

TORONTO, ONTARIO--(Marketwired - Apr 25, 2017) - [African Gold Group Inc.](#) (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce that it has completed the previously announced financing whereby certain strategic investors and certain insiders of AGG have subscribed to a private placement of 74,827,188 units (the "Units") at a subscription price of C\$0.09 per Unit for aggregate gross proceeds of C\$6,734,446.92. Each Unit consists of one common share and one common share purchase warrant (a "Warrant"). Each Warrant entitles 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.

In conjunction with the closing of the financing, Mr. David Brown, Mr. Michael A.J. Nikiforuk, Dr. Antony Harwood and Mr. Pierre Lalonde have stepped down from the board of directors. The Board would like to thank them for their hard work over the last several years.

Declan Franzmann, departing Chief Executive Officer ("CEO") stated: "We are pleased with the closing of our previously announced financing with Forbes and Manhattan and look forward to our renewed focus on our Kobada Project. I would also like to extend my sincerest thanks and appreciation to the board members of AGG who are departing the Company today. Their contributions and guidance over the years have proven invaluable for the advancement of Kobada and we wish them the best."

The board would also like to welcome Mr. Stan Bharti as Chairman of AGG, and other new directors: Mr. Bruce Humphrey, Mr. John Begeman and Mr. Stephan Theron to the board of AGG.

Additionally the Board of AGG also welcomes Mr. Theron as its new Chief Executive Officer and Brett Richards as the new President and Chief Operating Officer of AGG, effective immediately. Mr. Theron brings to AGG 18 years of extensive management, capital project development and M&A experience within the mining industry. He has structured numerous mining focused investments and has worked on mining projects throughout Africa. As previously disclosed, 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. The board would also like to extend its thanks to Mr. Franzmann for his work and contributions as an executive officer of the Company and looks forward to his continued input as a member of the board of directors of AGG.

Mr. Jaimie MacPherson, current Chief Financial Officer ("CFO") of AGG will remain on in a transition capacity for the next three months, at which time the Company will appoint Mr. Ryan Ptolemy as CFO of the Company, and announce it at the appropriate time. Mr. Ptolemy is a CPA, CGA and CFA charterholder. Mr. Ptolemy currently serves as CFO to a number of public companies in the mining sector.

The Company has also executed a binding term sheet dated April 24, 2017 with 2516232 Ontario Inc., a private company incorporated under the laws of Ontario ("PrivateCo"), whereby it has agreed to acquire all of the issued and outstanding securities of PrivateCo (the "Acquisition") in exchange for an aggregate of 33,333,333 common shares in the capital of the Company at a deemed price of \$0.09 per share for a total acquisition price of \$3,000,000. The Company and PrivateCo are at arm's length to each other. The Acquisition is subject to customary conditions for a transaction of this nature, which include satisfaction of due diligence, negotiation and entering into a definitive acquisition agreement and approval of the TSX Venture Exchange.

PrivateCo is party to an option agreement with TEMFOR s.a.r.l. providing PrivateCo with the option to acquire from TEMFOR, the Madougou gold project located in Burkina Faso. Madougou is a mid-stage exploration project, located in the north-western region of Burkina Faso. The project has been extensively explored, with both ground and airborne geophysical surveys conducted, and over 20,000m of RC drilling completed on the 182km² land package. Madougou is in a mining favourable jurisdiction within West Africa, and is contained in a regional mineralised area of the greenstone belt within Burkina Faso, with several gold producing operations. AGG view Madougou as a highly strategic asset, with tremendous potential to add significant value to the Company.

Three officers and directors of the Company (the "Purchasing Insiders"), purchased an aggregate of 24% of the securities issued pursuant to the offering. The offering was considered and approved by the board of directors of the Company, with the directors who purchased Units under the offering declaring a conflict and recusing themselves from voting on the offering. There was no materially contrary view or abstention by any director approving the offering. Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the purchase by the Purchasing Insiders was a "related party transaction" but the Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the offering.

AGG paid a cash fee of \$306,600 and issued 3,406,666 compensation warrants (each a "Compensation Warrant") to GMP Securities L.P. and Delano Capital Corp. for financial advisory services completed in connection with the offering. Each Compensation Warrant entitles the holder to acquire one Unit at \$0.09 for a period of twenty-four (24) months from the date of closing, with each Unit being issued on the same terms as under the offering.

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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