African Metals Corp. and Frederick Private Equity Corporation Sign Agreement on the Silver Bell - St. Lawrence Gold Project, Montana

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TORONTO, April 26, 2019 - African Metals Corporation (the "Company") [TSXV: AFR.H [formerly AFR)] is pleased to announce that it has entered into an agreement whereby the Company may acquire a majority interest in the Silver Bell - St. Lawrence Gold Project, in the Virginia City Mining District of Montana, U.S.A. from Frederick Private Equity Corporation ("Frederick PEC"). Under the Agreement, the Company may initially earn a 51% interest in the Project by making annual US$10,000 option payments and spending US$1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditures during the first year. The Project comprises a 390-acre claim package located about 4 miles southwest of Virginia City in Madison County, Montana, and about 50 miles southeast of Butte, Montana. There is also an area of interest around the Project.

The Project hosts two past producing gold-silver mines, the Silver Bell Mine on the west and the St. Lawrence Mine on the east. Both mines operated in the early 1900s and the St. Lawrence was reactivated and operated in the early 1980s. Historical production records are incomplete but available information suggests that historical production at the St. Lawrence was approximately 0.22 ounces per ton ("opt") gold and 3.8 opt silver. Smelter receipts for small shipments from the St. Lawrence indicate that some ore with much higher grades was shipped. For example, a smelter receipt from October 30, 1964 states that 8.027 tons were received grading 0.76 opt gold and 20.0 opt silver. Historical production at the Silver Bell averaged approximately 0.2 opt gold and 15.1 opt silver.

The shafts for each of the former mines are located 3,600 feet apart and the exploration hypothesis is that the two mines shared mineralized systems that may in part be contiguous. Surface mapping and geophysical surveying by the Company support this initial hypothesis and may indicate extension of the vein system farther east along strike from the St. Lawrence mine.

The Company announced on January 3, 2019 that it had completed the sale of all or substantially all of its assets as approved by special resolution of its shareholders and that it was in the process of settling all of its debts and liabilities which were in existence at the time that the current management and the majority of the Board of Directors consisting of John O'Donnell and David Mason took office. The Company also indicated its intention to use the sale proceeds to reinstate the Company's corporate standing, bring its books and records back to good order, hold an annual general meeting of Shareholders and complete all necessary steps to apply to have the current cease trade order dated December 1, 2016 revoked. The Company further indicated that once its debts are settled, the Company plans to use the remaining sale proceeds, which are expected to be approximately US$1,600,000, to seek out further business opportunities. The completion of the audited financial statements is well underway and is expected to be completed in May. The Project puts the Company back in business and is believed to be an exciting, low cost, drill-ready project. A modest drill program will hopefully give an early indication of the validity of the geological hypothesis.

Frederick PEC acquired its interest in the Project from Peloton Minerals Corp. ("Peloton") (CSE Symbol: PMC) (OTCQB Symbol: PMCFF) through Peloton's wholly owned subsidiary SBSL Subsidiary Corporation ("SBSL") pursuant to an Exploration Agreement with a joint Venture Option (the "Peloton-Frederick Agreement"). Under the Peloton-Frederick Agreement, Frederick PEC may earn up to a 75% interest in the Project by spending a total of US$2,000,000 in exploration expenditures within six years and make annual option payments.

Frederick PEC may first earn a 51% interest in the Project by making annual US$10,000 option payments to SBSL and spending US$1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditure during the first two years. Frederick PEC may earn a further 24% interest (the "Second Earn-In Option") in the Project by then making annual US$25,000 option payments and spending an additional US$1,000,000 in exploration expenditures over a two-year period following the establishment of the first 51% interest, for a total of US$2,000,000 to earn a 75% interest. After Frederick PEC has earned either a 51% or a 75% interest, as the case may be, a mining venture or mining company may be formed with respect to the Project, and Frederick PEC and Peloton will contribute their respective share of further exploration and development expenditures. In the event that either party's interest is diluted to ten percent (10.0%) or less, it shall relinquish its interest to the other party, in return for a royalty agreement that conveys to the diluting party a royalty of one percent (1.0%) of net smelter returns on all minerals thereafter produced and removed from the Project. The non-diluting party may, at any time, buy-down that royalty by one-half percent (0.05%), so that the total royalty is one-half percent (0.05%) of net smelter returns, by paying US$250,000 to the royalty holder. The Project is subject to an earlier outstanding 2% NSR, the majority of which can be bought down to one percent (1%), and a buy down option on the remaining claims is being sought.

In order to earn its 51% interest, the Company must make all of the exploration expenditures and annual option payments required to be made to SBSL to exercise its option to earn a 51% interest in the Project and has agreed to expend the minimum exploration expenditures to be made ($200,000) within one year of the execution of this Agreement.

Frederick PEC retains the right to earn the additional 24% Second Earn-In Option if it chooses to do so. If it elects not to earn the Second Earn-In Option, it shall transfer and assign the right to do so to the Company upon payment to Frederick PEC of 1,000,000 fully paid and non-assessable common share of the Company or an Affiliate company into which the rights under this Agreement may have been further transferred or assigned by the Company, subject to all regulatory and stock exchange requirements. To be clear, this provision shall not apply unless the Company is successful in having its current cease trading order lifted, otherwise this provision shall be null and void with no force and effect. In such event, the Company will be responsible for funding all additional exploration expenditures and option payments required to earn the Second Earn-In Option. If Frederick PEC elects to earn the Second Earn-In Option, it shall make the necessary exploration expenditures and option payments required to earn the Second Earn-In Option, provided however that the Company will be responsible for paying its proportionate share of such exploration expenditures and option payments equal to a ratio of 51 to 24 reflecting the respective proportionate interests of the parties in the Property. In the event that the Company does not contribute its proportionate share of such exploration expenditures and option payments and Frederick PEC has earned the Second Earn-In Option, the interest of the Company shall be diluted to 24% and the interest of Frederick PEC shall be increased to 51%.

If Frederick PEC completes an initial offering of its securities to raise funds to cover its activities, it shall offer at least half of such securities to the shareholders of AFR in proportion to their shareholdings in AFR with or without a back stop or standby purchaser agreement. Such right is limited to the first offering of securities by Frederick.

John O'Donnell is an officer and/or director of Peloton, Frederick PEC, and the Company and, as such, recused himself from the approval process of the transactions.

John Childs, PhD, is the qualified person responsible for approving the technical information contained within this release.

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Such statements include, among others, those concerning the Company's plans to reactivate the Company and for exploration activity, and to conduct future exploration programs. Such forward-looking information or statements are based on a number of risks, uncertainties and assumptions which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Assumptions have been made regarding, among other things, management's expectations regarding its ability to initiate and complete future exploration work as expected. Actual results could differ materially due to a number of factors, including, without limitation, operational risks in the completion of the Company's future exploration work, technical, safety or regulatory issues.

Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law.

SOURCE: African Metals Corp.