TORONTO, ONTARIO--(Marketwired - Oct 28, 2015) - African Gold Group, Inc. (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce the results of metallurgical test work and provide an update on the progress of the feasibility study.

METALLURGICAL UPDATE

The company completed additional metallurgical test work at Gekko Systems facilities in Ballarat and Bureau Veritas in Perth, Australia, as part of the Feasibility Study process. This work confirms the results established in test work completed in 2014. Overall metallurgical recovery of gold was found to be 80% using the flow sheet established in the previous work.

A 92 kg sample of ore, assaying 0.92 g/t, was initially washed (a process known as scrubbing) and then wet-screened over a 1.18mm screen. The screen oversize represents 20% of the mass, and contained 49% of the gold at a grade of 2.31 g/t. The screen undersize represented 80% of the feed, had a grade of 0.58 g/t. The screening process provided a significant upgrade of the oversize, which was then crushed to below 1.18mm, and combined with the gravity feed to the gravity concentration process.

The screen undersize was processed using hydro-cyclones to further remove fine material. The cyclone process resulted in the rejection of 81% of the cyclone feed into a low grade overflow slimes product at a grade of 0.09 g/t Au, representing only 6% of the feed gold.

This means that 94% of the contained gold is captured into 35% of the total feed tonnage in the pre-concentration step (scrubbing, screening and cycloning). This significant upgrade is consistent with previous testwork and demonstrates the simplicity of upgrading the grade of pre-concentrated ore by a factor of 2.7 times (i.e. from 0.92 g/t to 2.46 g/t Au) before further gravity processing.

Testwork completed to date on the gravity concentration on the combined crushed coarse ore and cyclone concentrates demonstrated that approximately 80% of the total contained gold can be concentrated into a mass yield of 5% of the total feed. Gold contained in this high grade (~33g/t Au), low cost and low mass concentrate can then be recovered using traditional cyanide leaching techniques.

Mr. Declan Franzmann, President and CEO of African Gold Group, commented, "yet again the results of pre-concentration test work show very significant mass rejection with relatively low loss of gold. The results of pre-concentration have been repeated three times on oxide ores from different locations and depths at Kobada, with very similar results each time. These results indicate that simple low cost processing techniques readily upgrade the Kobada ore types. It is this fact that results in high gold recovery with low processing costs."

Qualified Person's Statement

The scientific and technical information in this report that relates to the metallurgical characteristics of the deposits is based on information compiled by Mr Michael Braaksma, who is a consultant to Gekko Systems Pty Limited. Mr Braaksma is a Certified Practicing Member of the Australian Institute of Mining and Metallurgy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" as defined in National Instrument 43 -101 - Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators. Mr Braaksma is the Qualified Person overseeing AGG's processing testwork and design and has reviewed and approved the disclosure of all scientific or technical information contained in this announcement.

UPDATE OF FINANCIAL PARAMETERS

As part of the Feasibility process, AGG has received clarification of some of the financial parameters associated with the development of the project. Importantly, the mining license which was granted under Decree 2015-0528 on 31 July 2015 is subject to the Malian Mining Code of 1999. This is an important consideration as the Malian Government Royalty is 3% and is significantly less than the 5.7% used in the Preliminary Economic Analysis published on 25 November 2014.

The other important consideration for the Project is that applicable taxation is dependent on the date of the Establishment Convention and entitles AGG to tax exemptions for a period of five years following the establishment of commercial production. After this period a tax rate of 35% on the operating profits is applicable with provisions for accelerated depreciation.

PROGRESS OF FEASIBILITY STUDY

All test work and analysis has been completed for the Feasibility Study, and the study is nearing completion, with the detailed elements of plant design now being completed. The Company expects to provide a further announcement on the study within the next two weeks with the release of the updated mineral resource and the maiden mineral reserve statement. The Feasibility Study will then be published on Sedar within 45 days of that announcement.

On Behalf of the Board of Directors:

Declan Franzmann, President and CEO

About African Gold Group

African Gold Group is a Canadian exploration and development company with its focus on West Africa. African Gold Group is positioned to grow in value as it progresses the Kobada Gold Project through development and into production. 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; and statements regarding the ability to develop and achieve production at Kobada 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.

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