# STELLAR AFRICAGOLD UPDATE ON BALANDOUGOU BULK SAMPLE PROGRAM

**Montreal, March 1, 2017 –** John Cumming**,** President and Chief Executive Officer of **Stellar AfricaGold Inc., (TSX-V: SPX)** ("Stellar" or the "Company") is pleased to announce that preparations for Stellar's bulk sample program are on schedule and on budget.

## THE BULK SAMPLE PROGRAM

All of the essential preparations for the bulk sample program including metallurgical testing, environmental and social impact study, acquisition of the pilot plant, and surface stripping and site infrastructure are either well-advanced or completed.

As previously announced, the bulk sample program will process 15,000 tons of surface oxide mineralization from the B3 Zone of Stellar's 100% owned 52 $km^2$ Balandougou Project in Guinea where a 72 kg composite sample used for metallurgical testing returned an average grade of **3.5 g/t Au**. The primary objective of the program is to investigate the suitability of the B3 oxide mineralization to gold extraction and recovery using gravity separation as the sole or primary method of gold recovery. Gravity separation is the most environmentally friendly gold extraction method because no chemicals are used in the gold extraction process. It is also the most economical solution for processing surface oxide deposits.

The B3 shear zone was first discovered by Stellar during a regional and detailed soil geochemistry survey done in 2010. 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 to a depth of more than 3 metres were dug 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.

In preparation for the bulk sample program and to qualify the B3 zone oxide mineralization for this kind of testing, the Company has initiated or completed the following:

- Metallurgical testing of B3 oxide mineralization including a four-stage gravity separation test
- Environmental and social impact study
- Engineering design and construction of a 15 tons per hour gravity separation pilot plant,
- Construction of surface infrastructure

## METALLURGICAL TEST

Stellar has 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 of the Balandougou Project in Guinea.

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.

At this time Stellar does not plan to include a cyanide circuit into its bulk sample program but will store all tailings in a manner suitable for reprocessing if and when a cyanide circuit is implemented.

**ENVIRONMENTAL AND SOCIAL IMPACT STUDY**

In September 2016, the Company engaged the Bureau D'Études Guineen De L'Ingenierie et de L'Environnement SARL (B.E.G.I.E SARL) to conduct a Social and Environmental Impact Study, which is a pre-requisite for Stellar's Guinean subsidiary to be granted a Semi-Industrial Exploitation Licence. The Guinea Environment and Mining Code requires the completion of an environmental and social impact study for all mining projects to evaluate the effects of a proposed semi-industrial or industrial mining operation on the ecological balance and on the quality of life of the neighboring populations as well as, if necessary, propose measures to mitigate any identified adverse impacts.

Stellar is pleased to report that following all necessary local consultations and having received a positive recommendation, an Environmental Certificate of Conformity was awarded to Stellar's subsidiary MGWA-Goldenfrank SARL.

**15 TONS PER HOUR PILOT GRAVITY PLANT**

Stellar has engaged XKJ Solution, a branch of Henan Xingyang Mining Machinery Manufactory of China, for the engineering design and fabrication of a 15-to-25-ton-per-hour pilot plant to process the 15,000 tons bulk sample. Construction of the plant in China is underway with completion scheduled for the end of March 2017. The completed pilot plant will be shipped to Guinea by sea and the plant is scheduled to be delivered on site by the end of April.

The final design parameters and the fine tuning of the pilot plant were according to the results of the SGS Mineral Services four-stage gravity test results. The pilot plant was design with all required components including a primary and a fine jaw crushers and a ball mill that will discharge -0.2 mm size material into two Knelson Concentrators for optimal gold recovery.

**SURFACE INFRASTRUCTURE AND STRIPPING**

Stellar has engaged CITAG Bureau d'Ingénierie, a local Guinean engineering firm that specializes in mine construction, for the mine pit and plant site preparation and to supervise surface stripping and infrastructure construction. Subject to satisfactory completion of this first engagement CITAG may also be awarded the contract to mine the 15,000 tons sample under Stellar Supervision.

The processing of the 15,000 tons sample is scheduled to start in June 2017 and continue at a rate of 150 tons per day for approximately 4 months.

**GRANT OF INCENTIVE STOCK OPTIONS**

The Company has granted 300,000 incentive stock options to three consultants to 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 such regulatory approvals as may be required. The consultants are engaged on a month-to-month basis and the options are subject to early termination thirty days following the end of the consultants' engagement.

**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 Balandougou project in Guinea, which is at an advanced exploration stage, as well as of the Namarana project in 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.

For further information please contact Maurice Giroux, VP Exploration, **Stellar AfricaGold Inc.,** 410 St-Nicolas, Suite 236, Montréal (Québec) H2Y-2P5. Tel.: 514-866-6299 Email: *mgiroux.stellar@gmail.com* or access the Company's website at ***www.stellarafricagold.com.***

**On Behalf of the Board**

**John Cumming, LLM,**

**President & CEO**

*Forward Looking Statement*

*This news release contains forward-looking statements. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding expected, estimated or planned gold and niobium production, cash costs, margin expansion, capital expenditures and exploration expenditures and statements regarding the estimation of mineral resources, exploration results, potential mineralization, potential mineral resources and mineral reserves) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words "may", "will", "should",*

*"continue", "expect", "anticipate", "outlook", "guidance", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation: changes in the global prices for gold, niobium, copper, silver 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. Development projects have no operating history upon which to base estimates of future cash flows. The capital expenditures and time required to develop new mines or other projects are considerable, and changes in costs or construction schedules can affect project economics. Actual costs and economic returns may differ materially from estimates and the Company could fail to obtain the governmental approvals necessary for the operation of a project; in either case, the project may not proceed, either on its original timing or at all.*

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