TSX-V: DAU
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For Immediate Release

Desert Gold is Granted Commercial Gold Exploitation License at its Byumba Permit in Northern Rwanda

January 4, 2017 Surrey, British Columbia; Desert Gold Ventures Inc. ("Desert Gold" and or “the Company") (TSXV: DAU) today announced a major step forward in the development of the Company's Byumba Gold project in Northern Rwanda. In Q1 of 2016, the Company applied for a commercial mining license at its Byumba gold deposit. Along with the mining license application, the Company submitted a Plan of Operation (“PLO”) to the Rwandan Ministry of Natural Resources (“MINIRENA”). The Company is pleased to announce that MINIRENA, in co-operation with the State Department of Geology and Mines (“DNGM”), has accepted the Company’s proposal and on December 13, 2016 issued Desert Gold a commercial gold mining license.

<u>Details of Mining License Application</u>

- The new title under the exploitation license will be named Rutare
- The mining license is valid for a period of 10 years with an option to renew
- The Rutare permit covers a 375 hectare block (as shown in map below) and encompasses the entire gold prospect
- The Rutare permit is located a two hour drive from the capital Kigali accessible by paved highway

<u>Rutare Exploitation License Boundary Map</u>

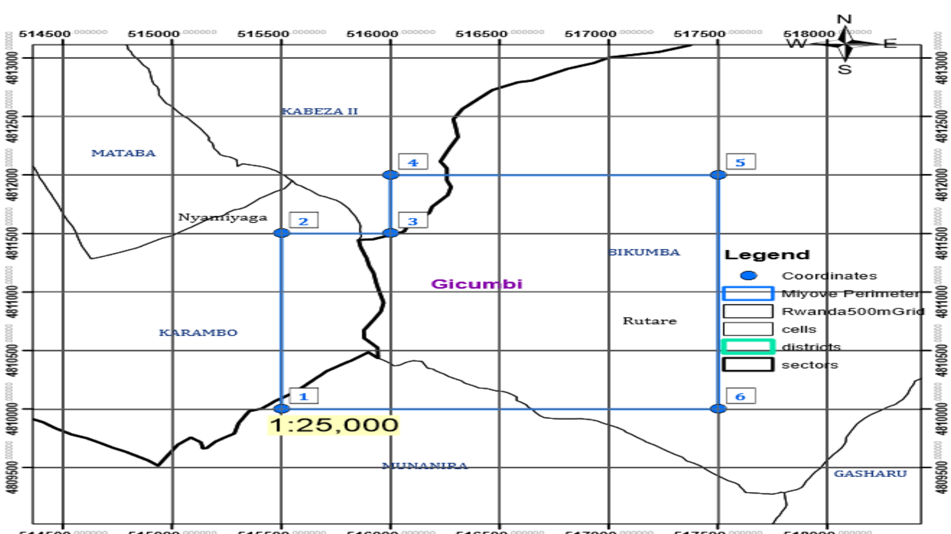

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Table 1 sets out the Company's mineral resource estimate prepared in accordance with National Instrument 43-101 ("NI 43-101") which shows ore tonnage of approximately 5.5 million tons at an average grade of 1.48 g/t of gold for a total resource of 265,000 oz Au using a cut off grade of 0.5 g/t Au.

Summary of Mineral Resource Estimates Prepared in Accordance with NI 43-101

Table 1 Byumba Resource Inferred Mineral Resource Estimate (January 2010)				
Weathering Zone	**Tonnage (Kt)**	**Au (g/t)**	**Bulk Density**	**Au Ounces**
Oxide	701	1.22	2.35	27,000
Transition	2,606	1.38	2.55	115,000
Fresh	2,245	1.69	2.75	122,000
Total	**5,551**	**1.48**	**2.61**	**265,000**

Notes to Mineral Resource Estimate:

- The effective date of the Byumba mineral resource estimate is January 11, 2010.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of measured, indicated or inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves.

The Company plans to release a Supplemental Plan of Operation (“SPLO”) later this quarter that will outline the details of the development at Rutare. The decision to proceed into production is currently not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Rather, the decision was based on the existing data from the 2010 inferred resource, the 2012 drilling campaign and a series of internal studies conducted by the Company’s engineering and technical team. Over time the Company aims to demonstrate economic viability as defined under Companion Policy 43-101CP, 4.2(6) – Production Decision.

Desert Gold CEO Sonny Janda commented, "Our goal is to develop the first commercial gold mine in the country and to become a leading producer in the region. As such, we are working closely with the Rwandan government and local partners to finalize the development plan at Rutare. This plan will not only focus on the exploitation of the existing Byumba resource at Rutare but will also incorporate more drilling for expansion and growth of the area over time. Moreover, the Company is evaluating other mineral prospects in the region. We are working closely with our partners in Rwanda to identify the most prospective opportunities and incorporate them into our larger vision. The issuance of the gold mining license is a significant milestone for the company. I would like to thank the Rwandan government and its supporting departments for their active participation helping Desert Gold throughout the licensing process."

Shaun Dyke, M.Sc. (Eng); P.Geo (#20044), a Qualified Person as defined in NI 43-101, has reviewed and approved the scientific and technical information contained in this release.

ON BEHALF OF THE BOARD

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About Desert Gold

Desert Gold Ventures Inc. is an advanced exploration and development company which holds mining assets in Mali and Rwanda.

For further information please visit our website www.desertgold.ca or information available on www.SEDAR.com under the company's profile.

This news release contains forward-looking statements respecting the Company's ability to successfully obtain an exploitation license for its Byumba permit. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements, including the inability of the Company to successfully complete and obtain the necessary permits to develop its operations. These uncertainties and risks include, but are not limited to, the strength of the capital markets, permitting risk, the price of gold; operational, funding, and liquidity risks; the degree to which mineral resource estimates are reflective of actual mineral resources; and the degree to which factors which would make a mineral deposit commercially viable are present; the risks and hazards associated with mining operations. Risks and uncertainties about the Company's business are more fully discussed in the company's disclosure materials filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. The Company assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements unless required by law.

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