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Vancouver, British Columbia

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NEWS RELEASE
AM GOLD ANNOUNCES PROPOSED GOING PRIVATE TRANSACTION

AM GOLD INC. (TSX-V: AMG; Frankfurt: AMX) (“**AM Gold**”, or the “**Company**”), today announced that it has entered into an arrangement agreement with 1079170 B.C. Ltd. (the “**Purchaser**”) whereby the Company will effect a going private transaction through a statutory plan of arrangement (the “**Arrangement**”). The Purchaser is a private British Columbia company controlled by John Fiorino, a director and the Chief Executive Officer of the Company.

If the Arrangement is approved, all of the Company's issued and outstanding common shares (the “**Common Shares**”) will be purchased by the Purchaser, at a price of \$0.17 per Common Share, other than the 842,165 Common Shares owned by John Fiorino and his joint actor (the “**Interested Shareholders**”). Following completion of the Arrangement, AM Gold will apply to have its Common Shares delisted from the TSX Venture Exchange and it will also apply to the applicable Canadian securities regulatory authorities to cease to be a reporting issuer in each province in which it is currently a reporting issuer.

Holders of 2,304,886 Common Shares, representing approximately 53% of the issued and outstanding Common Shares, have entered into irrevocable support agreements committing them to vote in favour of the Arrangement. Further these shareholders have agreed not to support any transaction but the Arrangement.

The Arrangement was considered by an independent special committee of the board of directors (the “**Special Committee**”), comprised of Stewart Jackson and Rick Low. The Special Committee was advised by independent counsel and engaged Evans & Evans, Inc. (“**Evans & Evans**”), an independent valuator, to prepare a comprehensive valuation report and fairness opinion with respect to the Arrangement (the “**Valuation Report**”). Subject to the qualifications, restrictions and assumptions set forth in the Valuation Report, in the opinion of Evans & Evans, as at the date of the Valuation Report, the terms of the Arrangement are fair, from a financial point of view, to the non-Interested Shareholders of the Company (the “**Minority Shareholders**”). The Valuation Report arrived at a valuation range, as at the date of the Valuation Report, for the Common Shares of \$0.14 to \$0.19. The \$0.17 per Common Share price is greater than the mid-point of the valuation range.

After consideration of all of the circumstances including the Valuation Report, the Special Committee concluded that the Arrangement is in the best interests of the Company and fair, from a financial point of view, to the Minority Shareholders. Accordingly, the Special Committee recommended that the board of directors approve the Arrangement and seek all required court, shareholder and regulatory approvals. The Arrangement must be approved by the affirmative vote of at least two-thirds of the votes cast by all shareholders and, in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, at least a simple majority of the votes cast on the Arrangement

Resolution by the Minority Shareholders, in each case present in person or represented by proxy at the Meeting (as defined below).

AM Gold will hold an annual and special meeting of shareholders (the “**Meeting**”) to consider and approve the transaction and such meeting is expected to be held in mid to late August 2016. The terms of the Arrangement will be described in further detail in AM Gold’s Management Information Circular to be filed with the applicable regulatory authorities and mailed to AM Gold’s shareholders in accordance with applicable securities regulatory authorities in Canada. Copies of these documents will be available under AM Gold’s SEDAR profile at www.sedar.com.

This news release is for informational purposes only and does not constitute a solicitation or a proxy.

About AM Gold Inc.

AM Gold Inc. is a publicly held resource company based in Vancouver, Canada. The Company is listed on the TSX Venture Exchange under the symbol AMG and is quoted on the Frankfurt Exchange under the symbol AMX.

More information on AM Gold is available at www.amgold.ca.

ON BEHALF OF AM GOLD INC.

/s/ “Rick Low”

Rick Low
Director

For further information on AM Gold, please contact Murray Caruth at 1-604-646-0067 or by email at mcaruth@amgold.ca, or visit AM Gold’s website at: <http://www.amgold.ca>.

Cautionary Statement Regarding “Forward-Looking” Information

Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects”, “intends”, “is expected”, “potential”, “suggests” or variations of such words or phrases, or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company’s control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

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