

# MX Gold Signs Definitive Agreement to Sell Interest in Magistral Joint Venture and Announces Change of Officer

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VANCOUVER, British Columbia, May 11, 2018 (GLOBE NEWSWIRE) -- [MX Gold Corp.](#) (TSX-V:MXL) (FSE:ODV) (OTCQX:MXLGF) (the "Company" or "MX Gold") announces that, further to its news release dated April 5, 2018, it has entered into a definitive agreement dated May 9, 2018 (the "Magistral Agreement") whereby, subject to the closing thereof, the Company has agreed to sell its 50% beneficial interest in the Mexican Magistral Project ("Magistral") for a purchase price of US\$4.5 million.

The Magistral Agreement is in addition to the other four previously disclosed binding agreements that collectively propose to sell the Company's entire mining portfolio in an arm's length transaction to a private company for the aggregate purchase price of approximately CDN\$14,952,000. The Company intends to use the funds to expand its existing and successful cryptocurrency mining pilot project of 360 mining units through the purchase of an additional 2,000 mining units under its existing lease arrangements located in Manitoba. The proposed sale of its mineral exploration assets and expansion of its cryptocurrency business (together, the "Transaction") will constitute a Change of Business as defined by the policies of the TSX Venture Exchange (the "Exchange").

## *The Magistral Agreement*

Pursuant to the terms of the Magistral Agreement, US\$3.75 million is payable on the closing date and US\$750,000 is payable on or prior to May 14, 2018 into escrow. Of the escrowed amount, US\$250,000 will be held as a deposit towards the purchase price (the "Deposit"); US\$250,000 will be held as a holdback for a period of six months following the closing date (the "Holdback") and US\$250,000 as a remainder (the "Remainder"). Upon closing, the Holdback will continue to be held in escrow and the Deposit and the Balance will be released to the Company. If closing does not occur on or prior to May 15th, and neither the Company nor its joint venture partner (who is simultaneously selling its interest in Magistral) is in breach of the Magistral Agreement, then the Holdback and the Balance will be returned to the purchaser and the Deposit will be released to the Company. If closing does not occur on or before May 15th and either the Company or its joint venture partner are in breach, then the entire escrow amount will be returned to the purchaser.

Closing is subject to certain conditions precedent including the simultaneous acquisition by the purchaser of the Company's joint venture partner's interest in Magistral and approval by the Exchange. Unless extended by all parties, the Magistral Agreement terminates if closing has not occurred on or prior to May 15, 2018.

The Company has also entered into a Liability Sharing Agreement with its joint venture partner, whereby the parties have agreed to share certain liabilities on a 50/50 basis that relate to the joint venture project incurred from the commencement of the joint venture to the closing date of the Magistral Agreement.

## *Previously Disclosed April 5, 2018 Agreements*

The Company has entered into the following agreements which were previously disclosed in the Company's April 5, 2018 news release, each of which are subject to the closing of the Magistral Agreement:

- Reimbursement Agreement dated April 5, 2018, whereby the purchaser has agreed to pay the Company an additional US\$3,525,000 as reimbursement for funds advanced by the Company in connection with the joint venture.
- FortyTwo Metals Share Purchase Agreement dated April 5, 2018, whereby the Company has agreed to sell to the purchaser all of the issued and outstanding shares of its wholly-owned subsidiary FortyTwo Metals Inc. ("FortyTwo") for a purchase price of CDN\$3,000,000. FortyTwo holds the past producing MAX molybdenum mine and mill located in British Columbia and a CDN\$730,000 reclamation bond for the MAX property held with the British Columbia Ministry of Mines. FortyTwo is also subject to certain legacy liabilities associated with prior operations.
- Midas Property Purchase and Sale Agreement dated April 5, 2018, whereby the Company has agreed to sell the purchaser the early stage Midas Property in British Columbia for a purchase price of CDN\$1,600,000.
- Willa Property Purchase, Sale and Assignment Agreement dated April 5, 2018, whereby the Company has agreed to sell the purchaser the advanced stage Willa Property in British Columbia for a purchase price of CDN\$1 and assign certain legacy obligations associated with the Willa Property, including a net smelter royalty, advance royalty payments, and the requirement to retransfer the property back to the original optionors if the property is not in commercial production on or prior to September 28, 2020 with the underlying mineral claims in good standing for a period of not less than three years.

#### *Change of Officer*

The Company also announces that, effective May 7, 2018, Hugh Charles McPherson has resigned from his position as President and Chief Operating Officer, but will continue as a member of the Company's board of directors. The Company does not anticipate further changes to its management team or board of directors in connection with the Transaction at this time.

#### *Change of Business*

The Company anticipates that the Transaction will be subject to shareholder approval in accordance with Exchange policies and intends to prepare and file a Filing Statement setting out the material terms of the proposed Transaction in due course. The Company intends to obtain such approval by way of written consent. In the event that the Company determines that the Transaction also requires shareholder approval under the *Business Corporations Act* (British Columbia), the Company intends to proceed with the closing of the Transaction and delay the closing of the Willa Property sale until such approval is obtained. The Transaction is also subject to the Sponsorship requirements of the Exchange. The Company intends to seek an exemption from the Sponsorship requirements and if one is not available, it intends to seek a waiver from such requirements.

Upon the closing of the Transaction, the Company anticipates it will be listed as a Tier 2 Technology Issuer with the Exchange. As the Company is proposing to sell its current mineral exploration business for cash, no securities will be issued in connection with the Transaction, no changes to the board or management team is expected at this time and no new insiders will be created in connection with the Transaction. The Company is currently subject to a Cease Trade Order due to the failure to file a Technical Report on its Magistral joint venture interest and MAX property. However, the Company intends to apply for an application to revoke the Cease Trade Order following the closing of the Transaction and the sale of such property interests. The Company may elect to change the name of the Company in connection with the closing of the Transaction but the board of directors has not finalized such a change at this time.

On behalf of the Board of Directors,

*"Dan Omeniuk"*

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*Statements in this news release that are not historical facts are forward-looking statements. Forward-looking statements are statements that are not historical, and consist primarily of projections - statements regarding future plans, expectations and developments. Words such as "expects", "intends", "plans", "may", "could", "potential", "should", "anticipates", "likely", "believes" and words of similar import tend to identify forward-looking statements. Forward-looking statements in this news release include the expectation that the Company: (i) may close the Magistral Agreement and the other April 5th agreements; (ii) satisfy or waive all closing conditions and close the Transaction, including the requirement to obtain Exchange approval; (iii) may successfully revoke the Cease Trade Order; (iv) may obtain shareholder approval under Exchange policies and applicable corporate laws to close the Transaction; (v) may successfully acquire additional mining units as and when required to implement its cryptocurrency mining business plan. All of these forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation that: (i) the Company is unable to close the Transaction for any reason, including inability to obtain Exchange or shareholder approval; (ii) the Company is unable to revoke the Cease Trade Order; (iii) the Company is unable to successfully implement its proposed business plan; and (iv) other risks and uncertainties identified under the heading "Risk Factors" in the Company's continuous disclosure documents filed on SEDAR. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. The Company cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. These forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.*

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.*

*Neither the TSX Venture Exchange Inc. nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this press release.*

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