AVESORO
• RESOURCES •

21 February 2018

Avesoro Resources Inc.
TSX: ASO
AIM: ASO

ACQUISITION OF HEAVY MINING EQUIPMENT AND DISCLOSURE OF OTHER RELATED PARTY TRANSACTIONS

Avesoro Resources Inc. ("Avesoro" or the "Company"), the TSX and AIM listed West African gold producer, is pleased to announce that further to the Company's news announcement dated December 12, 2017, its wholly owned subsidiary Bea Mountain Mining Corporation ("BMMC") has entered into further equipment finance facility agreements ("Finance Agreements") with Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related party of the Company, to facilitate the purchase of heavy mining equipment ("HME") and additional auxiliary equipment totalling approximately US$10.3 million, as anticipated in the recently updated life of mine schedule announced on October 11, 2017.

Equipment to be purchased

The Finance Agreements totalling approximately US$10.3 million, relate to the purchase of two Komatsu PC1250 excavators, eight Komatsu HD785 haul trucks and auxiliary support equipment including a Komatsu GD655 grader and Komatsu D155A 6R dozer. Delivery to New Liberty is expected to occur throughout the remainder of Q1 2018.

Financing terms

The loan principal of these agreements includes a mark-up of 2.5% over the cost incurred by Mapa in procuring the equipment. The equipment finance loans under each of the Finance Agreements are unsecured, with interest charged at 6.5% per annum. The loans are repayable in cash in eight equal semi-annual instalments, the first of which will fall due six months after utilisation of the loan.

Novation of US$35 million loan facility

BMMC has agreed to novate to Avesoro Resources Inc. the previously announced US$35 million loan agreement with Avesoro Jersey Limited, the Company's majority shareholder, dated July 13, 2017. All terms of the loan facility remain as previously announced, namely that the Company may draw down up to the full US$35 million in multiple tranches at the Company's discretion before 31 December 2020, with funds available for general working capital purposes. To date, US$18.8 million of this loan facility has been drawn. The facility is unsecured and ranks subordinated to the Company's existing facilities. Interest will be charged on drawn amounts at a fixed rate of 3.75% per annum. The facility is due to repaid in full no later than 31 December 2022 and has no early repayment penalty.

Opinion of the Independent Directors

The independent directors of the Company, consisting of Mr. Loudon Owen, Mr. David Netherway and Mr. Jean-Guy Martin consider, having consulted with the Company's Nominated Adviser, that the terms of the transactions are fair and reasonable insofar as its shareholders are concerned.

Disclosure of other related party transactions

Further to the Company's announcement dated December 12, 2017, in accordance with the AIM Rules, the Company discloses, at this time, the following smaller related party transactions that it has entered into during the past two months with entities within the MNG Group:

Technical and managerial services provided to Avesoro Jersey Limited ("AJL") by the Company and Avesoro Services (UK) Limited ("ASUL")

Over the last two months, the Company and ASUL have provided technical and managerial services to AJL to support the other gold mines operated by Avesoro Jersey, the Youga Gold Mine and Balogo Gold Mine (prior to the acquisition by the Company on December 18, 2017) and the Kokoya Gold Mine. These services are recharged to AJL on a monthly basis at a mark-up of 5% over the cost incurred by the Company and ASUL in providing these services. The total value of these services provided over the last two months is approximately US$114,000, payable in cash.

Drilling services provided to Burkina Mining Company SA ("BMC"), Netiana Mining Company SA ("NMC") and MNG Gold Burkina SARL ("MNGGB") by Faso Drilling Company SA

Since the acquisition of the Youga Gold Mine and Balogo Gold Mine on December 18, 2017, BMC, NMC and MNGGB have incurred costs of US$1.2 million (which will be paid in cash) for 18,500 metres of diamond drilling with Faso Drilling Company SARL, a related party to the Company.

Charter plane services provided to BMMC by MNG Gold Liberia Inc.

Over the last two months, BMMC has chartered flights from MNG Gold Liberia Inc. ("MNGGL"), a member of the MNG Group of companies. BMMC undertook a benchmarking exercise and agreed an hourly rate to be paid to MNGGL in respect of these services and is charged US$3,000 per flying hour. The total value of these services provided over the last two months is approximately US$60,000, payable in cash.

Contact Information

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About Avesoro Resources Inc.

Avesoro Resources is a West Africa focused gold producer and development company that operates three gold mines across West Africa and is listed on the Toronto Stock Exchange ("TSX") and the AIM market operated by the London Stock Exchange ("AIM"). The Company's assets include the New Liberty Gold Mine in Liberia (the "New Liberty Gold Mine" or "New Liberty") and the Youga and Balogo Gold mines in Burkina Faso ("Youga" and "Balogo").

New Liberty has an estimated proven and probable mineral reserve of 7.4Mt with 717,000 ounces of gold grading 3.03g/t and an estimated measured and indicated mineral resource of 9.6Mt with 985,000 ounces of gold grading 3.2g/t and an estimated inferred mineral resource of 6.4Mt with 620,000 ounces of gold grading 3.0g/t. The foregoing Mineral Reserve and Mineral Resource estimates and additional information in connection therewith is set out in an NI 43-101 compliant Technical Report dated November 1, 2017 and entitled "New Liberty Gold Mine, Bea Mountain Mining Licence Southern Block, Liberia, West Africa" and is available on SEDAR at www.sedar.com.

Ndablama has an estimated indicated mineral resource of 7.6Mt with 386,000 ounces of gold grading 1.6 g/t and inferred mineral resource of 9.6Mt with 515,000 ounces of gold grading 1.7 g/t. Weaju has an inferred mineral resource of 2.7Mt with178,000 ounces of gold grading 2.1 g/t. The foregoing Mineral Resource estimates and additional information in connection therewith is set out in an NI 43-101 compliant Technical Report dated December 1, 2014 and entitled “Ndablama and Weaju Gold Projects, Bea Mountain Mining Licence Northern Block, Liberia, West Africa” and is available on SEDAR at www.sedar.com.

Youga and Balogo have a combined estimated proven and probable mineral reserve of 9.3Mt with 513,000 ounces of gold grading 1.7g/t and a combined estimated indicated mineral resource of 16.05Mt with 801,600 ounces of gold grading 1.55g/t and a combined inferred mineral resource of 13Mt with 655,000 ounces of gold grading 1.57g/t. The foregoing Mineral Reserve and Mineral Resource estimates and additional information in connection therewith is set out in two NI 43-101 compliant Technical Reports, dated June 16, 2017 entitled “Mineral Resource and Mineral Reserve Update for the Balogo Project” and dated June 19, 2017 and entitled “Mineral Resource and Mineral Reserve Update for the Youga and Ouaré Projects” and are available on SEDAR at www.sedar.com.
For more information, please visit www.avesoro.com

Qualified Persons

The Company’s Qualified Person is Mark J. Pryor, who holds a BSc (Hons) in Geology & Mineralogy from Aberdeen University, United Kingdom and is a Fellow of the Geological Society of London, a Fellow of the Society of Economic Geologists and a registered Professional Natural Scientist (Pr.Sci.Nat) of the South African Council for Natural Scientific Professions. Mark Pryor is an independent technical consultant with over 25 years of global experience in exploration, mining and mine development and is a “Qualified Person” as defined in National Instrument 43 -101 “Standards of Disclosure for Mineral Projects” of the Canadian Securities Administrators and has reviewed and approved the scientific and technical disclosures contained in this announcement.