



## **STELLAR AFRICAGOLD ANNUAL GENERAL MEETING, CHANGE OF OFFICER, GRANT OF STOCK OPTIONS, CONVERSION OF DEBT, BULK SAMPLE UPDATE**

**Montreal, August 22, 2017** – John Cumming, President and Chief Executive Officer of **Stellar AfricaGold Inc.**, (TSX-V: SPX) ("Stellar" or the "Company") announces:

### **ANNUAL GENERAL MEETING**

The Annual General Meeting of the shareholders of the Company was held on July 27, 2017 in Montreal, Quebec. A total of 10,544,280 shares (9,733,483 by proxy and 810,797 in person) representing 18.38% of the issued capital were voted at the annual meeting. At the Meeting, shareholders approved all resolutions put before them by management including the election of management's director nominees, the appointment of the auditor, and the approval of the Company's 10% rolling incentive stock option plan.

The directors of the Company are Maurice Giroux, John Cumming, François Lalonde and John Ryan.

The directors subsequently reappointed John Cumming as President and Chief Executive Officer, and Maurice Giroux as Vice President Exploration and Chief Operating Officer.

### **CHANGE OF OFFICER**

On August 17, 2017 director François Lalonde was appointed as Chief Financial Officer replacing Martin Nicoletti.

### **GRANT OF STOCK OPTIONS**

The Company has granted 3,637,000 incentive stock options to directors, officers and consultants of the Company. The options are for a five year term exercisable at \$0.05 per share, are fully vested and are granted pursuant and subject to the Company's approved Stock Option Plan and required regulatory approvals.

### **CONVERSION OF DEBENTURE AND SHARES FOR DEBT ISSUANCE**

Pursuant to the private placement of a \$150,000 convertible debenture which closed on September 22, 2016, the Company has issued to one debenture holder 200,000 shares upon conversion of \$10,000 of that convertible debt and issued a further 8,067 shares for accrued interest to the conversion date, all at a price of \$0.05 per share.

The transaction constituted a related-party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 as an insider of the Company have received 10,000 shares of the issuance. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified

market and the fair market value of the participation in the offering by insiders does not exceed 25 per cent of the market capitalization of the Company, as determined in accordance with MI 61-101.

### **BALANDOUGOU GOLD PROJECT BULK SAMPLE UPDATE**

The Company is pleased to report that the 150 tonnes per day gravity pilot plant has been delivered to the B3 site of the Balandougou gold project. The gravity plant equipment is being inventoried and preparations for the commencement of installation is underway.

During June and July 2017, the Company stockpiled 15,000 tonnes of mill feed for the gravity plant. The sample consists of 800 truckloads of oxide material from 3 different areas along the B3 gold-bearing structure. The mining cost of the stockpiled sample was less than US\$ 4.00 per tonne.

In preparation for the sample extraction, the Company excavated three new trenches, designated TE2, TF2 and TG2. The three trenches were channel sampled at a depth of three metres. Each sample is a two-metre composite sample taken across the mineralized high quartz content sections. A total of 66 samples were taken and sent to ALS Laboratory in Bamako for Fire Assay, Atomic Absorption Finish on 50g aliquot. The results of these samples are expected in the coming weeks and will be released as soon as processed and reviewed.

### **ABOUT THE B3 GOLD STRUCTURE**

Stellar discovered the Balandougou B3 shear zone in 2010 during a regional and detailed soil geochemistry survey exploration program, and a strong NW-SE trending gold anomaly approximately 1,150 metres long by 350 metres wide was outlined. The geochemical anomaly was subsequently investigated with 76 Reverse Circulation drill holes totalling 5050 metres at a 50m grid interval along an 800 metres strike length, and then by 16 diamond drill holes totalling 2,350 metres. Using an excavator, five trenches at 100 metre intervals were excavated to a depth of more than 3 metres across the B3 zone, and an extensive structural analysis was undertaken by AECOM, an independent consultant, to better understand the controls of the gold mineralization.

### **ABOUT THE BULK SAMPLE PROGRAM**

In 2016 as part of preparatory work for a feasibility study Stellar engaged the Metallurgy and Mineralogy Division of SGS South Africa to perform a four-stage gravity recovery test work on a 72-kilogram composite sample collected from the mineralized sections of trenches F, G and H across the B3 gold structure.

The pre-test head grade of the composite sample submitted to SGS was 3.5g/T Au. For the test, a 50 kilogram sub-sample was concentrated through four stages of gravity separation using consecutively smaller milling sizes. The overall **gold recovery after gravity separation was 66.2%** with 33.8% of the gold remaining in the gravity tails. The 33.8% unrecovered gold in the tailings is thought to be due to the presence of fine gold particles in the initial sample that were too fine to recover using only gravity separation.

To address the issue of fine gold not being recovered by gravity separation, the Company requested a bench test using cyanidation on the tailings after completion of the last stage of gravity separation to evaluate the suitability of a cyanide circuit to process the gravity tailings and increase the gold recovery. The cyanidation bench test of the gravity tailings resulted in a 91% gold recovery from the tailings over a four-hour leach period.

The combination of the four-stage gravity separation followed by cyanide leaching test resulted in a combined gold recovery of 97% of the tested head grade.

Stellar also engaged XKJ Solution, a branch of Henan Xingyang Mining Machinery Manufactory of China, for the engineering design and subsequent fabrication of a 15-to-25-ton-per-hour gravity pilot plant to process a proposed and permitted 15,000 tonnes bulk sample.

The final design parameters and the fine tuning of the pilot plant were set according to the results of the SGS Mineral Services four-stage gravity test results. The pilot plant was designed with all required components including a primary crusher and a fine jaw crusher circuit and a ball mill to discharge -0.2 mm size material into two Knelson Concentrators for optimal gold recovery. Final gold recovery from STL-60 Knelson concentrate will be performed on two 6-S shaking tables.

#### **ABOUT STELLAR AFRICAGOLD INC.**

Stellar AfricaGold Inc. is a Canadian gold exploration Company based in Montreal, Quebec, with operations concentrated mainly in West Africa and in Quebec.

The Company is currently developing the promising gold potential of the advanced exploration stage Balandougou project in Guinea, including a 15,000 tonne bulk sample program. (see News Release March 1, 2017) The Company also owns the Namarana project in neighbouring Mali. In Quebec, the Company owns 100% of the Opawica Project in the Chibougamau mining camp.

The technical content of this press release has been reviewed and approved by independent consultant Greg Isenor, P. Geo, a Qualified Person as defined in NI 43-101.

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#### **On Behalf of the Board**

**John Cumming, LLM,**

**President & CEO**

*This release contains certain "forward-looking information" under applicable Canadian securities laws concerning the Arrangement. Forward-looking information reflects the Company's current internal expectations or beliefs and is based on information currently available to the Company. In some cases forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. Assumptions upon which such forward-looking information is based includes, among others, that the conditions to closing of the Arrangement will be satisfied and that the Arrangement will be completed on the terms set out in the definitive agreement. Many of these assumptions are based on factors and events that are not within the control of the Company, and there is no assurance they will prove to be correct or accurate. Risk factors that could cause actual results to differ materially from those predicted herein include, without limitation: that the remaining conditions to the Arrangement will not be satisfied; that the business prospects and opportunities of the Company will not proceed as*

*anticipated; changes in the global prices for gold or certain other commodities (such as diesel, aluminum and electricity); changes in U.S. dollar and other currency exchange rates, interest rates or gold lease rates; risks arising from holding derivative instruments; the level of liquidity and capital resources; access to capital markets, financing and interest rates; mining tax regimes; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; laws and regulations governing the protection of the environment; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development; contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. Risks and unknowns inherent in all projects include the inaccuracy of estimated reserves and resources, metallurgical recoveries, capital and operating costs of such projects, and the future prices for the relevant minerals.*

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