Suite 605-369 Terminal Avenue, Vancouver, BC, Canada V6A 4C4
Telephone: (604) 646-0067 Fax (604) 692-0117

Vancouver, British Columbia **August 23, 2016**

NEWS RELEASE

AM GOLD ANNOUNCES FINAL COURT APPROVAL FOR GOING PRIVATE TRANSACTION

AM GOLD INC. (TSX-V: AMG; Frankfurt: AMX) ("**AM Gold**", or the "**Company**") announces that it has received final approval of the Supreme Court of British Columbia for its previously announced going private transaction through a statutory plan of arrangement (the "**Arrangement**") and pursuant to the terms of an arrangement agreement between the Company and 1079170 B.C. Ltd. dated June 28, 2016.

Completion of the Arrangement is subject to the satisfaction of customary closing conditions in a transaction of this nature. The Company expects that the effective date of the Arrangement will occur on or before August 31, 2016.

Further information regarding the Arrangement can be found in the Company's management information circular dated July 21, 2016, which is available under AM Gold's SEDAR profile at www.sedar.com.

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 news 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 "plans", "expects", "expected", "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 include, without limitation, statements regarding the closing date of the Arrangement; and other forward-looking statements that are not facts. Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which AM Gold operates, are inherently subject to important risks and uncertainties, including, without limitation, TSX Venture Exchange approval, the satisfaction or waiver of the conditions set out in the Arrangement Agreement, and changes in applicable laws or regulations, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements.

Although AM Gold has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and AM Gold disclaims any intention or obligation to update or revise such information, except as required by applicable law, and AM Gold does not assume any liability for disclosure relating to any other company herein.

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.