



STELLAR AFRICAGOLD TSX-V CONDITIONAL APPROVAL OF OPAWICA SALE

Vancouver, August 9, 2018 – John Cumming, President and Chief Executive Officer of **Stellar AfricaGold Inc., (TSX-V: SPX)** ("Stellar" or the "Company") announces:

CONDITIONAL APPROVAL OF AMENDED OPAWICA SALE

Further to the Company's June 28, 2018 news release, Stellar and Mosaic Minerals Inc. ("Mosaic") have amended the mineral property sale and purchase agreement for the 33 claim Opawica gold project ("Opawica"), Quebec. The amended agreement now provides for closing the transaction into escrow with final closing following shareholder approval at the next Annual General Meeting of Stellar shareholders scheduled for mid October, 2018. No other deal terms were altered.

The Opawica sale as amended (the "Opawica Transaction") has received TSX Venture Exchange conditional approval. The transaction remains subject to shareholder approval at the forthcoming AGM and final filings with the TSX-V.

ABOUT THE OPAWICA SALE

Stellar's determination to focus on gold exploration and development at its Balandougou Gold Project in Guinea also mandated that it divest of all non-core assets. To best monetize its last remaining non-core asset Stellar agreed to sell Opawica to Mosaic for \$360,000 to be paid by the issuance of 7,200,000 shares of Mosaic issued at a deemed price of \$0.05 per share, plus a 2% Net Smelter Return royalty ("NSR") one-half of which may be purchased by Mosaic for \$1,000,000. The \$0.05 share price was based upon the issue price of the Concurrent Mosaic Financing (as defined below).

The 7,200,000 shares of Mosaic to be issued to Stellar was based upon and represents a 100% recovery of Stellar's historical exploration expenditures of \$360,000, while the 2% NSR provides a potential long-term upside benefit for Stellar shareholders should a discovery be made at Opawica in the future. Opawica is an early stage exploration property with no known discovery, no defined drill targets and no resource or reserve. As such it is of indeterminate or 'soft' value and not capable of formal valuation; therefore, no formal valuation of the property or fairness opinion of the Opawica Transaction was obtained.

The Opawica Transaction will be closed in two stages. The initial closing will be into escrow and is subject to: a) Mosaic completing a concurrent equity financing of not less than \$200,000 at pricing equivalent to the purchase consideration shares, being \$0.05 per share (the "Concurrent Mosaic Financing"), and b) TSX-V Conditional Approval of the Opawica Transaction as a 'Reviewable Disposition' which has been received. The final closing is conditional upon shareholder approval at the next Stellar Annual General Meeting scheduled for mid October, 2018 and providing closing documents to the TSX-V.

After closing of the Opawica Transaction, the 7,200,000 shares of Mosaic issued to Stellar will represent between 45.14% and 30.70% of the outstanding shares Mosaic depending upon the on the size of the Mosaic Concurrent Financing, which may vary between \$200,000, the minimum amount required under the purchase agreement between Stellar and Mosaic for the Opawica Transaction, and \$600,000, being the anticipated maximum financing amount to be sought by Mosaic.

Mosaic is a privately held company currently 100% owned by Maurice Giroux and John Cumming, both directors of Stellar. After completion of the Opawica Transaction and the Mosaic Concurrent Financing, Maurice Giroux and John Cumming will be minority shareholders of Mosaic.

The Opawica Transaction constitutes a related-party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 as two directors of the Company currently control Mosaic. The Company relied upon exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and (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

Opawica Transaction does not exceed 25 per cent of the market capitalization of the Company, as determined in accordance with MI 61-101.

ABOUT STELLAR AFRICAGOLD INC.

Stellar AfricaGold Inc. is a Canadian gold exploration company with offices in Vancouver, BC and Montreal, QC, and operations concentrated in West Africa and in Quebec.

In addition to developing its Balandougou Gold Project in Guinea including construction of 150 tonnes per day gravity mill (construction completed) to process a 15,000 tonnes bulk sample (processing in progress) to test the commercial economics of gold extraction using only gravity methods, the Company also currently owns 100% of the Opawica project in the Chibougamau mining camp, Quebec.

For further information please contact:

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Additional information is available on the Company's website at www.stellarafricagold.com.

On Behalf of the Board



**John Cumming, LLM
President & CEO**

This release contains certain "forward-looking information" under applicable Canadian securities laws. 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. Forward looking information contained in this news release includes, without limitation, statements relating to the completion of the Opawica Transaction and the exploration and development potential of the Balandougou II permit. Forward looking information are based on assumptions made by the Company. 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: the failure of Stellar to obtain TSX-V approval of the Opawica Transaction, the failure of Mosaic to complete the Mosaic Concurrent Financing, 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.

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