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May 28, 2018

## **Azucar Minerals Letter from the President**

Dear Shareholders,

Much has changed since our last annual general meeting. Principally, Almadex has become two publicly traded companies: Almadex Minerals Ltd. (TSX-V: DEX) and Azucar Minerals Ltd. (TSX-V: AMZ and OTCQX: AXDDF). If I sound like a broken record, I think in this instance that could be a good thing. We first spun Almadex out of Almaden Minerals Ltd. in 2015, and since that time it has been an eventful few years for the Company. Our drilling at the El Cobre property clearly has demonstrated the potential for a new gold-rich porphyry district in an under explored area with excellent infrastructure in North America. I believe that this rare combination of potential, jurisdiction and excellent access attracted a new and very significant investor, Newcrest Mining. Their 19.9% holding of Azucar, which results from a \$C19 million investment, allows us to have the kind of intensive and focussed drilling program on the project we have been wanting to institute for many years. With at least four distinct areas of porphyry related alteration and mineralisation over roughly four kilometres of strike length the scale of the project and results to date in the Norte and Villa Rica zones provide us with very clear targets for the drill program. We look forward to an exciting year ahead of reporting these drill results as they come in.

While the 2018 spinout leaves Azucar focussed on the development of the El Cobre copper-gold porphyry project in Mexico, it also resulted in the creation of Almadex Minerals Ltd., a new exploration and royalty company focussed on grassroots prospecting in the Americas. In Almadex we look forward to getting back to what the team is known for: creating new assets through inventive and intelligent prospecting followed up by early stage in-house diamond drilling. While our focus is exploration, our Company's value is underpinned by significant assets headlined by a 2% NSR on the Ixtaca deposit, a 1.75% NSR on the El Cobre project, 1,597 ozs of gold, and 4 million shares of Azucar.

I wish to thank you for your support and a peaceful and prosperous 2018.

Sincerely,

Morgan J. Poliquin, PhD, PEng.  
President and CEO