



STELLAR AFRICAGOLD EXPANDS GUINEA LANDHOLDING, NEW PERMIT INCREASES EXPLORATION POTENTIAL, SELLS OPAWICA, QUEBEC

Vancouver, June 28, 2018 – John Cumming, President and Chief Executive Officer of **Stellar AfricaGold Inc., (TSX-V: SPX)** ("Stellar" or the "Company") announces:

GUINEA EXPLORATION PERMIT EXPANSION

The Company has organized a new subsidiary in Guinea, Stellar Guinea SARL, which has applied for a strategic new exploration permit in the Balandougou region.

Stellar Guinea SARL has applied for a 92 Km² permit which will replace and supersede the Balandougou permit which has expired. This new permit, called Balandougou II, incorporates the most highly-prospective areas of the expired 56 Km² Balandougou permit and additional high priority, gold prospective exploration targets.

The southern part of the Balandougou II permit includes a 3 x 10 km long east-west trending geological structure very similar to the structure hosting the B3, B1 and Solotomo gold discoveries. This structure was clearly defined by the 2012 Stellar-Newmont high-resolution airborne Magnetic and Radiometric survey. Moreover, Stellar's 2012 soil geochemical survey over the westernmost portion of this structure clearly outlined a strong gold-in-soil anomaly that remains open to the east of the surveyed area.

In the northern part of Balandougou II prior sampling by Stellar of quartz veins within the Fadaninda and Mawren artisanal diggings reported high grade gold mineralization with assays as high as 108 g/t Au at Fadaninda and 154 g/t Au on the Maure structure.

Commentary

"This new exploration permit with its focus on only highly-prospective, high priority exploration target areas significantly enhances Stellar's exploration upside" commented Maurice Giroux, Stellar's VP Exploration and COO. "While our Balandougou gravity mill has the potential to deliver near-term financial results, the exploration and discovery potential of this new permit area offers shareholders increased blue sky.

In 2009 Stellar began exploring a Guinea landholding of over 600 km² and discovered the B1 and B3 structures, which are still not fully explored or exploited. With Stellar's Balandougou mill construction completed and the Balandougou II permit application underway, it is time for Stellar to resume exploration focussing firstly on Balandougou II and thereafter on additional permits in the immediate vicinity that may be acquired in the future. In the near term Stellar will complete its evaluation of known highly-prospective areas within Balandougou II and pursue the numerous new targets identified by prior geophysical and geochemical exploration including some areas that have been validated by the surface work of local artisanal gold miners."

The Balandougou II permit will be valid for three years from the date of final grant with two subsequent two-year renewals.

Stellar Guinea SARL is owned 80% by the Company and 20% by the Company's Guinean strategic partner. The 20% share ownership may be purchased by the Company at any time for US\$500,000.

SALE OF OPAWICA, QUEBEC

Consistent with Stellar's decisions to focus exploration efforts in Guinea and to divest non-core assets (*news release June 14, 2018*) Stellar has agreed to sell the 33 claim Opawica gold project ("Opawica") located in Quebec, to Mosaic Minerals Inc. ("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

“Opawica Transaction”). 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.

Completion of the Opawica Transaction 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 approval of the Opawica Transaction as a ‘Reviewable Disposition’.

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 based 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.

The Opawica Transaction is subject to TSX-V approval.

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.

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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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.