

African Gold Group Receives Environmental Permit Approval for the Kobada Gold Project

TORONTO, Oct. 28, 2021 (GLOBE NEWSWIRE) -- African Gold Group, Inc. (TSX-V: AGG, OTCQX: AGGFF, FRA: 3A61) (“**AGG**” or the “**Company**”) is pleased to announce that the Ministry of Environment, Sanitation and Sustainable Development of the Republic of Mali has approved the Environmental and Social Impact Assessment (“**ESIA**”) for the Kobada Gold Project (the “**Project**” or “**Kobada**”) and issued an updated Environmental Permit. The ESIA marks a key milestone in the permitting process and is the culmination of extensive consultations and stakeholder engagement.

“The approval of the ESIA and issuance of the Environmental Permit is a major achievement for our Company and brings us to the final stages of the permitting process for Kobada,” commented Danny Callow, Chief Executive Officer. *“We would like to thank the government of Mali and its permitting bodies as well as our surrounding communities for the strong support they have demonstrated for the project.”*

The Company recently announced the results of the Definitive Feasibility Study (“**DFS**”) for the Kobada Gold Project on 29 September 2021, with the highlights including:

- **Significant Production Potential**
 - **3 Mtpa operation** producing **1.2 Moz of gold** over a **16-year Life-of-Mine (“LOM”)**
 - Average annual gold production of **100,000 oz over the first 10 years**
- **Strong Economics**
 - **Pre-tax NPV_{5%} of US\$506 million** with an **IRR of 45%**
 - **Post-tax-NPV_{5%} of US\$355 million** (57% increase compared to 2020 DFS) with an **IRR of 38%**
 - Pre-production capital requirement of approximately **US\$152 million (excl. working capital and contingencies)**
 - **Total project cash flow pre-tax of US\$733 million** with net cash flow after tax and capital expenditure of US\$550 million
 - **Capital payback of 2.3 years** upon production commencement
- **Environmentally and Socially Responsible**
 - A **hybrid thermal and solar photovoltaic power plant** with battery energy storage, will be funded by an independent power producer
 - Power rate of estimated US\$0.20 per kWh results in estimated savings annually resulting from a **43% reduction in fuel requirement** versus conventional thermal power plants
 - **Substantial reduction in greenhouse gas emissions** through utilisation of hybrid power plant, including 39% less carbon dioxide, 34% less carbon monoxide, 39% less sulfur dioxide and 26% less nitrogen oxides than conventional thermal power plant
- **Growing Resource with Substantial Exploration Upside**
 - **Total proven and probable mineral reserve has increased to 1,252,522 ounces of gold**, a 66% increase from the mineral reserve estimate in the previous definitive feasibility study report titled “NI 43-101 Technical Report on Kobada Gold Project in Mali” with an effective date of June 17, 2020 (the “**2020 DFS**”)
 - Total measured and indicated resource increase by 44% to 1.71 million ounces and a **Total resource (including inferred resources) increase to 3.1 million ounces**
 - High measured and indicated resource to reserve conversion rate of 73%
 - Further potential remains to significantly increase the resource and reserve along strike and depth at the Kobada Gold Project
 - **Over 5,500 hectares** of prospective mineral trends within trucking distance yet to be explored
 - **Over 50 km of new potential mineralised shear zones identified** on Kobada and Kobada Est concessions
 - **Faraba concession renewed for 3 years with early exploration indicating the potential to extend shear zones even further**

The Company’s last milestone at the Kobada Gold Project is the receipt of the environmental permit addendum for the sulphide portion of the project. The Company is continuing to advance the project towards construction and receipt of the updated environmental permit is one of the last crucial steps in that process.

About African Gold Group

African Gold Group is a TSX Venture Exchange (TSX-V: AGG) listed exploration and development company with a focus on building Africa’s next mid-tier gold producer. The Company has a highly experienced board and management team with a proven track record in the African mining sector operating mines from development through to production. AGG’s principal asset is the Kobada Project in southern Mali, which is in an advanced stage of development having completed the 2021 DFS and is targeting gold production of 100,000 oz per annum with a mine life of 16 years. As well as the initial Kobada Gold Project, other exploration locations have been identified on the Kobada, Farada and Kobada Est concessions, offering potential for an increase in resource. For more information regarding African Gold Group visit our website at www.africangoldgroup.com.

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