

TSX: ASO  
AIM: ASO

TORONTO, July 14, 2017 /CNW/ - [Avesoro Resources Inc.](#) ("Avesoro" or the "Company"), the TSX and AIM listed West African gold producer, is pleased to announce that it has entered into a US\$35 million loan facility (the "Facility") with its majority shareholder, Avesoro Jersey Limited ("Avesoro Jersey").

Under the terms of the agreement, the Company may draw down up to US\$35 million in multiple tranches at the Company's discretion before 31 December 2020, with funds available for general working capital purposes. 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 cent. per annum. The Facility is due to be repaid in full no later than 31 December 2022 and has no early repayment penalty.

To date, the Company has drawn down US\$16.6 million of the Facility to meet liabilities arising on the termination of legacy procurement contracts, make advanced payments to suppliers to secure lower unit cost pricing and to accelerate the acquisition of capital items that will increase process plant throughput.

#### Related party transaction

Avesoro Jersey is the Company's majority shareholder (73.5% of the Company's issued share capital). As a result, entering into the loan facility constitutes a related party transaction under the AIM Rules. The independent directors of the Company, consisting of Mr David Netherway, Mr Jean-Guy Martin and Mr Loudon Owen consider, having consulted with the Company's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Loudon Owen, the Company's Lead Director, commented:

"The turnaround in operations since the changes in management and control of the Company in July 2016 has been very impressive. This additional funding facility from our major shareholder provides the Company with additional flexibility to further reduce costs, maximise margins and accelerate the elimination of legacy issues. This additional support from our majority shareholder clearly underlines their commitment to the long-term success of Avesoro Resources."

#### About Avesoro Resources Inc.

The Company's assets include the New Liberty Gold Mine in Liberia (the "New Liberty Gold Mine," "New Liberty" or the "mine") which has an estimated proven and probable mineral reserve of 8.5 Mt with 924,000 ounces of gold grading 3.4 g/t and an estimated measured and indicated mineral resource of 9,796 Kt with 1,143,000 ounces of gold grading 3.63 g/t and an estimated inferred mineral resource of 5,730 Kt with 593,000 ounces of gold grading 3.2 g/t. A Definitive Feasibility Study ("DFS") has been completed, the first gold pour has taken place and commercial production has been declared. The foregoing mineral reserve and mineral resource estimates and additional information in connection therewith are set out in the Company's technical report dated March 25, 2015 and entitled "New Liberty Gold Project, Bea Mountain Mining Licence Southern Block, Liberia, West Africa, Definitive Project Plan.

The New Liberty Gold Mine is located within the Southern Block of the 100% owned Bea Mountain mining licence. This licence covers 478 km<sup>2</sup> and has a 25 year, renewable, mineral development agreement. The Bea Mountain mining license also hosts additional gold projects of Ndablama, Gondoja, Weaju and Leopard Rock which are the focus of exploration programs during 2016. Ndablama has an indicated mineral resource of 386,000 ounces of gold grading 1.6 g/t and inferred mineral resource of 515,000 ounces of gold grading 1.7 g/t and Weaju has an inferred mineral resource of 178,000 ounces of gold grading 2.1 g/t. The Yambesei (473 km<sup>2</sup>), Archaen West (56 km<sup>2</sup>), Mabong (36.6 km<sup>2</sup>) and Mafa West (15.6 km<sup>2</sup>) licences will also be subject to preliminary reconnaissance geological work. The foregoing mineral resource estimates and additional information in connection therewith are set out in the Company's technical report dated December 1, 2014 and entitled "Ndablama and Weaju Gold Projects, Bea Mountain Mining Licence, Northern Block, Technical Report on Mineral Resources" ("Ndablama and Weaju Technical Report 2014").

The Company also has a gold exploration permit in Cameroon.

#### 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 extensive 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 approves this press release.

## Forward Looking Statements

Certain information contained in this Announcement constitutes forward looking information. This information may relate to future events or the Company's future performance. All information other than information of historical fact is forward looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward looking information. Specific statements that constitute forward looking information include statements regarding the timing and completion of legal documentation required to amend the loan facilities and to document the guarantees. This forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this Announcement should not be unduly relied upon. This information speaks only as of the date of this Announcement.

Actual results could differ materially from those anticipated in the forward looking information contained in this news release as a result of the risk factors, including: the risk that the waiver and standstill agreement will terminate; the risk that legal documentation may not be completed as anticipated; risks normally incidental to exploration and development of mineral properties; the inability to obtain required waivers and amendments from the Company's creditors in respect of its debt repayment obligations and consequential risks of default thereon; risks related to operating in West Africa; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; adverse changes in commodity prices; risks related to current global financial conditions; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory frameworks in Liberia, including adverse changes in applicable laws; competitive conditions in the mineral exploration and mining industry; risks related to obtaining insurance or adequate levels of insurance for the Company's operations; risks related to environmental regulations; uncertainties in the interpretation of results from drilling; risks related to the legal systems in Liberia; risks related to the tax residency of the Company; changes in exchange and interest rates; risks related to the activities of artisanal miners; actions of third parties that the Company is reliant upon; lack of availability at a reasonable cost or at all, of plants, equipment or labour, including required equipment, explosives and other necessary material not being delivered in the expected time frame, or at all; the inability to attract and retain key management and personnel; political risks; and future unforeseen liabilities and other factors.

The forward looking information included in this Announcement is expressly qualified by this cautionary statement and is made as of the date of this Announcement. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

SOURCE [Avesoro Resources Inc.](#)

### Contact

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