

- Hummingbird Resources plc ("HUM",) to acquire up to 19.9% of AGG for \$8M

- NI 43-101 Definitive Feasibility Study ("DFS",) for Kobada Gold Project to be undertaken under the oversight of a joint Technical Committee

- Upon completion of a DFS satisfactory to HUM, HUM to fund 100% of the capital costs required to build the mine and processing plant to earn a 50% interest in a joint venture company to develop the Kobada Gold Project

- 70% of net cash flows to HUM until all such capital costs are repaid and thereafter all cash flows to be shared on a 50-50 basis

TORONTO, ONTARIO--(Marketwired - Sep 27, 2017) - African Gold Group, Inc. (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce that it has executed a binding letter of intent ("LOI") for the purchase by HUM of up to 19.9% of the common shares of AGG and the ongoing joint development of AGG's Kobada Gold Project (the "Transaction").

Financing

On closing of the Transaction, HUM will purchase 40,000,000 units of AGG ("Units") at a price of CDN\$0.09 per Unit for gross proceeds to AGG of CDN\$3,600,000, which, on closing will represent 10% of the issued and outstanding common shares of AGG. Each Unit will be comprised of one common share of AGG (each, an "AGG Share") and one common share purchase warrant ("Warrant") with each Warrant entitling the Investor to purchase one additional AGG Share at a price of CDN\$0.12 for a period of 36 months following closing of the Transaction.

In addition, AGG will grant HUM a right (the "HUM Subscription Right") to purchase an additional 48,888,888 AGG Shares at a price of \$0.09 per AGG Share for gross proceeds to AGG of CDN\$4,400,000, which, shall be paid by HUM in kind through the issuance to AGG of such number of common shares of HUM (the "HUM Shares") equal to CDN\$4,400,000 divided by the volume weighted average trading price of the HUM Shares on the AIM for a period of 20 consecutive trading days ending on the trading day immediately prior to the closing of the Transaction. Where HUM is not satisfied with its due diligence review of the Kobada Gold Project (the "Project") during the 120-day period following closing of the Transaction (subject to extension in certain circumstances), the HUM Subscription Right shall automatically terminate and neither HUM nor AGG shall have any further liability to the other. Where HUM is satisfied with its due diligence review of the Project, HUM shall exercise the HUM Subscription Right and issue the HUM Shares to AGG.

DFS and Joint Venture

Concurrent with the exercise of the HUM Subscription Right (as described above), AGG and HUM shall enter a Joint Venture Agreement providing for the following:

- Establishment of a joint Technical Committee to oversee and manage the preparation of a DFS for the Project;
- AGG to fund 100% of the costs to complete the DFS in accordance with a budget as mutually agreed between AGG and HUM;
- Where AGG is required to issue additional common shares to fund the completion of the DFS, HUM shall subscribe for such number of shares required for HUM to maintain its pro-rata equity interest in AGG to a maximum of CDN\$1,000,000;
- Upon completion of a DFS to the satisfaction of HUM:
 - The Project shall be transferred to a new joint venture company ("JVCo"),
 - HUM shall fund 100% of the capital costs required to build the mine and processing plant as outlined in the DFS (including any contingency) (the "Development Capital"), plus, if required, 10% extra funding,
 - The board of JVCo shall make all decisions relating to the construction, management, operation, development and implementation of the Project and shall consist of a majority of members as appointed by HUM, and
 - HUM shall acquire up to 50% of the shares in JVCo on an ongoing basis pro-rata to the amount contributed by HUM to the Development Capital with such 50% shareholding being reached on the earlier of: (i) the date HUM completes funding of 100% of the Development Capital, and (ii) the date of completion of the construction of the mine and processing plant for the Project in accordance with the DFS;
- From commencement of production from the Project, HUM shall receive 70% of net cash flows from the Project until 100% of the Development Capital (including the 10% extra funding if paid) has been repaid and thereafter net cash flows shall be paid as to 50% to AGG and as to 50% to HUM.

Completion of the Transaction is subject to various conditions including agreement by HUM and AGG of various definitive agreements, approval by the board of directors of HUM and AGG and applicable approvals from regulatory authorities including by the TSX Venture Exchange.

Stephan Theron, Chief Executive Officer of AGG, commented: "This transaction with Hummingbird is significant for AGG as it validates the intrinsic value of the Kobada gold Project and fast tracks the planned development program. Hummingbird

provides us the financial capacity to develop the Kobada Gold Project and we are also gaining a partner with an operational presence in Mali. Kobada provides Hummingbird the ability to further increase production output at their Yanfolila mine. The partnership is a win-win for both groups. We look forward to working with the Hummingbird team on this transaction."

Dan Betts, CEO of HUM, commented: "We are extremely excited about the optionality this transaction provides Hummingbird and working with the management of AGG who have a strong track record of creating shareholder value within the industry."

Kobada Gold Project

African Gold Group is currently reviewing the existing feasibility study of the Kobada Gold Project in an effort to optimise the existing Mineral Reserve and Resource estimates, relative to a potential phased approach of a larger Phase 1 production profile.

About African Gold Group

African Gold Group is a Canadian exploration and development company with its focus on West Africa. African Gold Group is focused on the development of the Kobada Gold Project in Mali, a low capital and operating cost gold project with potential to produce more than 50,000 ounces of gold per annum. For more information regarding African Gold Group visit our website at www.africangoldgroup.com.

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.

Forward-Looking Statements

This press release includes certain "Forward-Looking Statements." All statements, other than statements of historical fact included herein, including without limitation, statements regarding future plans and objectives of African Gold Group; the Project; the Transaction; the completion of a DFS; the formation of JVCo; HUM's ability to provide the Development Capital; the potential exercise of the HUM Subscription Right; the ability to build a mine and processing plant at the Project and statements regarding the ability to develop and achieve production at the Project are forward-looking statements that involve various risks and uncertainties. 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 African Gold Group's expectations have been disclosed under the heading "Risk Factors" and elsewhere in African Gold Group's documents filed from time-to-time with the TSX Venture Exchange and other regulatory authorities. African Gold Group disclaims any intention or obligation to update or revise any forward looking statements whether resulting from new information, future events or otherwise, except as required by applicable law.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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