

STELLAR AFRICAGOLD – BALANDOUGOU GRAVITY MILL BULK SAMPLING UPDATE

Vancouver, October 23, 2018 – John Cumming, President and Chief Executive Officer of Stellar AfricaGold Inc., **(TSX-V: SPX)** ("Stellar" or the "Company") announces:

Balandougou Gravity Mill Bulk Sampling Update

Notwithstanding the recent upgrades and adjustments to the Balandougou gravity mill and concentrators the gold recovery remained below expectations with daily gold recoveries in the 0.2 to 0.3 g/p/t range with only a few exceptional days in the 1.0 to $2.25 \, \text{g/p/t}$ range.

The original metallurgical bench tests conducted by SGS South Africa concluded that a 66% gold recovery over four-stages of gravity separation was possible. Those tests were under optimal laboratory conditions and Stellar's Balandougou gold mill has not been able to replicate those rates of recovery with larger scale commercial equipment.

After resuming bulk sample milling operations in September, the Company conducted a systematic sampling program to evaluate the post-upgrade operating efficiency of the gravity mill. Input grades were determined by sampling all loads of mineralized material dumped into the mill, and time-scheduled samples of the rejects from the Knelson concentrators were taken. This sampling program was conducted over several days to obtain a sufficiently large number of samples to provide an accurate representative average grade of the processed material.

This sampling program revealed that during the time of the feed grade monitoring exercise the input grade of the processed material was an average of 2.0 g/p/t gold. At the tailings end, for the same period, the material rejected from the concentrators was sampled every 30 minutes and the average grade of those tailings was 1.73 g/p/t gold. Overall, only approximately 10 to 20% of the 2.0 g/p/t gold within the feed material was recovered during the milling and concentrating process with approximately 80-90% of the gold remaining in the concentrators' tailings. Additionally, from beginning of the gravity test operation, the tailings were periodically visually inspected by experienced local gold workers and no significant gold was detected. Comparing the Balandougou gold mill operating results with the original SGS Screening and Grading analysis, the conclusion is that the gravity plant is recovering only gold grains larger than 300 microns (0.3 millimeter) representing only approximately 20% of all the gold contained in the B3 zone material and that the high recovery days were the results of processing pockets of high-grade course gold mineralization.

Consequently, milling operations have been temporarily shut down while the Company undertakes further metallurgical analysis of the Balandougou mill feed; however, the preliminary conclusions are that the grade of the gold mineralization processed from the B3 Zone is, as was anticipated, approximately 2.0 g/p/t and that a large percentage of the gold grains are too fine to be captured by gravity methods on a large scale operation. The Company is currently considering the viability and economics of various alternatives for adding a cyanide recovery circuit to the existing mill which could increase gold recovery to approximately 96% as was reported by SGS South Africa in its 2016 report on cyanidation testing of the tailings of the gravity tests.

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 a 150 tonnes per day gravity mill (construction completed) to process a 15,000 tonnes bulk sample to test the commercial economics of gravity extraction only. 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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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 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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