

- Mid-stage exploration project in mining favorable jurisdiction in West Africa - Significant land package of 182km², located in greenstone belt that hosts several producing gold mines - Significant historical holes drilled

TORONTO, ONTARIO--(Marketwire - June 21, 2017) -

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African Gold Group, Inc. (TSX VENTURE:AGG) ("AGG" or the "Company") is pleased to announce that it has completed the acquisition of all of the issued and outstanding shares of 2515232 Ontario Inc. ("PrivateCo") (the "Transaction") which owns an option to acquire the Madougou gold project (the "Madougou Project"). The Transaction was previously announced on April 25, 2017.

Summary of the Madougou Project

- Mid-stage exploration project in mining favorable jurisdiction in West Africa
- Significant land package of 182km², located in greenstone belt that hosts several producing gold mines
- Significant historical holes drilled, with near surface grades of:

- 56m @ 1.56g/t Au from 94m in DORC02
- 6m @ 3.4 g/t Au from 6m in DORC034
- 11m @ 2.91 g/t Au from 60m in GSRC00, including 1m @ 247 g/t Au from 14m
- 12m @ 3.4 g/t Au from 34m in GSAC065
- 10m @ 4.175 g/t Au from 18m in GSAC074
- 14m @ 4.76 g/t Au from 8m in SO-1066
- 10m @ 4.2 g/t Au from 37m in DGAC002, including 4m @ 10.7 g/t
- 10m @ 1.5 g/t Au from 24m in DGAC050
- 8m @ 20.86 g/t Au from 90m in SO-47
- 20m @ 2.01 g/t Au from 36m in NBAC023
- 14m @ 7.72 g/t Au from 40m in NBAC085
- 15m @ 3.87 g/t Au from 40m in NBAC095

Stephan Theron, Chief Executive Officer of the Company, commented: "The Madougou Project is in a very well understood area of the Birimian Greenstone in northern Burkina Faso, with Endeavour Mining's Karma Project some 60km away and other operating mines within 100km in several directions. AGG plans to organize the various work programs on Madougou in an effort to establishing a maiden resource on the concession within 12 months, or sooner. In addition, the Company will continue to develop our near term producing and flagship asset in Mali, the Kobada Gold Project, whilst the Madougou Project adds an exciting growth project to our existing gold portfolio."

The Madougou Project 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 the Madougou Project as a highly strategic asset, with tremendous potential to add significant value to the Company.

See Appendix 1.0 for Project / Property Location: <http://media3.marketwire.com/docs/agg0621appendix.pdf>.

These historical drill results, in addition to the historical geophysical work that has been conducted, will be the platform whereby AGG will be remodelling the existing data sets to identify new drilling targets so as it can formulate a comprehensive drill program for 2017.

Summary of the Transaction

Pursuant to the share purchase agreement dated June 21, 2017 (the "SPA") between AGG and the shareholders of PrivateCo, AGG acquired all of the issued and outstanding shares of PrivateCo. AGG issued an aggregate of 33,333,333 common shares to the shareholders of PrivateCo as consideration.

PrivateCo is party to an option agreement with TEMFOR s.a.r.l. ("TEMFOR") providing PrivateCo with the option (the "Option") to acquire from TEMFOR the Madougou Project.

Pursuant to the option agreement, PrivateCo can exercise the Option as follows:

- In order to acquire an initial 10% interest in the Madougou Project, PrivateCo must pay USD\$80,000 to TEMFOR on or before such date that the exploration permit for the Madougou Project is transferred to a newly incorporated Burkina Faso company (the "First Option");
- In order to acquire an additional 41% interest in the Madougou Project, PrivateCo must (i) pay USD\$300,000 to TEMFOR, and (ii) complete a National Instrument 43-101 ("NI 43-101") compliant technical report that contains an inferred mineral resource, within 12 months of the exercise of the First Option (the "Second Option");
- In order to acquire an additional 24% interest in the Madougou Project, PrivateCo must (i) pay USD\$300,000 to TEMFOR, and (ii) complete a NI 43-101 compliant technical report that contains an indicated mineral resource, within 12 months of the exercise of the Second Option; and
- In order to acquire the remaining 25% interest in the Madougou Project, PrivateCo must (i) fund any and all expenditures related to the Madougou Project, and (ii) complete a NI 43-101 compliant feasibility study which could reasonably serve as the basis for a final decision by an internationally recognized financial institution to finance the development of a mining project (the "Fourth Option").

If PrivateCo exercises the Fourth Option and acquires a 100% interest in the Madougou Project, PrivateCo shall grant to TEMFOR a 1% net smelter returns royalty over production from the Madougou Project.

The Transaction is an arm's length transaction for AGG. No finder's fees were paid in connection with the Transaction.

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.

Qualified Person

The technical and scientific contents of this press release have been prepared under the supervision of and have been reviewed and approved by Cesare Morelli B.Sc. (Pr.Sci.Nat.) who is a Qualified Person as defined by NI 43-101.

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; statements regarding the Madougou Project; statements regarding the Company's ability to exercise the Option; statements regarding the granting of stock options; 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.

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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