



1300 Redonda Street
Winnipeg, MB R2C 3T7

FOR IMMEDIATE RELEASE

April 5, 2018

MX Gold Corp. Announces Proposed Change of Business from Mineral Exploration to Cryptocurrency Mining

Vancouver, B.C. – **MX Gold Corp.** (TSX-V: MXL) (FSE: ODV) (OTCQX: MXLGF) (the “**Company**” or “**MX Gold**”) is pleased to announce that it has signed a non-binding letter of intent (the “**LOI**”) and four binding agreements that collectively propose to sell the Company’s entire mining portfolio in an arm’s length transaction to a private numbered 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**”).

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.

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.

Dan Omeniuk, CEO of the Company stated, “Last fall, the Company strategically explored an alternative business model through the creation of a modest cryptocurrency pilot project in Manitoba. The low cost to entry combined with strategic connections of the board resulted in the Company initiating a small scale

cryptocurrency mining operation of 360 mining units that became operational in January, 2018. To date, the Company has converted 2.5 mined Bitcoins into net cash of CDN\$30,750 and currently holds an additional 12 Bitcoins in the Company's Bitcoin wallet. Management and the board believe that a large scale cryptocurrency mining operation represents the best opportunity for growth of the Company and return for its shareholders. This position has been accelerated by the fact that the Company is currently unable to raise additional funds because of the Cease Trade Order, and because of the capital intensiveness and regulatory hurdles associated with advancing its mineral exploration projects towards production. As a result of these contributing factors, the board and management strongly believe that the proposed sale of the Company's mining portfolio to the purchaser and the deployment of that capital into the expansion of its existing cryptocurrency operation is in the best interests of shareholders."

Post-closing, the Company believes it will be able to obtain a revocation of the Cease Trade Order once the sale of its Magistral joint venture interest and MAX property have been consummated.

Sale of Mining Assets

The Company has entered into the following five agreements to sell its mining assets:

- Non-binding letter of intent dated March 29, 2018, whereby, subject to entering into a definitive agreement (the "**Definitive Agreement**"), the Company has agreed to sell its corporate joint venture interest in the joint venture, which indirectly owns the Magistral Project (Mexico) (the "**Joint Venture**") for US\$4,500,000. Under the terms of the LOI, the parties have agreed to enter into the Definitive Agreement on or before April 6, 2018. On the closing of the Definitive Agreement, the Company has agreed to relinquish all rights to its joint venture interests in the IDS Project in Mexico.
- Reimbursement Agreement dated April 5, 2018, whereby, on the closing of the Definitive Agreement, 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.

The Transaction is subject to several conditions precedent including: (i) Exchange Approval; (ii) except for the sale of the Willa Property, which may occur after the closing of the other agreements, the concurrent

sale of the Magistral Joint Venture interest, the Midas Property and FortyTwo to the purchaser; (iii) satisfactory due diligence by the purchaser; (iv) the purchaser raising funds required to finance the purchase price of the Company's mining portfolio; and (v) the purchaser acquiring a 99.932% interest in Magistral from the Company and its joint venture partner. In addition to the above conditions, the Company anticipates that the sale of the Willa Property may be subject to shareholder approval under the *Business Corporations Act* (British Columbia), and has bargained for the ability to delay closing of that agreement in the event such shareholder approval is required.

Expansion of Cryptocurrency Business

As part of the Company's cryptocurrency mining pilot project which was approved by the Exchange in October 2017, the Company purchased 360 mining units of the Avalon Miner 741 cryptocurrency mining system on November 6, 2017 as announced via news release on November 13th. The Company began cryptocurrency mining operations in January, 2018. The Company intends to use the proceeds of the Transaction to buy 2,000 additional mining units and install them in facilities under its existing lease arrangements located in Manitoba and, if required, acquire additional lease space in an effort facilitate future expansion. Assuming closing of the Transaction on or prior to April 15, 2018, the Company anticipates that delivery of such mining units would occur within 60 days of the closing of the transaction and installation and operation of such units would occur within 120 days of the closing of the transaction.

On behalf of the Board of Directors,

"Dan Omeniuk"

For further information, please contact

Dan Omeniuk, CEO

Email: dano@mxgoldcorp.com

Phone: 778-798-GOLD

Or at: info@mxgoldcorp.com

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 enter into the Definitive Agreement; (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.