

CANAMEX RESOURCES CORP.

Suite 303, 595 Howe Street

Vancouver, B.C. V5C 2T5

Phone: (604) 336-8612 Fax: (604) 718-2808

www.canamex.us

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

NEWS RELEASE

Canamex Provides Update on Private Placements

(October 17, 2016) - Canamex Resources Corp. (“Canamex” or the “Company”) (TSX-V: **CSQ**) (OTCQX: **CNMXF**) (FSE: **CX6**) is pleased to announce that it intends to complete two non-brokered private placements during the week of October 17, 2016, subject to acceptance by the TSX Venture Exchange (“TSX-V”), for gross proceeds of up to \$6,000,000 (the “Offerings”) on terms described below. All figures are in Canadian dollars unless otherwise noted.

Financing of Secured Convertible Debentures for up to \$5,200,000 Aggregate Principal Amount (“Debt Offering”)

Canamex intends to raise a principal amount of a minimum of \$4,000,000 and a maximum of \$5,200,000 by the issuance of secured convertible debentures (“Debentures”), maturing in three years after closing of the Debt Offering (“Debt Maturity Date”). Furthermore, as indicated in the Company’s news release dated September 7, 2016, Canamex intends to consolidate its share capital on the basis of 4 (four) old common shares for 1 (one) new common share (“Consolidation”). The Company has received acceptance by the TSX-V for the Consolidation. A separate news release will be issued by the Company announcing the effective date of this Consolidation. Canamex presently has 133,199,721 common shares issued and outstanding. After the Consolidation, but prior to the closing of the Offerings, Canamex will have approximately 33,299,930 post-consolidation common shares issued and outstanding. The Offerings, as described in this news release, are subject to the completion of the Consolidation. All of the figures presented below are on a post-Consolidation basis.

From and after the date of issue of the Debt Offering until the Debt Maturity Date, the Debentures will be convertible into common shares of Canamex (“Shares”) at the option of the holder at a conversion price of \$0.16 per Share (the “Conversion Price”), being 6,250 shares per \$1,000 principal amount of Debentures.

Interest on the Debentures shall be paid annually in arrears, at an annual interest rate of 7%. The Company will have the option, in its sole discretion, to pay the interest in Shares of the Company, subject to acceptance by the TSX-V. In the event Canamex opts to pay the interest in Shares instead of cash, the interest rate shall increase to 10% per annum in respect of such interest payment in Shares.

In the event that the Company has not entered into a definitive joint venture agreement in respect of the Bruner Gold Property (“JV Agreement”) on or before the date that is six months after the closing date of the Offerings, the interest rate on the Debentures will thereafter be increased by 1% and will be subsequently increased by an additional 1% immediately following the end of each six month period during the term of the Debentures if at such time the JV Agreement has not been entered into.

In addition, the holders of the Debentures will receive 6,250 warrants (“Warrants”) per \$1,000 principal amount of Debentures. The Warrants will have a strike price of \$0.20 and expire on the Debt Maturity Date.

On a date that is 24 months after closing of the Debenture Offering, the Debenture holders may request that the Company repay the Debentures within 20 business days (“Put Feature”). The Debenture holders will only be allowed to utilize the Put Feature on one specific date.

After 24 months from closing of the Debenture Offering, if the Shares of Canamex trade at or above \$0.64 on a 30-day VWAP (volume-weighted average price) basis on the TSX-V, then the Company can force the conversion of the Debentures by giving the Debenture holders 10 days’ notice.

The Debentures shall have a first ranking security over the Company’s interest in its joint venture with Provex Resources Inc. (“Provex”) in respect of the Bruner Gold Property. While Canamex and Provex are in a joint venture at present, a formal joint venture agreement between the parties has yet to be completed.

In terms of use of proceeds, immediately upon closing of the Debenture Offering, the Company will repay the existing secured convertible debentures that were issued in October and November 2015 (refer to News Releases dated October 20 and November 6, 2015). The Company agrees to repay 114% of the principal amount of those debentures, or \$2,183,100 (i.e. 114% x \$1,915,000), which includes repayment of principal, interest and penalties. Additional proceeds of the Debenture Offering will be used for permitting, drilling and metallurgy at the Company’s Bruner Gold Property in Nye County, Nevada, and for general working capital.

The Company may pay to qualified parties, and subject to the requirements of applicable securities laws, finders’ fees of up to 2% in cash and 375 Warrants per \$1,000 principal amount of Debentures.

As of the date of this news release, the Company has received subscription agreements for more than \$4,000,000 principal amount of Debentures. Existing debenture holders, including Concept Capital Management Ltd., are participating in the Debenture Offering.

Financing of Units for Gross Proceeds up to \$1,000,000 (“Unit Offering”)

Concurrent with the Debenture Offering, the Company intends to complete a non-brokered private placement of up to 6,250,000 units of the Company (“Units”) at a price of \$0.16 per Unit, for gross proceeds up to \$1,000,000 (“Unit Offering”).

Each Unit will be comprised of one (1) common share and one (1) transferable share purchase warrant (“Unit Warrant”). Each Unit Warrant will entitle the holder to purchase one (1) additional common share (the “Unit Warrant Share”) at a price of \$0.20 per Unit Warrant share for five (5) years from the date of issuance of the Unit Warrant.

Insiders of the Company, or companies controlled by insiders of the Company, will subscribe for \$234,000 in the Unit Offering.

The Company may pay to qualified parties, and subject to the requirements of applicable securities laws, finders’ fees of up to 7% in cash and/or 7% in Warrants.

In addition, in accordance with an agreement the Company has with Hecla Canada Ltd. (refer to CSQ News Release dated November 19, 2012), Hecla holds a pre-emptive right so long as it holds more than 10% of Canamex’s outstanding shares (on an undiluted basis). In this regard, Hecla has the right (but not the obligation) to participate in equity offerings of Canamex in order to maintain Hecla’s pro-rata equity interest in Canamex.

With respect to both the Debenture Offering and the Unit Offering, under applicable Canadian securities law the securities and underlying securities to be issued will be subject to a hold period of four months

and a day from the date of issuance of the securities, and will be subject to such further restrictions on resale as may apply under applicable foreign securities laws.

The Company expects to close the Offerings in at least two tranches. The first tranche is expected to close during the week of October 17th, subject to approval of the TSX-V, for a minimum of \$4,000,000 in the Debenture Offering and a minimum of \$500,000 in the Unit Offering.

Shareholders or members of the investing public who have questions about these offerings should contact the Company directly at the coordinates below.

Mark Billings, Chairman and CEO of Canamex, commented, “Our existing debenture holders are demonstrating confidence in our Company and in our Bruner Gold Project by investing more dollar resources in Canamex. This will enable us to follow the path outlined in our Preliminary Economic Assessment (see March 3, 2016 News Release), which management believes is the clearest way to create shareholder value. With the proceeds of the Debenture Offering and the Unit Offering, Canamex will repay the existing debentures outstanding and have working capital to launch two key initiatives. First, we will start the permitting process of the Bruner Gold Property, with the intent of moving towards development as quickly as possible. Second, the Company will conduct a drilling campaign as soon as possible at Bruner. Our President & COO, Greg Hahn, will provide shareholders with more specific details of this drilling campaign post-financing. I would like to take this opportunity to thank all of those who have participated in the Offerings, as this investment now enables us to move forward with these value-creating initiatives. I would like to thank our current shareholders for their patience and confidence as well.”

ON BEHALF OF THE BOARD OF DIRECTORS

SIGNED: “*Mark Billings*”

Mark Billings, Chairman and CEO
Contact: (514) 296-1641, mbillings@canamex.us

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.

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 planned closing of the Offerings; 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 the Company will be unable to complete the planned closing of the Offerings due to failure to obtain necessary regulatory approvals or otherwise; 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.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements.

This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.