

## **AFRICAN METALS CORPORATION**

### **African Metals provides Status Update**

FOR IMMEDIATE RELEASE: TORONTO, March 13, 2017 (**FSCwire**) -- African Metals Corporation (the “Company”) (TSXV: AFR.H [formerly AFR]; Frankfurt: OWW) announces that the Company has not maintained the requirements for a TSX Venture Tier 2 company. Therefore, on Friday, March 10, 2017, the Company's listing was transferred to NEX, the Company's Tier classification was changed from Tier 2 to NEX, and the Company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. The trading symbol for the Company changed from AFR to AFR.H. There is no change in the Company's name, no change in its CUSIP number and no consolidation of capital. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market. Further to the TSX Venture bulletin dated December 1, 2016, trading in the shares of the Company will remain suspended. Members are prohibited from trading in the securities of the Company during the period of the suspension or until further notice.

On July 18, 2016, the Company provided an update on its status and activities wherein it advised that it had received the resignations of all but one of the directors and officers of the Company and its subsidiaries, leaving Simeon Tshisangama as the sole remaining director of the Company. This left the Company without the minimum number of directors required to carry on business and no officers or management. The TSX Venture Exchange (the “Exchange”) halted the Company's shares from trading because the Company had less than three directors as required by Exchange Policy. Pursuant to the provisions of the British Columbia *Business Corporations Act*, Mr. Tshisangama appointed John F. O'Donnell and David V. Mason to act as directors to fill the vacancies. The new Board of Directors appointed Mr. Tshisangama to act as Chief Executive Officer of the Company and Daniel J. Gregory to act as Chief Financial Officer. The Exchange had set a deadline of that day for the Company to comply with requirement to have three directors; otherwise the Exchange would have proceeded to suspend the Company, without further notice. Section 134 of the British Columbia *Business Corporations Act* provides that, if, as a result of one or more vacancies that occur among the directors, the number of directors in office falls below the number required for a quorum, the remaining directors may appoint as directors the number of individuals that, when added to the number of remaining directors, will constitute a quorum but must not take any other action until a quorum is obtained. Messrs. O'Donnell and Mason had agreed to become directors on the understanding that the Company be adequately financed to carry on with its business model which was to continue with the development of its copper/cobalt mining project in the Democratic Republic of Congo. Since a financing could not be completed without the Company having the minimum number of directors to authorize the actions, Messrs. O'Donnell and Mason had agreed to become directors to enable the Company to accomplish these objectives on the basis that, if a satisfactory interim financing was not completed within 90 days, they may resign as directors as noted in the Company's press release dated July 18, 2016. The Company indicated that it intended initially to complete a rights offering of common shares to its shareholders pursuant to National Instrument 45-106, to raise approximately \$600,000 at a price of \$0.05 per share. When Messrs. O'Donnell and Mason become directors, they were aware that the Company had financial difficulties but were surprised subsequently to learn the extent of those difficulties. As it turned out, the

Company was in fact totally insolvent, making it impossible to proceed with the planned rights offering. Instead of resigning, Messrs. O'Donnell and Mason agreed to stay on temporarily as directors to attempt to resolve the financial crisis of the Company. The initial hurdle was to keep the Company compliant with its financial reporting requirements, but since the Company had no funds to pay the auditors, this could not be completed. A Cease Trade Order (the "CTO") was issued by the British Columbia Securities Commission on December 1, 2016 against the Company for failing to file its audited financial statements and related documents within the required time periods. The CTO prohibits all trading in and all acquisitions of the securities of the Company, except in accordance with the conditions that are contained in the CTO for so long as the CTO remains in effect.

The Company's new CFO has compiled the liabilities of the Company as best as he could from the information he has been able to obtain from prior management. The Company's major secured creditor has demanded payment of its outstanding debt, said to be the sum of USD 3,096,043 plus accrued and unpaid interest of USD 1,589,343 as at December 1, 2016. Additionally, it would appear that the Company has outstanding liabilities claims of approximately CDN 800,000 on a corporate level and USD 271,720 owing to contractors and labourers in the DRC. A former director has commenced a legal action against the Company for fees allegedly accruing to him prior to his resignation and while the Company was insolvent. The Company is defending the action. The Company has been in ongoing discussions with its major secured creditor in an attempt to resolve the Company's difficulties. No resolution is viable without an agreement with the major creditor.

The Company and its auditors are continuing the audit process of its Annual Financial statements. The Company has assembled the financial information to enable the auditors to complete the required audit but is awaiting a resolution with the major creditor to enable it to proceed. The Company has been advised that a decision is expected shortly.

***Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.***

This press release may include certain forward-looking statements concerning the future performance of the Company's business and operations as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are based on the current opinions and expectations of management, and are subject to a number of risks and uncertainties that may cause actual results, performance or achievements of the Company to be materially different from those currently anticipated by such statements. Any forward-looking statement speaks only of the date on which it is made, and except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statements.

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