

# African Gold Group Closes Oversubscribed \$4.6 Million Private Placement

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TORONTO, Feb. 24, 2021 - [African Gold Group Inc.](#) (TSX-V: AGG) ("AGG" or the "Company") is pleased to announce that it has closed its previously announced C\$4 million non-brokered private placement financing of common shares (the "Offering") on an oversubscribed basis for gross proceeds of C\$4,599,921.75.

Pursuant to the Offering, the Company issued 30,666,145 units of the Company (each a "Unit" and collectively, the "Units") at a price of C\$0.15 per Unit. Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one additional Common Share of the Company at an exercise price of C\$0.25 until June 24, 2023.

Certain directors and officers of the Company purchased or acquired direction and control over a total of 1,166,667 Units under the Offering. The placement to those persons constitutes a "related party transaction" within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 -Protection of Minority Security Holders in Special Transactions ("MI 61-101") adopted in the Policy. The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company's market capitalization (as determined under MI 61-101). Further details will be included in a material change report to be filed by the Company.

Net proceeds from the Offering will be used to continue exploration activities at the Company's flagship Kobada Gold Project with a view on targeting an increase in resources and reserves in the near term.

Danny Callow, Chief Executive Officer of AGG states, "the success of the drilling campaign to date where deeper oxides, additional mineralised zones outside of the current ore resource envelope, encouraging grades and confirmation of economic gold mineralisation within a new shear zone structure at our Gosso target has given us a significant amount of confidence in the exploration upside potential of Kobada. The additional funds will be targeted towards updating our resources and reserves and focus on adding significant value to the project."

In connection with the closing of the Offering, the Company has paid aggregate finder's fees of \$121,507.50 in cash and 810,165 finder's warrants ("Finder's Warrants") to certain finders. Each Finder Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.15 for a period of 24 months from the date of the closing of the Offering. All securities issued under the Offering are subject to a statutory hold period ending on June 25, 2021.

The securities offered under the Offering have not been registered under the *U.S. Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

## ASX Dual Listing

The Company will commence investigating the merits of a dual listing on the Australian Stock Exchange ("ASX"). The Company believes that dual listing on ASX could provide a larger pool of investors to support the Kobada Gold Project.

Danny Callow, Chief Executive Officer of the Company commented, "We have seen continued good support from Australian institutional investors and feel that a dual listing could further raise the profile of AGG within Australia and provide access to Australian investors many of whom can only invest on the ASX."

#### Investors Relations Agreement

Further to the Company's press release dated April 2, 2020, the Company announces that the investors relations agreement dated as of March 27, 2020 between the Company and Hybrid Financial Ltd. has been terminated.

#### About African Gold Group

African Gold Group is a TSX Venture Exchange (TSX-V: AGG) listed exploration and development company with a focus on building Africa's next mid-tier gold producer. The Company has a highly experienced board and management team with a proven track record in the African mining sector operating mines from development through to production. AGG's principal asset is the Kobada Project in southern Mali, which is in an advanced stage of development having completed the 2020 definitive feasibility study and is targeting gold production of 100,000 oz per annum. As well as the initial Kobada Gold Project, other exploration locations have been identified on the Kobada, Farada and Kobada Est concessions, offering potential for an increase in resource. For more information regarding African Gold Group visit our website at [www.africangoldgroup.com](http://www.africangoldgroup.com).

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#### Cautionary statements

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding, listing of the securities of the Company on the ASX, the intended use of proceeds of the Offering and other matters relating to the Offering. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of AGG to be materially different from those expressed or implied by such forward-looking*

*information, including but not limited to: receipt of necessary approvals; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although AGG has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. AGG does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

*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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