

TORONTO, ONTARIO--(Marketwired - Mar 6, 2017) - African Gold Group, Inc. (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce that it has agreed to a private placement into the Company whereby Forbes & Manhattan Resources Inc. ("Forbes") and certain other investors who will subscribe to a private placement of units (the "Unit") at a price of \$0.09 per Unit for gross proceeds of up to approximately \$7.0 million (the "Private Placement"). The subscription price represents a premium of approximately 38.7% to the last trading price of AGG common shares on March 6, 2017.

The net proceeds raised from the Private Placement will be used to advance the Company's Kobada Gold Project in Mali and to bolster its working capital position.

Each Unit will comprise one common share and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of AGG at a price of \$0.12 per share for a period of thirty-six (36) months from the date of closing. However, the Warrant exercise period may be accelerated if the common shares of the Company trade at \$0.22 or higher for a period of 20 consecutive trading days.

Declan Franzmann, AGG's President & Chief Executive Officer, stated: "We are very excited about this opportunity and our future involvement with Forbes and our Kobada project. Forbes brings significant financial depth as well as technical expertise that will be required going forward. Furthermore, their past success in Mali through Avion Gold bodes well for the future of the Company."

Stan Bharti, Chairman of Forbes, stated: "Forbes and its team are excited to once again be involved in Mali, a country where we have had tremendous success creating significant shareholder value. Forbes has a long track record of identifying and unlocking value in gold projects globally such as Avion Gold in Mali, Sulliden Gold in Peru, and Desert Sun Mining and Belo Sun Mining, both of which are in Brazil. We are excited to be involved in a project such as Kobada and look forward to bringing our expertise to unlock value for all AGG shareholders."

Three officers and directors of the Company (the "Purchasing Insiders"), intend to participate in the Private Placement and subscribe for approximately \$2 million of the Units to be issued. The Private Placement was considered and approved by the board of directors of the Company, with the directors who are purchasing Units under the Private Placement declaring a conflict and recusing themselves from voting on the Private Placement Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the purchase by the Purchasing Insiders is a "related party transaction" but the Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Private Placement.

After having given effect to the Private Placement but prior to giving effect to the exercise of the Warrants, Forbes and certain other investors will in the aggregate own approximately 17.0% percent of the outstanding common shares based on the current outstanding common shares of 251,276,600. After giving effect to the exercise of the Warrants, Forbes and certain other investors will in the aggregate own approximately 29.1% of the outstanding common shares.

Board and Management Changes

As part of closing of the Private Placement, Mr. Brett Richards will be appointed as the new Chief Executive Officer of AGG. Mr. Richards is a well-known mining executive with over 30 years' experience in mining and metals and has focused primarily on projects in Africa over the past 10 years. Mr. Richards has acted or advised on a multitude of corporate M&A projects, and has extensive mine project development, mine financing and senior level operations experience. Mr. Richards was appointed the CEO of African Thunder Platinum in 2016, and was previously the CEO of Octéa Limited from 2012 to 2015 and the CEO of Avocet Mining from 2009 to 2012. Mr. Richards stated: "Kobada represents a great opportunity for AGG to establish a high-quality gold operation in West Africa and I look forward to working with the Board to create a new leading West Africa-based gold producer."

In addition, upon closing of the Private Placement, four of the existing board members of AGG will step down. To replace the departing board members, Forbes intend to nominate Mr. Stan Bharti and Mr. Bruce Humphrey; and AGG intends to appoint Mr. John Begeman and Mr. Stephan Theron to the board of AGG.

Closing of the Private Placement, which is anticipated to occur on or about March 22, 2017 is subject to the entering into of a definitive subscription agreement in respect thereof which will include the agreed terms and conditions and other customary conditions, representations, warranties, covenants, indemnities and other agreements of the parties.

GMP Securities L.P. acted as financial advisor to AGG in connection with this transaction.

The securities to be issued pursuant to the Private Placement will be subject to a regulatory hold period of four months and one day from the date of issuance. The Private Placement remains subject to TSX Venture Exchange acceptance of requisite regulatory filings.

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; 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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