TORONTO, ONTARIO--(Marketwired - Jan 6, 2016) - African Gold Group, Inc. (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce that it has entered into a transaction with respect to the sale of AGG Ghana Limited (AGG Ghana), the Company's 100% owned Ghanaian subsidiary. All of the Company's assets in Ghana are held in AGG Ghana.

The sale of the subsidiary achieves the Company's stated aim of monetizing inherent value from its non-core assets and provides non-dilutive funding, including for the final completion of the full Feasibility Study at AGG's Kobada Gold Project in Mali, expected this month. Moving forward, the Company's sole focus will be putting Kobada into production.

Divestment of AGG Ghana Limited

AGG has entered into a sale and purchase agreement with Star Goldfields Limited (SGF), a private Ghanaian company. SGF has agreed to purchase the shares in AGG Ghana for a total cash consideration of US$1,200,000.

The sale of AGG Ghana includes all of the Company's Ghanaian assets, including the 456 square kilometre Asankrangwa Tenements plus the separate Nyankumasi concession.

SGF has paid AGG US$200,000 as a non-refundable deposit on the transaction, which commits the parties to the completion of a share purchase agreement, subject to customary conditions, including regulatory approvals. On execution of the definitive share purchase agreement, SGF will pay a remaining US$1,000,000 as consideration for 100% of the share capital of AGG Ghana Limited. It is anticipated that the share purchase agreement will be completed within 60 days of this 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 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.

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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