
Sale of Resolute (West Africa) Limited to the Balaji Group

Avocet ("Avocet" or the "Company") announces today that, at the request of the Balaji group of companies (the "Balaji Group") completion of the sale of Resolute (West Africa) Limited ("Resolute") to the Balaji group, as announced by the Company on 18 December 2017, has been deferred to 25 January 2018.

On 18 December 2017, the Company announced that it has entered into an agreement to sell all of its assets in Burkina Faso, including the Inata goldmine, together with certain receivables of the Company's group to the Balaji Group for a total consideration of USD 5 million (the "Sale"). Completion of the transaction was expected to occur on 11 January 2018.

The Balaji Group had entered into discussions with International Royalty Corporation ("IRC"), a creditor of Resolute, under a threat of insolvency of Resolute. Against this background, Balaji has requested the deferral of completion of the Sale to 25 January 2018 to be able to finalise a settlement of IRC's claim.

This request has been granted to defer and the deposit of USD 500,000 referred to in the announcement of 18 December 2017 has now been paid to the Company. This amount will be retained by the Company whether or not completion of the sale occurs. If completion of the sale does occur, it will form part of the cash consideration payable by the Balaji Group in respect of the novation by the Company to the Balaji Group of certain receivables owed to it by SMB and Goldbelt.

The terms and conditions of the Share Purchase Agreement, as set out in the announcement of 18 December 2017, have not been materially changed, other than to reflect the deferral of the Completion Date and the introduction of an extension fee payable by Balaji in the event of a further extension.

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NOTES TO EDITORS

Avocet Mining PLC ("Avocet" or the "Company") is an unhedged gold mining and exploration company listed on the London Stock Exchange (ticker: AVM.L) and the Oslo Børs (ticker: AVM.OL). The Company's principal activities are gold mining and exploration in West Africa.