

VANCOUVER, BC / ACCESSWIRE / March 4, 2016 / [Canamex Resources Corp.](#) (TSXV: CSQ) (OTCQX: CNMXF) (FSE: CX6.F) ("Canamex") is pleased to announce the positive results of the Preliminary Economic Assessment ("PEA") on the Bruner Gold Project in Nye County, Nevada. The Bruner Gold Project is currently a 70/30 joint venture between [Canamex Resources Corp.](#) and Patriot Gold Corporation with Canamex as the majority owner and manager of the joint venture. All dollar references are in US dollars. The current exchange rate is Cdn\$1.34 = US\$1.00.

The Company is pleased to announce results of the PEA on a 100% ownership basis for the Bruner Gold Project in Nevada. The key outcomes of the study include:

- Pre-tax net present value at 5% discount rate (NPV5) of \$61 million;
- Low initial capital of \$33.4 million;
- Pre-tax IRR of 42.1% at \$1250 gold price;
- Attractive after-tax IRR of 39.0% and NPV5% of \$54.9 million;
- Average annual gold production of 46,500 ounces and 44,600 ounces of silver; and
- Average cash cost of \$550/oz. of gold produced for the first two years of operation and \$818/oz. thereafter, over a 6-year mine life with a two-year tail of gold and silver recovery after mining.

The PEA was prepared by Welsh-Hagen Associates of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"), and based upon the maiden NI43-101 resource for the project released in March 2015. The initial NI43-101 resources remain open in multiple directions and are amenable to expansion with additional drilling.

"Completion of this Preliminary Economic Assessment is an important milestone. I believe we will be able to move the Bruner Gold Project forward into permitting and development on the strength of this positive PEA. The project includes the fundamental elements we consider important to investors when building a mine: low capital and operating costs, and a reasonable rate of return in the current price environment. We can now move ahead with permitting and engineering the project for development," said Mark Billings, Chairman and Chief Executive Officer of Canamex Resources.

Highlights of the Preliminary Economic Assessment include:

- Estimated initial capital expenditures of \$33.4 million
- Pay-back period of nominally 1.25 years at \$1,250/oz gold. Pre-tax IRR of 42.1% and after-tax IRR of 39.0% at \$1,250/oz gold
- Average annual gold production of 46,500 oz at a cash cost of \$550/oz. for the first two years and \$818/oz. thereafter for an average cash cost of \$796/oz.
- Contract mining with room for significant improvement on mining costs with owner operated mining
- Facility siting and first two years of production entirely on patented claims to allow for a streamlined permitting process
- Oxide heap leach processing with 90% recovery of gold on single stage crushed material and 75% recovery of gold on run of mine (ROM) material

Life-of-mine (LOM) production of crushed material of 14.5 million tonnes at a gold grade of 0.66 gpt (0.020 opt) and 2.5 million tonnes of ROM material at a gold grade of 0.16 gpt (0.005 opt) resulting in 288,100 ounces of payable gold and 278,100 ounces of payable silver.

Canamex cautions that the PEA is preliminary in nature in that it includes Inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

#### Financial Analysis

The PEA base case uses a gold price of \$1,250/oz. and generates a pre-tax net present value (NPV5%) of \$61 million, a pre-tax IRR of 42.1%, and an average annual pre-tax net cash flow from operations of \$10.5 million for the eight years of gold recovery. A preliminary after-tax model based on a 100% ownership basis, and not taking into account any non-project deductible expenses, corporate tax credits, or tax-loss carryforwards at the company level returns an after-tax IRR of 39.0% and an after-tax NPV5% of \$54.9 million. This calculation takes into account the Nevada Net Proceeds Tax, and federal and state income taxes, after allowance for accelerated depreciation of initial and sustaining capital, and depletion allowance.

Complete project break-even (nil IRR) is reached at a gold price of \$954.50/oz., although the first two years of operation have a break-even gold price of \$784/oz. The mine production schedule is developed such that a decision whether or not to proceed with the higher cost Penelas pit development can be made based upon prevailing gold price at the time, after the first two years of production and payback of initial capital, and sufficient net cash flow is generated to pay for the pre-stripping of the Penelas deposit.

Table 1: Pre-Tax Economic Sensitivity

	Base Case
\$1,250/oz. gold	Upside Case
\$1,375/oz. gold	

"gpt" means grams per metric tonne, "opt" means ounces per short ton, "oz" means ounce(s), "IRR" means Internal Rate of Return

#### Mining and Processing

The Bruner Gold Project PEA was prepared as an open pit mining project. Contractor mining is assumed, using an average of current contractor mining rates for similar sized projects in Nevada. There is considerable room for improvement of the unit mining costs by properly engineering and quantifying haul road distances and grades and considering owner operated mining in further studies. Material grading greater than 0.192 gpt gold will be crushed in a single stage jaw crusher and conveyed onto the leach pad. Material grading between 0.117 and 0.192 gpt gold will be truck dumped on the leach pad and leached run-of-mine (ROM). Crushed material will be processed at a rate of approximately 7500 tonnes per day and conveyed onto a conventional heap leach pad, with solution reporting to an adsorption-desorption recovery (ADR) carbon plant producing a gold-silver doré product. Recoveries used in the PEA include 90% on gold for single-stage crushed material, 75% on gold for ROM material, and 10% on silver for all material processed. Doré will be approximately 50:50 gold and silver.

Over the mine life, production will total approximately 17 million tons of material at a gold grade of 0.59 gpt for a total payable of 288,100 oz. of gold and 278,100 ounces of silver. Leached material will require 2 lbs/ton lime for pH adjustment and 0.2 lbs/ton sodium cyanide consumption. The conceptual production schedule is as follows:

Table 2: Conceptual Production and Processing Summary

(000's)	Year	Gold	Tonnes	
Grade		Contained		
(gpt)		Recovered		
Gold (oz)		Silver		
Grade		Contained		
(gpt)		Recovered		
Silver (oz)				
Silver (oz)	1		3,550	0.51

#### Notes:

- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

#### Capital and Operating Costs

Initial capital is estimated at \$33.4 million, including \$3.3 million for contingencies, and \$4 million for a reclamation bond plus \$7.2 million for working capital. Additional capital expenses such as a heap leach pad expansion and pre-stripping of the Penelas pit bring the total LOM capital required to \$47.6 million. The PEA assumes contractor mining with the contractor providing all mining equipment, maintenance, fuel and explosives.

Operating costs were estimated based on process design criteria, current contractor mining rates at similar sized projects in Nevada, grid power available from NV Energy's transformer located in Gabbs. All costs are in Q1 2016 dollars. Average cash costs are \$550/oz, for the first two years of operation and \$818/oz, thereafter and break-even gold prices are \$784/oz and \$1,073/oz respectively, or \$954.50/oz life-of-mine.

Table 3: Capital Cost Summary

Capital	Capital Items (US\$)	Initial Capital Mine	Sustaining \$5.7 mill
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Table 4: Operating Cost Summary

produced (net of silver)	Cost per tonne processed	Cost per payable o
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(3) Cash cost is calculated by dividing total life-of-mine production costs by total ounces produced.

(4) All-in cost is calculated by dividing the sum of all capital, operating, and reclamation costs by total ounces produced.

#### Permitting & Property Location

The Bruner Project in Nye County, Central Nevada, is located on both patented lands and on public lands managed by the Bureau of Land Management (BLM) Carson City Office. The BLM and the Nevada Division of Environmental Protection (NDEP) will be the primary regulatory agencies responsible for ensuring environmental protection as the Bruner Project progresses through permitting and approval processes.

While the project manager has had preliminary discussions with both agencies regarding an initial mine development plan on the project, formal Mining Plans of Operations have not been submitted yet, and baseline studies to support permit applications have not yet commenced. The Company expects that baseline studies to support an Environmental Assessment will commence in the spring of 2016, and permit applications will be prepared during the course of 2016. All other applicable State and Local permits will also be applied for in due course. It is anticipated that permitting for the project will take approximately 18 months to complete. The Company has already secured rights from the State of Nevada for adequate water necessary to conduct mining activities. The approved water rights will be sufficient for life-of-mine operations.

The Bruner Project is located within the Walker Lane gold trend. The nearest mines are the Rawhide Mine located approximately 30 miles to the west which was operated by Kennecott Minerals and produced in excess of 1.7 million ounces of gold and 17 million ounces of silver between 1980 and 2005, and the Paradise Peak Mine, located about 30 miles to the south, which was operated by FMC and produced in excess of 1.5 million ounces of gold and 20 million ounces of silver between 1980-2000.

#### Resource Estimate

The NI 43-101 compliant resource estimate included in the PEA was built upon on prior work in 2015 by William Tanaka and reviewed by Randy Martin as part of this PEA and is comprised only of gold resources that fall within the boundaries of conceptual pits. The Tanaka grade models for HRA and Penelas have been retained, but the Paymaster model was updated to reflect additional drilling and corrections to the collar location of two older drill holes. The Resource has been updated to reflect refinements in relevant economic parameters.

#### Table 6: Mineral Resource Statement

##### Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
- Resources stated as contained within a potentially economic minable open pit design or cone shell; pit design parameters are: \$1,250/oz Au, 90% gold recovery for crushed material, 10% silver recovery, \$2.70/tonne mining cost \$4.23/tonne processing + G&A cost, 55 degree inter-ramp pit slopes. Resources are reported using a 0.006 oz/t (0.192 gpt Au equiv) gold cutoff grade for crush material, and a 0.004 oz/t (0.117 gpt Au equiv) gold cutoff grade for ROM material.
- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding. Tonnages have been rounded to nearest 50 k-tonnes. Grades have been rounded to nearest 0.01 gpt. Contained ounces have been rounded to nearest K-oz.
- HRA Resource is based on designed pit for \$1350 Au Price Cone Shell.
- Penelas Resource is based on designed pit for \$1350 Au Price Cone Shell.
- Paymaster Resource is based on \$1350 Au Price Cone Shell (no design).
- External Breakeven Cutoff is the cutoff where value of metal recovered equals the cost of mining and processing.
- Internal Breakeven Cutoff is the cutoff where value of metal recovered equals the cost of processing.

RESOURCE ABOVE EXTERNAL BREAKEVEN CUTOFF				
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		K-tonnes	Au	
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		HRA	4050	0.6
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		K-tonnes	Au	
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		HRA	1450	0.1
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		K-tonnes	Au	
grade				
gpt	Ag			
grade				
gpt	Cont'd			
Au k oz	Cont'd			
Ag k oz		Total	14050	

#### Further Optimization, Cost Reductions, and Project Potential

The Company believes there are opportunities to further improve the economics of the Bruner Project through continued exploration, reductions in mining costs through detailed engineering and owner operated mining, detailed engineering of the Penelas pit design and possible pre-split blasting to increase pit slopes and minimize waste mining, and potential increases in silver extraction through further metallurgical testing.

Metallurgical test work will continue during the feasibility and permitting progresses.

#### Recommendations

WHA recommends the following work on the basis of the positive results of the PEA:

- Additional drilling to improve the confidence of the inferred resources to indicated resources, and to test the open extensions of the current resources
- Column leach tests on large diameter core from the Paymaster and Penelas resource areas,
- Commencement of permitting with the State of Nevada and the US BLM,
- Engineering sufficient to support a feasibility study to develop the project as outlined in this PEA,
- Perfection of the water rights granted by the State of Nevada to secure them for development.

The recommended work program is expect to cost \$3.5 million.

#### QUALIFIED PERSONS

John Welsh, P.E., Rusty Hufford, P.E. (SME-RM), Carl Nesbitt, (SME-RM), Doug Willis (CPG) and Randy Martin (SME-RM) are the Qualified Persons as defined under NI 43-101 representing Welsh Hagen Associates and have reviewed the contents of this press release for accuracy of the technical and economic information presented. The report titled "NI 43-101 Technical Report

on the Bruner Gold Project Preliminary Economic Assessment, Nye County, Nevada" with an effective date of February 29, 2016 has been prepared by Welsh Hagen Associates, an independent geological consulting firm with a local office in Reno, Nevada. This report will be available on SEDAR ([www.sedar.com](http://www.sedar.com)) within 45 days.

The technical contents of this news release has been reviewed and approved by Gregory A. Hahn, President and COO of [Canamex Resources Corp.](http://www.canamexresources.com), CPG#7122, a Qualified Person as defined by Canadian Securities Administrator National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

ON BEHALF OF THE BOARD OF  
CANAMEX RESOURCES CORPORATION

SIGNED: "Mark Billings"

Mark Billings, Chairman and CEO  
Contact: (514) 296-1641, [mark@marengomgt.com](mailto:mark@marengomgt.com)

Neither the TSX Venture 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 release.

#### CAUTIONARY NOTE TO US INVESTORS REGARDING RESOURCE ESTIMATION

Canamex Resources prepares its resource estimates in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 (NI 43-101). These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, Canamex Resources reports measured, indicated and inferred resources, measurements, which are generally not permitted in filings made with the SEC. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that any part of measured or indicated resources will ever be converted into economically mineable reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

#### CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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 news release include statements in relation to the timing, cost and other aspects of the planned 2016 program on the Bruner property; the potential for development of the mineral resources; the potential mineralization and geological merits of the Bruner property; 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 risk that actual results of current and planned exploration activities, including the results of the Company's 2016 drilling program(s) on the Bruner property, will not be consistent with the Company's expectations; the geology, grade and continuity of any mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; fluctuating metals prices; possibility of accidents, equipment breakdowns and delays during exploration; exploration cost overruns or unanticipated costs and expenses; uncertainties involved in the interpretation of drilling results and geological tests; availability of capital and financing required to continue the Company's future exploration programs and preparation of geological reports and studies; delays in the preparation of geological reports and studies; the metallurgical characteristics of mineralization contained within the Bruner property are yet to be fully determined; general economic, market or business conditions; competition and loss of key employees; regulatory changes and restrictions including in relation to required permits for exploration activities (including drilling permits) and environmental liability; 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 news release, the Company has made numerous assumptions, including that the Company's 2016 programs will proceed as planned and within budget. The Company 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.

SOURCE: [Canamex Resources Corp.](http://www.canamexresources.com)