



SAMCO GOLD ANNOUNCES TERMINATION OF LETTER OF INTENT AND OPTION AGREEMENT WITH RESPECT TO THE EL DORADO MONSERRAT PROPERTY AND EXTENSION OF CONVERSION PERIOD FOR OUTSTANDING CONVERTIBLE NOTE

Toronto, January 17, 2017 – Samco Gold Limited (TSXV: SGA) (“Samco” or the “Company”) announces that the Company has received notice of termination of the previously announced letter of intent between the Company and Pan American Silver Corp. (“Pan American”) with respect to Pan American’s option to indirectly acquire a 60% interest in the El Dorado Monserrat (“EDM”) project in Santa Cruz, Argentina. The Company also received notice that the corresponding option agreement between Samco’s subsidiary 5R S.A. and Minera Triton Argentina S.A., a subsidiary of Pan American, has been terminated in accordance with its terms.

The Company intends to evaluate other strategic opportunities to continue to develop the EDM project and achieve its business objectives.

The Company also announces that it intends to amend the maturity date of an outstanding convertible note in favour of Sentient Global Resources Fund IV, L.P., in the principal amount of US\$500,000, to June 30, 2017, effective as of December 30, 2016. The principal amount of the notes is convertible at the option of the holder into common shares of the Company at a deemed price of CAD\$0.50 per common share, converted into Canadian dollars at the rate of US\$1 = CAD\$1.2359. The amendment to the maturity date remains subject to the approval of the TSX Venture Exchange.

About Samco Gold Limited

Samco Gold’s business has been the acquisition and exploration of precious metals resource properties in Argentina as well as the region. The Company’s principal mineral property remains the El Dorado Monserrat (“EDM”) epithermal gold project, located in the Deseado Massif region of Santa Cruz Province, Argentina. With an experienced board and management team, the Company’s goal is to expand its portfolio and ultimately to become a producer of gold and silver through the development of its assets.

Additional details on the Company are available on SEDAR (www.sedar.com).

For further information please contact:

Charles Koppel

Executive Chairman and Chief Executive Officer

Phone: +44 (0) 20 7647 2532

Email: ck@samcogold.com

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

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, assumptions, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, ability to obtain or delays in securing project financing; changes in EDM project parameters as plans continue to be refined; future prices of gold; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or in the completion of exploration, as well as those factors disclosed in Samco Gold's disclosure documents publicly available under the Company's profile on the SEDAR website at www.sedar.com. Although Samco Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not intend, and does not assume any obligations, to update forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities laws.