

MONTREAL, July 13, 2017 /CNW Telbec/ - [Algold Resources Ltd.](#) (TSXV: ALG – "Algold" or the "Corporation") today announced the signature of a strategic partnership agreement with its Mauritanian-based business partner, Wafa Mining & Petroleum SA ("Wafa"). The agreement underscores Wafa's continued confidence in the Corporation by providing a locally recognized partnership for Algold to pursue its exploration and development efforts in Mauritania.

"Wafa is a well-known and skilled Mauritanian-based industrial firm and has been a valued Algold partner since 2013," commented Algold Chairman Benoit La Salle. "Through this new strategic agreement, Wafa not only further validates its long-term support, but provides Algold with the opportunity to significantly accelerate the development of the Corporation's Mauritanian exploration projects. We are privileged to have Wafa as a strategic partner and look forward to our ongoing collaboration, as Algold continues its quest to unlock the true potential of its Tijirit gold project including the high-grade Eleonore structures."

Wafa has agreed to complete a private placement (the "Offering") of units of Algold, under which it will subscribe for a number of Algold's common shares (each a "Common Share") equal to 10% of the outstanding total, at a price of \$0.20 per unit. Based on the current total of 167,250,275 outstanding Common Shares, Wafa would subscribe for 18,583,364 units, for total gross proceeds of \$3,716,673. Each unit will be composed of one Common Share and 0.5538 of one Common Share purchase warrant, for a total of 10,291,682 such warrants. Each whole warrant (a "Warrant") will entitle Wafa to acquire one Common Share at a price of \$0.30, for a period of 18 months from the closing of the Offering. Upon closing of the Offering, Wafa will have the right to nominate one member to Algold's board of directors and would be granted the right to participate in any future offerings to allow Wafa to maintain its ownership stake.

"We are extremely pleased to further strengthen our collaboration with Wafa, which has a significant mining presence in Mauritania and is active across many sectors through its various subsidiary businesses," said Algold CEO François Auclair. "Wafa is a much-valued strategic shareholder that will ensure, in collaboration with Algold, that the Corporation takes full advantage of advancement opportunities to ultimately create shareholder value."

The Offering, which remains subject to receipt of the approval of the TSX Venture Exchange, is expected to close no later than July 28, 2017.

The net proceeds from the Offering will be used to carry out exploration drilling on Algold Mauritanian properties and for working capital and general corporate purposes.

The securities offered have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

In addition, Algold has agreed that, no later than July 31, 2018, it will make the cash payment of US\$200,000 due to Wafa under their agreement previously announced on January 29, 2013. Wafa had previously deferred that payment, as previously announced on November 25, 2015. Wafa's non-participating ownership stake in Société Mauritanienne d'Exploration (or a successor entity), which holds the existing Kneivissat permit, will also be increased from 10% to 12%.

ABOUT Wafa

Wafa Mining & Petroleum is part of Groupe Wafa SA. Groupe Wafa SA is an important family enterprise in Mauritania. The Ghadda family business established itself in the import and distribution of food products. Since then the business has diversified into construction, industrial fisheries, real estate, public works, distribution of petroleum products and banking. Its mining business, Wafa Mining and Petroleum, was established in 2010 as Wafa Mining SA then extended in 2012 its scope to the petroleum sector. It holds several tenements of mineral substance in Tasiast, Amsaga and the Mauritanides.

ABOUT ALGOLD

[Algold Resources Ltd.](#) is focused on the exploration and development of gold deposits in West Africa. The board of directors and management team are seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this press release may be forward-looking. Such statements include those with respect to Corporation's ability to raise funds under the Offering, the use of the proceeds raised thereunder and the rights to be granted to Wafa post-closing. Although the Corporation believes the expectations reflected in such forward-looking statements are based on

reasonable assumptions, it can give no assurances that its expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) Algold will be successful in its efforts to pursue the exploration activities referred to in this news release, (ii) Algold's management will not identify and pursue other business objectives using the proceeds of the Offering, (iii) Wafa and Algold will not negotiate terms for the Offering (including Wafa's post-closing rights) different from those described above and (iv) the price of gold will remain sufficiently high and the costs of advancing the Corporation's gold projects sufficiently low so as to permit Algold to implement its business plans in a profitable manner. Factors that could cause actual results to differ materially from expectations include (i) the Corporation's failure to make effective use of the proceeds of the Offering, (ii) Wafa and Algold agreeing to terms that are different from those described above for any reason, (iii) the failure of the Corporation's projects, for technical, logistical, labour-relations or other reasons, (iv) the Corporation's inability to obtain the necessary regulatory approvals for the Offering, (v) a decrease in the price of gold below what is necessary to sustain the Corporation's operations, (vi) an increase in the Corporation's operating costs above what is necessary to sustain its operations, (vii) accidents, labour disputes or the materialization of similar risks, (viii) a deterioration in capital market conditions that prevents the Corporation from raising the funds it requires on a timely basis and (ix) generally, the Corporation's inability to develop and implement a successful business plan for any reason. A description of other risks affecting Algold's business and activities appears under the heading "Risk Factors" on pages 19 to 21 of Algold's 2016 annual management's discussion and analysis, which is available on SEDAR at www.sedar.com. No assurance can be given that any events anticipated by the forward-looking information in this press release will transpire or occur, or if any of them do so, what benefits that Algold will derive therefrom. In particular, no assurance can be given as to the future financial performance of Algold. Algold disclaims any intention or obligation to update or revise any forward-looking statements in order to account for any new information or any other event, except as required under applicable law. The reader is warned against undue reliance on these forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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