and offtake-linked pre-financing. New investment vehicles have emerged in this alternative finance space to take advantage of investor demand for commodity exposures and the companies' demand for funding. Alternative finance, by its nature innovative and deal specific, does not find a natural 'home' in the IFRS accounting standards. Each arrangement is unique and there is no 'one size fits all'. There is no 'industry guidance' in IFRS that sets out the accounting for these structures. The legal form of the GOLDUSA AND SILVERUSA token offering is a contract to buy a non-financial item, the specified commodity, which in this case is gold or silver.

The settlement is in gold or silver bullion, but is contingent on successful commercial production from the Bruner Gold project, and there is no compensation if development is unsuccessful. Therefore, this is like a royalty model, but different in that there is no percentage of production acquired via a royalty arrangement, but a fixed volume of metal production that is acquired, via the GOLDUSA and SILVERUSA tokens. A GOLDUSA and SILVERUSA token holder's right to delivery is dependent on successful development of the mine and extraction of minerals specific to the property, like a royalty.

A GOLDUSA and SILVERUSA token holder has no contractual right to enforce development of the mine. A GOLDUSA and SILVERUSA token holder has no contractual rights if the other party fails to develop the mine and does not start production. Therefore, the GOLDUSA and SILVERUSA token holder is exposed to risks that would not be typical in a financial instrument.

## **Market Risk**

Gold and silver bullion are traded internationally and prices are generally quoted in U.S. dollars. The price of gold and silver may be affected at any time by many international, economic, monetary and political factors, many of which are unpredictable. The value of the GOLDUSA and SILVERUSA tokens relates directly to the value of gold and silver, and fluctuations in the price of gold and silver. Therefore, if the price of gold and silver declines, the Company expects the value of the GOLDUSA and SILVERUSA tokens to decline.

## **Suitability**

Prospective purchasers need to independently determine the suitability of investing in GOLDUSA and SILVERUSA tokens. Prospective purchasers should determine whether an investment in GOLDUSA and SILVERUSA tokens is appropriate to their financial circumstances and should consult with their legal, business and tax advisers in evaluating the consequences of an investment in the GOLDUSA and SILVERUSA tokens. An investment in GOLDUSA and SILVERUSA tokens is only suitable for investors who: (i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in GOLDUSA and SILVERUSA tokens; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; and (iii) can bear the potential economic risks of any investment in the GOLDUSA and SILVERUSA tokens.

## About Canamex

Canamex is a public listed company registered in British Columbia, Canada, trading on the Canadian Securities Exchange (CSE:CSQ), and is engaged in pre-development of the Bruner gold and silver project in the prolific gold jurisdiction of Nye County, Nevada. The region is home to several producing and past-producing mines along the Walker Lane Trend. Canamex completed a positive Preliminary Economic Assessment (PEA) on the Bruner project in 2016. Based on additional drilling conducted on the property, the company completed an updated PEA in 2018, which increased the resources and improved the economics of the project. Canamex is now moving the Bruner project forward into permitting and development on the strength of this positive updated PEA. Further information is available at <https://canamexgold.com/>

Greg Hahn, Vice President, and a Certified Professional Geologist (#7122) is the Qualified Person under NI43-101 responsible for preparing and reviewing the data contained in this press release.

On Behalf of the Board

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### FORWARD LOOKING INFORMATION

*This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release are forward-looking statements that involve various risks and uncertainties. Forward-looking statements in this release include statements with respect to future services to be provided to the Company, updates to the Company's tokens and future issuances of security tokens, and other future plans, objectives or expectations of the Company. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include the availability of capital and financing required to continue the Company's operations; uncertainty regarding the performance by other entities of contractual obligations; general economic, market or business conditions; competition and loss of key employees; regulatory changes and restrictions; timeliness of government or regulatory approvals; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. In connection with the forward-looking information contained in this release, the Company has made numerous assumptions. Canamex expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.*