

Algold Announces US\$9.2M Funding Arrangements

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Mauritania-Based Wafa Reaffirms Confidence with Additional US\$4.2M Investment in Tijirit Project

All amounts are in US\$ unless otherwise indicated.

MONTREAL, July 13, 2018 -- [Algold Resources Ltd.](#) (TSX-V:ALG) ("Algold" or the "Corporation") announced today that it has entered into low-dilution funding agreements totalling \$9.2M (C\$12M). Algold and one of its major shareholders, Wafa Mining & Petroleum SA ("Wafa"), a subsidiary of Wafa Holding, have signed a non-binding term sheet for an investment by Wafa, under which Wafa will acquire a 10% interest in the Corporation's Tirez subsidiary, owner of the Tijirit mining permit and gold development project (the "Investment"), as well as a subscription (the "Subscription") by Wafa for 8,837,472 common shares of Algold at a price of C\$0.10 per Share, for a total amount of \$4.2M in cash.

Separately and concurrently, Algold has entered into a secured credit agreement with a consortium of lenders to establish a short-term loan facility in the aggregate amount of \$5M (the "Loan").

"We thank Wafa, a long-standing strategic investor who shares Algold's long-term vision, which is of particular significance given the current headwinds faced by gold development companies. Wafa invested in Algold in two previous rounds of financing and this strategic funding confirms their commitment to help Algold reach the next stage of development," said Algold CEO Benoit La Salle. "We are delighted to have received such a substantial commitment from our lenders as well as from one of our largest shareholders, who understand the full potential of the Tijirit Project."

Wafa CEO Brahim Ghadda also commented, "Wafa envisions tremendous potential in the development of the Tijirit Project. This investment demonstrates our continued commitment to advance Tijirit Project to the next stage of development."

The net proceeds of the Loan, the Investment and the Subscription will be used to fund completion of technical studies, for working capital and for general corporate purposes.

As security for the Loan, Algold has granted the arm's length lenders, including Downtown Special Situations Holdings, LLC, Delaware Street Capital Master Fund, L.P., Saiso Partners LLC, Capital Drilling Ltd. and BPM Capital Limited (the "Lenders") a hypothec on all of its assets, including the equity interests that it holds in its each of its direct subsidiaries. The Loan has a term of one year and bears interest at an annual rate of 15%. In connection with the Loan, Algold has issued to the Lenders a total of 12,756,470 common shares of Algold (the "Bonus Shares"), which are subject to a four-month hold period. The Loan remains subject to the approval of the TSX Venture Exchange (the "TSXV").

In connection with the Investment and the Subscription, Algold will grant Wafa the right to name an additional director to Algold's board, giving it the right to name two directors in total (reference Algold's press release of February 6, 2018). The Investment and the Subscription remain subject to customary conditions, including the negotiation of definitive transaction documents and the approval of both the Government of Mauritania and the TSXV.

The Corporation also announced that its shareholders approved, at the Corporation's Annual General and Special Meeting of Shareholders held on June 28, 2018, a consolidation of Algold's common

shares on the basis of one (1) new common share for each ten (10) existing common shares (the "Consolidation"). Following the Consolidation, it is expected that the total number of outstanding shares will be reduced from 236,745,886 to 23,674,588. The Consolidation is expected to become effective on or about July 20, 2018. The Consolidation is subject to TSXV approval.

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.

FORWARD-LOOKING INFORMATION

Certain statements in this press release may be forward-looking. Such statements include those with respect to Corporation's ability to complete the Investment and the Subscription, as well as the anticipated benefits of the Investment, the Subscription and the Loan. 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) Wafa and Algold will successfully negotiate the terms of final documentation in connection with both the Investment and the Subscription, (ii) Algold will obtain all required regulatory approvals for the Investment and the Subscription, (iii) Algold's management will not identify and pursue other business objectives using the proceeds of the Loan, the Investment and the Subscription 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, but are not limited to: (i) the parties' inability or unwillingness to complete the transactions described in this press release, in whole or in part, (ii) the Corporation's failure to make effective use of the proceeds of the Loan, the Investment or the Subscription, (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 Investment or the Subscription, (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 in Algold's 2017 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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