

## Advance Gold Provides Update On Its High-Grade Gold Joint Venture Project In West Kenya

August 26, 2020

TSX-V: AAX

**Advance Gold Corp. (TSXV: AAX) (“Advance Gold” or “the Company”)** is pleased to report that as of May 2020, Advance Gold held an 12.23% equity interest in three licenses within the Kakamega Gold Project in West Kenya, with Acacia Exploration Kenya Ltd. ("Acacia"), a company owned by Barrick Gold Corp, holding the balance of 87.77%. The joint venture claims in Kenya comprise the Rosterman, Burkura, and Sigalagala Projects. Barrick has agreed to the sale of their interest to Shanta Gold Limited, a mining company with extensive experience in underground mining of high-grade gold veins in East Africa. The Shanta Gold and Barrick sale was completed and announced in a news release by Shanta Gold dated August 19, 2020.

The terms of the joint venture between Advance Gold and Shanta allow either party to sell their interest, the other party has a first right of refusal on any offering price for its joint venture projects. If Advance Gold is diluted down to a 10% interest (approximately \$1.7 million in exploration to dilute to an NSR), then its interest converts to a 3% uncapped net smelter royalty (NSR). In the event that Advance Gold is diluted to an NSR, Shanta Gold has no first right of refusal and the NSR can be sold by Advance directly to any interested party. Both parties have the right to dilute the other down if the other party decides to not contribute exploration funds.

Allan Barry Laboucan, President and CEO of Advance Gold Corp. commented: *“We are very excited to have a new joint venture partner in Shanta Gold that sees the same prospect as we do for high-grade gold discovery and development at our joint venture in west Kenya. The two southern claims cover approximately ⅔ of the Liranda Corridor, in Barrick’s opinion they consider the Liranda Corridor as one of the most highly prospective regions for high-grade gold in Africa. The northern claim (Rosterman) could be the jewel in the crown to open up West Kenya gold exploration and mining. This is the claim with the Rosterman mine, which was a historical producer of high-grade gold, with the town of Kakamega built near it to benefit from the good infrastructure nearby. In the June 2020 corporate presentation, published by Shanta Gold, they have a map on page 12 that shows the stacked high-grade veins that were historically mined. They all dip in the same direction, often in these systems the veins can come together at depth and are open for thousands of metres of depth. It is very exciting to see that Shanta agrees with the potential for near term production of high-grade gold looking deeper at the Rosterman mine. In the past, mainly due to the slow progress by our past partners, we looked at options to sell our interest in the project which includes being diluted down to a royalty. We didn’t seriously contemplate participating in funding the further work at the joint venture properties. I can now say without a doubt, that this is a more viable possibility because we may now have a partner that wants to move quickly to advance the joint venture. From a recent conversation with Shanta, they were moving to complete the transaction and then present a plan to move forward on the joint venture. We now see a strong geological model, and a path to making that a reality and have a nice option to participate or be diluted down to a royalty.”*

## **Licenses Currently Held by Advance Gold - Acacia Joint Venture**

### **Rosterman PL 2018 0212 (previously SL267)**

The most northerly of the three licences hosts the historic Rosterman mine. The past production came from a series of stacked veins, all dipping in the same direction. These kinds of systems are generally very deep and with all the veins dipping in the same direction they can come together at depth with the potential for high-grade gold enrichment over significant width.

### **Bukura PL 2018 0210 (previously SL265) and Sigalagala PL 2018 0211 (previously SL266)**

The southern licences host numerous significant historical colonial mines and areas of active artisanal mining. The Advance Gold - Shanta Gold joint venture surrounds the ground 100% owned by Shanta Gold. The 100% ground and the adjoining joint venture ground cover the Liranda corridor which is considered one of the highest prospective regions for high-grade gold in Africa.

Barrick Gold Corp on September 19<sup>th</sup>, 2019 announced that it had acquired all of the assets of Acacia Mining plc.

On February 10<sup>th</sup> 2020, Shanta Gold Limited (AIM: SHG), the East Africa-focused gold producer announced that it had entered into a definitive agreement pursuant to which it will purchase 100% of the shares of Barrick's subsidiary Acacia Exploration (Kenya) Ltd. ("AEKL") from two subsidiaries of Barrick Gold Corporation ("Barrick"). AEKL's primary asset is a 100% participating interest in licences formerly held by Afriore which includes an existing high-grade resource.

On June 18, 2020, published a corporate presentation, delivered at the Proactive Investors June event. In it they provide important information concerning the Advance Gold - Shanta Gold joint venture. Including a geological model of the vein system that was historically mined at the Rosterman mine which is part of the joint venture.

On August 19, 2020, Shanta Gold completed their purchase and is now Advance Gold's new joint venture partner with respect to the three licences currently held by Advance Gold.

### **10<sup>th</sup> February 2020 Shanta Gold News Release**

#### **Eric Zurrin, Chief Executive Officer of Shanta Gold Limited commented:**

"The West Kenya acquisition is significant for Shanta Gold, creating an East African gold mining champion with realisable growth prospects and high asset quality across three attractive gold projects. Shanta has successfully operated in East Africa for nearly 20 years and this acquisition is a natural extension in terms of geographic footprint, skillset, size and mining method. One of Shanta's competitive advantages is being able to operate Long Hole Open Stopping operations more efficiently than its peers which lends itself well to the advancement of the West Kenya Project."

#### **Information regarding Shanta Gold Limited**

Shanta Gold is an East Africa-focused gold producer. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licenses covering approximately 1,500km<sup>2</sup> in the country. Shanta's flagship New Luika Gold Mine commenced production in 2012 and produced 84,506 ounces in 2019. The Company trades on London's AIM market and has approximately 794 m shares in issue.

Dr. Julio. Linares is a qualified person, doctor in geological sciences with specialty in economic geology and qualified professional No. 01365 by MMSA for Advance Gold and is the qualified person as defined by National Instrument 43-101 responsible for the accuracy of technical information contained in this news release.

#### **About Advance Gold Corp.**

Advance Gold is a junior exploration company focused on acquiring and exploring mineral properties containing precious metals. The company acquired a 100-per-cent interest in the Tabasquena silver mine in Zacatecas, Mexico, in 2017, and the Venaditas project, also in Zacatecas state, in April, 2018. In addition, Advance Gold holds a 12.23% interest on strategic claims in the Liranda Corridor in Kenya, East Africa. The remaining 87.77% of the Kakamega project is held by Shanta Gold Limited.

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