

Augusta Selling FOX-TEK Canada to Mooncor for Aggregate Purchase Price of up to \$21.5 Million

Toronto, Ontario--(Newsfile Corp. - May 28, 2018) - Augusta Industries Inc. (TSXV: AAO) ("Augusta") and Mooncor Oil & Gas Corp. (TSXV: MOO) ("Mooncor") would like to announce that they have entered into letter of intent (the "LOI") pertaining to the sale of FOX-TEK Canada Inc. ("FOX-TEK") by Augusta to Mooncor for an aggregate purchase price of up to \$21,500,000 (the "Purchase Price").

\$9,500,000 of the Purchase Price will be satisfied through the issuance of an aggregate of 47,500,000 post-consolidated common shares (the "Consideration Shares") in the capital of Mooncor at a price of \$0.20 per Consideration Share. The balance of the Purchase Price, being up to \$12,000,000, will be satisfied through a royalty of 15% on all future sales of FOX-TEK's products and a 20% royalty on all future sales of FOX-TEK's services (collectively, the "Royalty"). The Royalty shall be payable until the earlier of (i) the 10 year anniversary of the closing of the acquisition of FOX-TEK, and (ii) the aggregate payment of \$12 million.

Pursuant to the LOI, FOX-TEK and Sensor Technologies Inc. ("Sensor"), a wholly owned subsidiary of Mooncor, will enter into an amalgamation agreement (the "Agreement") whereby FOX-TEK will amalgamate with Sensor to form a new company ("AmalCo"). Both Augusta and Mooncor will receive shares in AmalCo as a result of the amalgamation. Augusta will transfer its securities in the capital of AmalCo to Mooncor in exchange for the Consideration Shares. As a result of the amalgamation, and the issuance of the Consideration Shares, FOX-TEK will be a wholly owned subsidiary of Mooncor. It is the intention of Augusta to distribute a portion of the Consideration Shares to its shareholders at a later date.

"I am pleased that Augusta has settled on the final form of the transaction," said Allen Lone, Chief Executive Officer of Augusta. "The letter of intent with Mooncor will result in FOX-TEK becoming a wholly owned subsidiary of Mooncor, a publicly traded company whose securities are listed for trading through the facilities of the TSX Venture Exchange. This will give Augusta's shareholders an interest in two separate standalone companies while allowing it to focus on its blockchain technology, which has the potential to unlock substantial new opportunities capable of impacting the business of Marcon."

"Mooncor is excited about the prospect of acquiring FOX-TEK and its products and technology," said Alan Myers, Chief Financial Officer of Mooncor. "The acquisition of FOX-TEK gives Mooncor a suite of leading edge technology and products in the oil and gas industry which will supplement Mooncor's current business while adding a new revenue stream."

The Acquisition

Shareholders of Augusta will be asked to approve the Acquisition at the special meeting of shareholders scheduled for July 12, 2018. The proposal to be presented to shareholders would result in the sale of FOX-TEK to Mooncor.

Mooncor will be calling a special meeting of its shareholders to approve, among other things, the Agreement and the consolidation of its issued and outstanding common shares on a the basis of up to twenty (20) common shares for each existing common share. It is anticipated that Mooncor will file an application with the TSX Venture Exchange to approve the issuance of the Consideration Shares to Augusta pursuant to the Agreement.

No finder's fee is payable with respect to this transaction.

Related Party Transaction

The transaction between Augusta and Mooncor is a non arm's length transaction as Allen Lone is a director and officer of both Augusta and Mooncor. Mr. Lone owns, directly and indirectly, 6,920,000 common shares (4.13%) in the capital of Mooncor and 76,754,264 common shares (29.97%) in the capital of Augusta. As such it is a related party transaction subject to *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Pursuant to MI 61-101, Augusta and Mooncor may be required to obtain disinterested shareholder approval and a valuation of FOX-TEK.

Augusta and Mooncor will be providing shareholders with additional updates.

About Augusta

Through its wholly owned subsidiaries, Marcon International Inc. ("Marcon"), FOX-TEK and Paragon Blockchain Inc. ("Paragon"), Augusta provides a variety of services and products to a number of clients.

Marcon is an industrial supply contractor servicing the energy sector and a number of US Government entities. Marcon's principal business is the sale and distribution of industrial parts and equipment (Electrical, mechanical and Instrumentation.) In addition to departments and agencies of the U.S. Government, Marcon's major clients include Saudi Arabia-Sabic Services (Refining and Petrochemical), Bahrain National Gas Co, Bahrain Petroleum, Qatar Petroleum, Qatar Gas, Qatar Petrochemical, Gulf of Suez Petroleum, Agiba Petroleum and Burullus Gas Co.

Fox Tek develops non-intrusive asset health monitoring sensor systems for the oil and gas market to help operators track the thinning of pipelines and refinery vessels due to corrosion/erosion, strain due to bending/buckling and process pressure and temperature. The Corporation's FT fiber optic sensor and corrosion monitoring systems allow cost-effective, 24/7 remote

monitoring capabilities to improve scheduled maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks.

Blockchain technology has the potential to unlock substantial new opportunities capable of impacting the business of Marcon. Specifically, Marcon seeks to create an eco-system in the supply chain management of clients to change the dynamics of the scoping and bidding process by providing vendors and subcontractors with A.I. data mining tools to proactively drive the process. Blockchain technology is of critical importance to FOX-TEK as well particularly the expansion of its' non-intrusive technology in the oil & gas industry, whose clients include many of the biggest companies in the world.

About Mooncor

Mooncor is a junior oil and gas exploration company that holds interests in lands in the Muskwa/Duvernay liquids rich shale gas area in Hamburg, Alberta, and in southwest Ontario where the focus has been on conventional oil and gas opportunities.

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Completion of the acquisition will be subject to a number of conditions, including but not limited to TSX Venture Exchange acceptance and approval of Augusta's and Mooncor's shareholders by way of special resolution. The transaction cannot close until the required shareholder approval is obtained and there can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in Augusta's and Mooncor's management information circular to be prepared in connection with this transaction, any information released or received with respect to this transaction may not be accurate or complete and should not be relied upon.

"Neither 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."

This press release contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. Actual results may differ materially from those currently anticipated. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements are detailed from time to time in Augusta's and Mooncor's periodic reports filed with the Ontario Securities Commission and other regulatory authorities. Augusta and Mooncor have no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.