

Closing of GOLDUSA Security Token Offering, Returns to Treasury and Amended Agreement

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[Canamex Gold Corp.](#) (the "Company" or "Canamex") (CSE: CSQ) announces that, further to its news release of September 19, 2018, the Company closed its non-brokered private placement of GOLDUSA tokens ("GOLDUSA tokens") via a Security Token Offering ("STO") and issued a total of 22,000,000 GOLDUSA tokens at a price of USD\$4.00 / CAD \$5.00 per GOLDUSA token for aggregate deemed proceeds of CAD\$109,975,631 on October 31, 2018. In connection with the STO, total of 20,000,000 GOLDUSA tokens were issued to Harmonychain AS ("Harmonychain"), a technology provider of the Company. However, subsequent thereto, 19,809,524 of such GOLDUSA tokens were returned to treasury when the Company's agreement with Harmonychain (described below) was amended, which resulted in a total of 190,476 GOLDUSA tokens being paid to Harmonychain for technology and services provided, as further detailed below.

In total, the Company has 2,190,476 GOLDUSA tokens issued and outstanding pursuant to the STO. The total value of the GOLDUSA tokens issued to date is CAD \$9,975,631, with such GOLDUSA tokens issued for cash and/or the settlement of debts and other balance sheet liabilities including the issuance of 1,799,381 GOLDUSA tokens to a subsidiary of the Company on a deferred settlement basis. All GOLDUSA tokens issued by the Company are subject to a 4-month and 1-day escrow period, in accordance with National Instrument 45-102 Resale of Securities. The GOLDUSA tokens issued have been delivered by the Company to an escrow wallet under the control of ChainDelivery Royalties Corp. ("Chain"), a 100% owned subsidiary of the Company. After the 4-month and 1-day escrow period is completed, these GOLDUSA tokens will be delivered to subscriber wallets by Chain. No finder's fees were paid in connection with the STO.

As part of the STO, insiders of the Company subscribed for 23,369 GOLDUSA tokens. In particular, Gregory Hahn, President, COO and a director of the Company, subscribed for 18,431 GOLDUSA tokens; Mike Stark, Chairman and a director of the Company, subscribed for 938 GOLDUSA tokens directly and 1,000 GOLDUSA tokens through a company he controls, and Guy P. Dancosse, a director of the Company, subscribed for 3,000 GOLDUSA tokens. As a result, the STO is a related party transaction (as defined under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101")). The Company relied upon the "Issuer Not Listed on Specified Markets" and "Fair Market Value Not More Than \$2,500,000" exemptions from the formal valuation and minority shareholder approval requirements, respectively, under MI 61-101.

Following the closing of the STO on October 31, 2018, the Company entered into an amended agreement (the "Addendum") with Harmonychain dated December 10, 2018. As a result of entering into the Addendum, Harmonychain has returned a total of 19,809,524 GOLDUSA tokens to the Canamex treasury for future issuance, leaving Harmonychain with a balance issued of 190,476 GOLDUSA tokens. The total revised distribution is now 2,190,476 GOLDUSA tokens, from the STO. The Addendum clarifies that the value of the Harmonychain assets acquired does not change but specifies the timing of the payments to be made for such intellectual property rights; being 2/21 of the value of GOLDUSA tokens sold in each tranche.

Agreement with Harmonychain Relating to Intellectual Property

The Company and Harmonychain have entered into an agreement dated November 24, 2017 granting Canamex and its wholly owned subsidiary Chain an exclusive license for all intellectual property and patents pending and trademark applications ("IPR") belonging to Harmonychain for blockchain Platform Smart Contract Asset Backed Tokens ("Tokens") within the two mining and metals business segments of Gold and Silver. The original agreement with was amended on June 1, 2018. both the original agreement and the amended agreement with Harmonychain have been filed on SEDAR under the Company's profile.

Harmonychain licences its IPR to stock exchange listed commodity producers in order to issue asset backed digital tokens. Harmonychain's commodity pre-delivery sale system based on blockchain technology is intended to allow for the creation of Ethereum blockchain cryptographic security tokens, with a clear value

and may reduce delivery problems for issuers.

Harmonychain has a patent application pending within the blockchain technology space for commodity producers wishing to conduct future sales with a blockchain audit trail accounting system with the European Patent Office (which is part of the Patent Cooperation Treaty comprising 152 countries). Harmonychain's patent application comprises three main claims:

1. ChainDelivery(TM) Blockchain systems for physical delivery from smart contracts for commodity producers. ChainDelivery(TM) is a registered trademark in Norway awarded in Q2 2018, and awarded in the EU in Q4 2018. It is currently also pending according to priority extension in the US, Canada, Japan and South Korea within the Patent Cooperation Treaty and World Intellectual Property Organization. The priority system provides for a means by which an application in subsequent applications to other countries is backdated to original date of sent application in the first country of approval in all countries that are part of the Patent Cooperation Treaty.
2. Queuing systems from smart contracts for commodity producers.
3. Security systems related to breach of blockchain security.

The risks associated with the issuance of the GOLDUSA tokens is summarized under the heading "Risk Disclosure" below.

Risk Disclosure

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 token offering is a contract to buy a non-financial item, the specified commodity, which in this case is gold. Contracts to buy or sell non-financial items are normally considered executory contracts and are outside the scope of the financial instruments guidance.

The settlement is in gold 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 production that is acquired, via the GOLDUSA tokens. A GOLDUSA 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.

The Company in such an arrangement does not record an obligation for future payments. Since there is no unconditional obligation to deliver cash or other monetary payment, no financial obligation arises.

The Company can be deemed to sell a proportion of resources, because a defined quantity of resources will be transferred to the GOLDUSA token holder from the Bruner Gold project. Settlement is based on gold bullion delivery and not net income, so the GOLDUSA token holder's entitlement basically represents a portion of volume of production.

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

Equity Interest

The GOLDUSA tokens do not give the GOLDUSA 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. A holder of a GOLDUSA token is only entitled to delivery of gold, on request, pursuant to the terms of the GOLDUSA token offering. The Company will receive cash for this GOLDUSA token offering, and will have an obligation to meet gold delivery requests, but only after commercial production is achieved.

The Bruner Gold Project

As the Company is still in the development phase with its Bruner Gold Project, in Nevada, it has yet to produce any gold or other resources. The Company has not yet made a production decision, and is raising capital 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, a GOLDUSA token 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.

Equity Holders

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

The value of the GOLDUSA tokens relates directly to the value of gold, and fluctuations in the price of gold could materially affect an investment in the GOLDUSA tokens

Even if the GOLDUSA tokens are held for the long-term, that may not result in a profit, since gold markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations. In addition, there is no assurance that gold will maintain its long-term value in terms of purchasing power. If the price of gold declines, the Company expects the value of the GOLDUSA tokens to decline.

Gold bullion is traded internationally and its price is generally quoted in U.S. dollars. The price of the GOLDUSA tokens will depend on, and typically fluctuate with, the price fluctuations of gold. The price of gold may be affected at any time by many international, economic, monetary and political factors, many of which are unpredictable.

Changing tax, royalty, land and mineral ownership and leasing regulations in gold producing countries can have an impact on market functions and expectations for future gold supply. This can affect both share prices of gold mining companies and the relative prices of other commodities, which are competitive factors that may affect investor decisions in respect of investing in gold and the GOLDUSA tokens.

Prospective purchasers need to independently determine the suitability of investing in GOLDUSA tokens

Prospective purchasers should determine whether an investment in GOLDUSA tokens is appropriate in their circumstances and should consult with their legal, business and tax advisors in evaluating the consequences of an investment in the GOLDUSA tokens. An investment in GOLDUSA 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 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 tokens.

About Canamex Gold Corp.

[Canamex Gold Corp.](#) is a public listed company registered in British Columbia, Canada, trading on the Canadian Securities Exchange (CSE), 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. The second asset is the Silverton property, a gold exploration project, in Nevada, which has geological similarities to the Long Canyon deposit in Nevada, being mined by Newmont Mining. The Company has signed an agreement with Harmonychain AS, for Ethereum blockchain cryptographic security tokens, asset backed by gold and silver royalties and metal streams, as an alternative means of raising capital, potentially without equity dilution. The agreement secures the exclusive rights to various Ethereum cryptographic token domain names and ticker codes, for gold and silver. The rights also extend to patents pending and trademarks associated with these security token financing models. Canamex has signed an MOU with Malta Digital Exchange, to collaborate on the possibility of listing GOLDUSA and SILVERUSA security tokens on a secondary market. Further information is available at <https://canamexgold.com>

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