MONTREAL, Aug. 9, 2017 /CNW Telbec/ - Algold Resources Ltd. (TSXV: ALG) ("Algold" or the "Corporation") today announced the closing of a private placement (the "Offering") of 18,583,364 units at a price of $0.20 each, for gross proceeds of $3,716,673. Each unit is composed of one common share of Algold (a "Common Share") and 0.5538 of one Common Share purchase warrant (a "Warrant"), for a total of 10,291,682 Warrants, each entitling the holder to acquire one Common Share at a price of $0.30 for a period of 18 months from the closing of the Offering.

The subscriber under the Offering, Wafa Mining & Petroleum SA ("Wafa"), has the right to nominate one member to Algold's board of directors and has been granted the right to participate in any future offerings to allow Wafa to maintain its ownership stake. If Wafa is diluted, it may also require Algold to complete a private placement in order to increase its participation to up to 10% so long as gross proceeds of such an offering would be at least $500,000.

The Offering remains subject to approval by the TSX Venture Exchange. The securities issued under the Offering are subject to a hold period expiring four months and one day after their issuance.

The Warrants may not be exercised to the extent that, following that exercise, Wafa would hold more than 10% of the outstanding Common Shares, unless the TSXV has authorized that Wafa become an insider of Algold.

Before this subscription, the only securities of Algold held by Wafa were 500,000 Common Shares, which represented approximately 0.3% of the outstanding total. Following this subscription, Wafa holds 19,083,364 Common Shares and 10,291,682 Warrants, representing approximately 9.8% of the Common Shares on a non-diluted basis and 14.33% on a partially-diluted basis. Wafa acquired the Common Shares and Warrants for investment purposes and to actively participate in the development of Algold's mining projects. Depending upon the circumstances, Wafa may, from time to time, acquire additional securities of Algold or dispose of all or a portion of the securities of Algold previously acquired.

An early warning report containing additional information with respect to the foregoing matters will be filed under Algold's SEDAR profile at www.sedar.com, a copy of which may be obtained by contacting its President & CEO, François Auclair, at 514-889-5089.

In other news, Algold has issued 7,349,339 Common Shares under its option agreement with Gryphon Minerals Ltd., originally announced on October 28, 2015. The obligation to issue these Common Shares was triggered by Algold's announcement on May 1, 2017 of an increase in the inferred mineral resources on its Tijirit property. For more information, please see Algold's press releases issued on those dates.

ABOUT WAFA

WAFA Mining & Petroleum is part of Groupe WAFA SA. Groupe WAFA SA is an important family enterprise in Mauritania. The Ghadda family business established itself in the import and distribution of food products. Since then the business has diversified into construction, industrial fisheries, real estate, public works, distribution of petroleum products and banking. Its mining business, WAFA Mining and Petroleum, was established in 2010 as WAFA Mining SA then extended in 2012 its scope to the petroleum sector. It holds several tenements of mineral substance in Tasiast, Amsaga and the Mauritanides.

ABOUT ALGOLD

Algold Resources Ltd. is focused on the exploration and development of gold deposits in West Africa. The board of directors and management team are seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

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