This Directors' Circular is important and requires your immediate attention. If you are in doubt as to how to respond to the Offer described in this Directors' Circular, please consult your investment dealer, broker, lawyer or other professional advisor.

DIRECTORS' CIRCULAR

RECOMMENDING

<u>ACCEPTANCE</u>

OF THE OFFER BY

AVESORO JERSEY LIMITED,

TO PURCHASE FOR CASH ALL OF THE ISSUED AND OUTSTANDING COMMON SHARES OF

AVESORO RESOURCES INC.

NOT OWNED BY THE OFFEROR OR ANY OF ITS AFFILIATES

FOR £1.00 IN CASH PER COMMON SHARE

THE BOARD OF DIRECTORS
(EXCLUDING THE INTERESTED DIRECTORS)
<u>UNANIMOUSLY RECOMMENDS</u>
THAT SHAREHOLDERS ACCEPT THE OFFER
AND DEPOSIT THEIR COMMON SHARES TO THE OFFER

October 18, 2019

<u>ACTION REQUIRED</u>

To accept the Offer, Shareholders are required to take the actions set out in Section 3 of the Offer to Purchase, "Manner of Acceptance". Shareholders who do not take any action to deposit their Common Shares to the Offer will not receive the cash consideration for their Common Shares under the Offer.

NOTICE TO SHAREHOLDERS OUTSIDE CANADA

This Directors' Circular has been prepared by the Company in accordance with disclosure requirements under applicable Canadian law. Non-resident Shareholders should be aware that these requirements may be different from those of the United Kingdom, the United States or other jurisdictions. The enforcement by investors of civil liabilities under securities laws of jurisdictions outside Canada may be adversely affected by the fact that the Company is organized under the laws of Canada, that some of its officers and directors are residents of Canada and that some or all of the experts named in this Directors' Circular are residents of Canada.

GENERAL INFORMATION

Glossary

Certain capitalized terms used in this Directors' Circular that are not otherwise defined have their respective meanings set out in the "*Glossary*".

Currency

All dollar amounts in this Directors' Circular are in Canadian dollars unless otherwise indicated.

Notice Regarding Information

Certain information in this Directors' Circular has been taken from or is based on documents that are expressly referred to in this Directors' Circular. All summaries of, and references to, documents that are specified in this Directors' Circular as having been filed, or that are contained in documents specified as having been filed, on SEDAR are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, under the Company's SEDAR profile at www.sedar.com. Shareholders are urged to read carefully the full text of those documents.

Information contained in this Directors' Circular concerning the Offeror and the Offer is based solely upon, and the Board of Directors has relied, without independent verification, exclusively upon, information contained in the Offer and Circular, provided to the Company by the Offeror, or that is otherwise publicly available. While the Board of Directors has no reason to believe that such information is inaccurate or incomplete, neither the Company nor the Board of Directors assumes any responsibility for the accuracy or completeness of such information. You are urged to read the Offer and Circular carefully and in its entirety. The Offer and Circular is available under the Company's SEDAR profile at www.sedar.com.

Information contained in this Directors' Circular is given as of October 18, 2019 unless otherwise specifically stated.

Forward-Looking Information

This Directors' Circular contains forward-looking information related to the Company, including anticipated future events and circumstances, including in particular, but not limited to, statements relating to the Offer, satisfaction of the conditions to the Offer, the expected timing of the Offer, certain strategic and financial benefits expected to result from the completion of the proposed acquisition by the Offeror of all the issued and outstanding Common Shares not already owned by the Offeror and its affiliates, the fulfilment of obligations of the parties under the Lock-Up Agreements and plans and future actions of the Company and the Offeror. Forward-looking information is provided to assist the reader with understanding the Company's expectations, plans and priorities for future periods or with respect to applicable events. Readers are cautioned that such information may not be appropriate for other purposes. This information is based on the estimates, beliefs and assumptions of the directors and management of the Company regarding the markets in which the Company operates. In some cases, forward-looking information may be identified by words such as "anticipate", "believe", "could", "expect", "plan", "seek", "may", "intend", "will", "forecast" and similar expressions.

This information is subject to important risks and uncertainties, which are difficult to predict, and assumptions, which may prove to be inaccurate. The most significant risk factors that we have identified which could cause actual events to differ materially from current expectations include, but are not limited to, failure to satisfy the conditions to the Offer, including as a result of the failure to obtain the necessary regulatory approvals or to otherwise satisfy the conditions of completing the Offer as described in the Offer and Circular, failure to successfully implement the transaction in the time period anticipated and actions taken by Shareholders in respect of the Offer. Some of these risk factors are largely beyond the control of the Company. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Company's forward-looking statements. Other unknown and unpredictable factors could also impact its results. This information assumes that the Offer will occur on the terms and conditions contemplated in the Offer and Circular. The Offer could be modified, restructured or terminated.

Should any risk factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Unless otherwise indicated, forward-looking information does not take into account the effect that transactions announced or occurring after this information is provided may have on the business of the Company. All of the forward-looking information reflected in this document and the documents referred to within it are qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Shareholders or the Company (including the completion of the transactions on the terms and conditions contemplated in the Offer and Circular or at all).

Except as may be required by Applicable Securities Laws, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information, even if new information becomes available, as a result of future events or for any other reason. Readers should not place undue reliance on any forward-looking information.

For additional information on assumptions used to develop forward-looking information and risk factors that could cause actual results to differ materially from forward-looking information, please refer to the "Risks and Uncertainties" section of the Company's Management Discussion & Analysis for the period ended June 30, 2019, and the "Forward-Looking Statements" and "Risk Factors" sections of the Company's Annual Information Form for the year ended December 31, 2018, which are available under the Company's SEDAR profile at www.sedar.com.

Availability of Disclosure Documents

The Company is a reporting issuer or the equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, and in the Northwest Territories, Yukon and Nunavut and files its continuous disclosure documents with the Securities Regulatory Authorities in those provinces and territories. Such documents are available under the Company's SEDAR profile at www.sedar.com.

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DIRECTORS' CIRCULAR

This Directors' Circular dated October 18, 2019 is issued by the Board of Directors of Avesoro Resources Inc. in connection with the Offer made on October 17, 2019 by Avesoro Jersey Limited (the "**Offeror**"), a private company incorporated under the laws of Jersey with registered company number 115464, to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares (other than Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror or any of its affiliates) and any Common Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time of the Offer upon the exercise, exchange or conversion of Options or other Convertible Securities, at a price of £1.00 (or its equivalent in Canadian or U.S. dollars) in cash per Common Share, as set forth in the Offeror's take-over bid circular dated October 17, 2019 (the "**Offer and Circular**").

ACTION REQUIRED

The Offer will be open for acceptance until 5:00 p.m. (Toronto time) on November 22, 2019 unless withdrawn or extended in accordance with its terms. Full details concerning the terms and conditions of the Offer, the method of acceptance of the Offer and other information relating to the Offer and the Offeror are set out in the Offer and Circular and the letter of transmittal and notice of guaranteed delivery that accompany the Offer and Circular.

The Offer is being made only for Common Shares and is not made for any Options or other Convertible Securities.

The Offer is subject to a number of conditions including the Minimum Tender Condition (as defined below).

Subject to applicable Laws, the Offeror will not take up, purchase or pay for, any Common Shares unless, there shall have been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time more than 50% of the Common Shares then outstanding, excluding the Common Shares beneficially owned, or over which control or direction is exercised, by the Offeror, its affiliates or any person acting jointly or in concert with the Offeror (the "**Minimum Tender Condition**"). In the event that the Minimum Tender Condition is not satisfied at the Expiry Time, the Offeror shall have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. The Minimum Tender Condition cannot be waived by the Offeror.

In addition, the Offeror will have the right to extend the period of time during which the Offer is open for acceptance, unless all of the following conditions are satisfied, as determined in the Offeror's sole judgment, or waived by the Offeror at or prior to the Expiry Time:

(a) all outstanding Options, to the extent any are not exercised, are either terminated, surrendered, cancelled or expire prior to the Take Up Time;

(b) there shall not exist or have occurred any Material Adverse Change since the date of the Offer;

(c) any requisite government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals, clearances, or exemptions (including, without limitation, those of any stock exchange or other securities regulatory authorities) that are necessary to complete the Offer or, if applicable, a Compulsory Acquisition or Subsequent Acquisition Transaction, or to prevent the occurrence of a Material Adverse Change as a result of the completion of the Offer, a Compulsory Acquisition or Subsequent Acquisition Transaction, shall have been obtained or concluded on terms and conditions satisfactory to the Offeror, acting reasonably, or, in the case of waiting or suspensory periods, expired or been terminated;

(d) the Offeror shall have determined, acting reasonably, that (x) no act, action, suit or proceeding, shall have been threatened, taken or commenced by or before, and no judgement or order shall have been issued by, any private person (including, without limitation, any individual, corporation, firm, group or other entity), Governmental Entity or any other person in any case, whether or not having the force of Law, and (y) no Laws shall have been proposed, enacted, promulgated, amended or applied, in either case:

  (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the Common Shares, the right of the Offeror to own or exercise full rights of ownership over the Common Shares, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction or which could have any such effect;

  (ii) which has caused or resulted in, or could reasonably be expected to cause or result in, a Material Adverse Change;

  (iii) which would materially and adversely delay or affect the ability of the Offeror to proceed with the Offer, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction, and/or take up and pay for any Common Shares deposited under the Offer; or

  (iv) which would result in a material impairment on the ability of the Offeror to continue operating the business of Avesoro and its subsidiaries in substantially the same manner as they were operated immediately prior to the date of the Offer;

(e) the Offeror shall have determined that there does not exist any prohibition at Law against the Offeror making the Offer or taking up the paying for any Common Shares deposited under the Offer or completing any Compulsory Acquisition or Subsequent Acquisition Transaction; and

(f) the Offeror shall not have become aware of any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings prior to the date of the Offer in relation to all matters covered in earlier filings), in any document filed by or on behalf of Avesoro or any of its subsidiaries with any Securities Regulatory Authority or with any Governmental Entity.

RECOMMENDATION OF THE SPECIAL COMMITTEE TO THE BOARD OF DIRECTORS

The Special Committee, after review and evaluation of the Offer and after having received the advice of its legal and financial advisors and based upon, among other things, receipt of the Valuation, unanimously determined that the Offer is in the best interests of the Company and fair to the Minority Shareholders and determined to recommend to the Board of Directors that the Minority Shareholders accept the Offer and deposit their Common Shares to the Offer.

RECOMMENDATION OF THE BOARD OF DIRECTORS (EXCLUDING THE INTERESTED DIRECTORS)

The Board of Directors (excluding the Interested Directors), following the unanimous recommendation of the Special Committee has unanimously determined that the Offer is in the best interests of the Company and fair to the Minority Shareholders and, accordingly, unanimously recommends that Shareholders accept the Offer and deposit their Common Shares to the Offer.

The Board of Directors (excluding the Interested Directors), UNANIMOUSLY RECOMMENDS that Shareholders ACCEPT the Offer and DEPOSIT their Common Shares to the Offer.

REASONS FOR RECOMMENDATION OF THE SPECIAL COMMITTEE TO THE BOARD OF DIRECTORS (EXCLUDING THE INTERESTED DIRECTORS)

The Board of Directors (excluding the Interested Directors) has reviewed and considered the Offer in reliance on the recommendation of the Special Committee, and advice delivered to the Special Committee from the Special Committee's legal and financial advisors.

In concluding that the Offer is fair to the Minority Shareholders and recommending that Minority Shareholders accept the Offer and deposit their Common Shares to the Offer, the Special Committee identified a number of factors as being relevant including the following:

- ***The Consideration is within the valuation range determined by an independent valuator.*** The Special Committee engaged Duff & Phelps Canada Limited (the "**Valuator**"), as its independent valuator to prepare the Valuation in connection with the Offer in accordance with MI 61-101. The Valuator is of the opinion that, as of September 30, 2019 (the "**Valuation Date**"), the fair market value of the Common Shares was in the range of $1.39 to $1.76 per Common Share (or approximately £0.86 to £1.08 per Common Share, based on the Bank of Canada daily closing rate of exchange for Pounds Sterling of $1.00 = £0.6145) as of the Valuation Date[1]. The £1.00 ($1.63 as of the Valuation Date) per Common Share cash consideration offered by the Offeror is within the valuation range and above the midpoint of the valuation range.

- ***Fairness Opinion.*** Following the making of the Offer on October 17, 2019, the Special Committee received a written opinion from the Valuator (the "**Fairness Opinion**") to the effect that, as at October 18, 2019, the cash consideration of £1.00 per Common Share is fair, from a financial point of view, to the Shareholders (other than the Offeror and its affiliates and associates). [1]

- ***Immediate Cash Premium to Shareholders.*** The Offer provides Shareholders with the opportunity to crystallize the value of their holdings in cash and the Offer Price represents, (i) an approximately 46.7% premium based on the closing price of $1.10 per Common Share on the TSX on August 19, 2019 (the last trading day prior to the announcement by the Company of receipt of the initial non-binding acquisition proposal by the Offeror) and the Bank of Canada daily average rate of exchange on the date of $1.00 = £0.6198, and (ii) an approximately 14.1% premium based on the closing price of $1.42 per Common Share on the TSX on August 30, 2019 (the last trading day prior to the announcement by the Offeror of its intention to cause the Offer to be made) and the Bank of Canada daily average rate of exchange on that date of $1.00 = £0.6179. The Offer also represents a premium of approximately (x) 14.6% to the volume weighted average trading price of the Common Shares over the 30 trading days on the TSX ended on August 19, 2019, and (y) 28.5% to the volume weighted average trading price of the Common Shares over the 30 trading days on the TSX ended on August 30, 2019.

- ***The Offeror owns and controls a substantial majority of the Common Shares.*** The Offeror beneficially owns and exercises control and direction over an aggregate of 59,457,152 Common Shares, representing 72.9% of the issued and outstanding Common Shares as of the date hereof. Accordingly, Shareholders other than the Offeror and its affiliates (the "**Minority Shareholders**") currently beneficially own and exercise control and direction over, in the aggregate, a minority of the issued and outstanding Common Shares.

- ***A Shareholder may otherwise be unable to receive the fair market value of the Common Shares ascribed by the Valuation.*** A Shareholder might otherwise be unable to receive the fair market value of the Common Shares ascribed by the Valuation other than under the Offer given the Offeror's substantial ownership position, and control and direction over the Company. The Offeror already has the ability to elect the directors of the Company in

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[1] The Valuation and the Fairness Opinion prepared by Duff & Phelps is based upon the scope of review and the assumptions, restrictions and qualifications set forth in the Valuation and the Fairness Opinion. The full text of the Valuation and the Fairness Opinion is attached as Appendix A to this Directors' Circular. Shareholders should read the Valuation and the Fairness Opinion in their entirety.

accordance with applicable corporate law, the Relationship Agreement and the loan agreement in connection with the New Avesoro Jersey Facility. Further, the Offeror exercises significant influence on matters requiring shareholder approval, including future issuances of Common Shares and fundamental changes to the business of the Company and significant acquisitions including the sale of the Company or the sale of all or substantially all of its assets. To the knowledge of the Board of Directors, the Offeror has no intention to sell its Common Shares and intends to continue to own its Common Shares for the foreseeable future and as a result, it is expected to continue to exercise significant control and influence over the business and affairs of the Company for the foreseeable future. Accordingly, it may be difficult (and perhaps unlikely) now or for as long as the Offeror holds a significant number of Common Shares, for Minority Shareholders to receive the value ascribed to the Common Shares in the Valuation, either through an alternative transaction to the Offer or otherwise.

- ***Immediate Value and Liquidity of Consideration.*** Under the Offer, Shareholders will be entitled to receive cash consideration for their Common Shares. Accordingly, Minority Shareholders will be able to immediately realize fair value for their investment and the payment in cash provides certainty of value and liquidity to Shareholders.

- ***There is no reasonable prospect of a competing third party take-over bid.*** It will not be possible for a third party to successfully make an offer for all of the Common Shares (other than by way of transactions exempt from the takeover bid requirements under applicable securities laws), unless the Offeror is willing to tender its Common Shares to a third party offer. Applicable securities laws prohibit any third party offeror from taking up any securities under a formal take-over bid unless more than 50% of the securities subject to the bid (other than securities held by the offeror or its joint actors) have been deposited under the bid. As a result, the Offeror is in a position to prevent the successful outcome of a formal takeover bid by a third party.

- ***Avoidance of Operational and Refinancing Risks.*** The Company has significant near term operational and re-financing risks ahead of it resulting in part from limited access to financing and operating cash flow to meet near-term liquidity requirements related to maturities of bank and shareholder loans and capital costs, including (i) approximately US$21 million of senior debt due by end of 2020, with approximately US$8 million due by end of 2019; (ii) approximately US$18 million of equipment financing due by end of 2020; (iii) approximately US$15 million of shareholder loans due by end of 2020, some of which have already been due and have been deferred; and (iv) over US$50 million for capital costs for expansion for the Ouaré deposit at the Youga Mine and the New Liberty Mine by end of 2020. Additionally, the Company has experienced operational challenges, interruptions and delays at both the New Liberty Mine and Youga Mine over the past year, with the risks of continued under-performance, interruptions and delays, particularly in light of the planned transition from open pit mining to underground mining at the New Liberty Mine and the permits and infrastructure required to transition at the Youga Mine to the Ouaré and Balogo underground deposits. The Company also experienced a pit wall failure at its New Liberty Mine on October 1, 2019, which may result in additional potential costs and production delays. While the Company expects it would be able to successfully navigate such risks, the Board of Directors (excluding the Interested Directors) does not consider that the resultant shareholder value creation is likely to be sufficiently in excess of the Offer Price to compensate for taking such risks.

- ***Unanimous Special Committee Recommendation.*** The Special Committee, after having received advice from its legal and financial advisors, has unanimously determined that the Offer is in the best interests of the Company and fair to the Minority Shareholders and unanimously recommends acceptance of the Offer to the Shareholders. The Board of Directors (excluding the Interested Directors), upon the unanimous recommendation of the Special Committee, has unanimously determined that the Offer is in the best interests of the Company and fair to the Minority Shareholders and, accordingly, unanimously recommends that Shareholders accept the Offer and deposit their Common Shares to the Offer.

- ***Hard Lock-Up Agreements.*** Shareholders representing 12.9% of the Common Shares (which represents approximately 45% of the Common Shares held by Minority Shareholders) have entered into hard Lock-Up Agreements with the Offeror pursuant to which they have agreed to support the Offer and to deposit their Common Shares to the Offer at the Offer Price and not to withdraw such Common Shares. When aggregated with the Common Shares owned by the Offeror, approximately 85.8% of the issued and outstanding Common Shares are in support of the Offer.

- ***No Financing Condition.*** The Offer is not subject to a financing condition. The Offeror will pay for the Common Shares subject to the Offer with cash resources provided to it by its affiliate, AHL.

The foregoing is a summary of the information and factors considered by the Special Committee and subsequently the Board of Directors (excluding the Interested Directors) in making its recommendation and is not intended to be exhaustive of the factors considered by the Board of Directors (excluding the Interested Directors) in reaching its conclusion and making its recommendation, but includes the material information, factors and analysis considered by the Board of Directors (excluding the Interested Directors) in reaching its conclusion and recommendation. The Board of Directors has relied on the recommendation of the Special Committee in making its recommendation, and individual members of the Board of Directors (excluding the Interested Directors) may have given different weights to different factors. The conclusion and unanimous recommendation of the Board of Directors (excluding the Interested Directors) was made after considering the recommendation of the Special Committee and all of the information and factors considered by the Special Committee.

OTHER FACTORS TO BE CONSIDERED

While the Special Committee and the Board of Directors (excluding the Interested Directors) believe each of the factors set out above under “Reasons for Recommendation of Special Committee to the Board of Directors (Excluding the Interested Directors)” support their decision to recommend that Shareholders accept the Offer, the Special Committee also recognizes a number of factors that Shareholders may wish to consider including the following and which informed its recommendations to the Board of Directors:

- There is no obligation on the Offeror to complete a Compulsory Acquisition or a Subsequent Acquisition Transaction to acquire all the Common Shares following the Offer. The Offeror has reserved the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction. Should the Offeror take up Common Shares under the terms of the Offer and is subsequently unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, Minority Shareholders who did not deposit their Common Shares pursuant to the Offer will continue to hold their Common Shares. If the Offeror takes up Common Shares under the Offer and does not undertake a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Company's obligations as a reporting issuer under applicable Canadian securities laws will continue and the Company may remain a listed issuer subject to the rules and regulations of the TSX and AIM. In such event, the public float of the Company will be reduced, which might adversely affect the liquidity and trading price of the Common Shares, and which could adversely affect the ability of Shareholders who do not accept the Offer to sell their Common Shares.

- The rules and regulations of AIM establish certain criteria which, if not met, could lead to the cessation of trading and delisting of the Common Shares (as UK depository interests) from AIM. While the London Stock Exchange does not prescribe levels of free float as an eligibility requirement for admission to trading on AIM, sufficient free float is fundamental to the orderly trading and liquidity of the securities once admitted to AIM, which is inextricably linked to the Company's suitability to be admitted to AIM. Depending upon the number of Common Shares purchased pursuant to the Offer, it is possible that the Common Shares would fail to meet the criteria for continued admission to trading on AIM. If this were to happen, the trading in the Common Shares (as Depository Interests) on AIM could be cancelled and this could, in turn, adversely affect the market or result in a lack of an established market for the Common Shares.

- If the Offeror acquires sufficient Common Shares under the Offer, the Offeror could be in a position to force a delisting or cancellation of the Company's securities from AIM. Under the AIM Rules for Companies of the London Stock Exchange, cancellation of a company's securities from trading on AIM is generally conditional upon the consent of not less than 75% of votes cast by its shareholders given in a shareholder meeting. Cancellation of trading in the Company's securities on AIM might adversely affect the liquidity and trading price of the Common Shares, which could affect the ability of Shareholders who do not accept the Offer to sell their Common Shares.

- The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the cessation of trading and delisting of the Common Shares from the TSX. According to the TSX Company Manual, the Common Shares may be involuntarily delisted if (i) the market value of the Common Shares is less than $2 million over any period of 30 consecutive trading days, (ii) the number of freely-tradable, publicly held Common Shares is less than 500,000 or (iii) the number of Shareholders, each holding a board lot or more, is less than 150, in each case exclusive of holdings of officers and directors of the Company and persons who own or control, directly or indirectly, 10% or more of the Common Shares. Depending upon the number of Common Shares purchased pursuant to the Offer, it is possible that the Common Shares would fail to meet the criteria for continued listing on the TSX. If this were to happen, the Common Shares could be involuntarily delisted and this could, in turn, adversely affect the liquidity of the Common Shares or result in a lack of an established market for the Common Shares. If the Common Shares are delisted from the TSX and/or AIM, the extent of the public market for the Common Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Common Shares publicly held and the aggregate market value of the Common Shares publicly held at such time, the interest in maintaining a market in Common Shares on the part of securities firms, whether the Company remains subject to public reporting requirements in Canada and other factors. Furthermore, depending upon the number of Common Shares purchased pursuant to the Offer, the Offeror may be in a position to cause the Company to apply to have the Common Shares voluntarily delisted from the TSX, in which case section 720 of the TSX Company Manual may, subject to TSX discretion, require minority shareholder approval as the Offeror would be considered to have a beneficial interest in the voluntary delisting which materially differs from other security holders.

- After the purchase of the Common Shares under the Offer, the Company may cease to be a reporting issuer under Canadian securities laws. After the purchase of the Common Shares under the Offer, the Company may cease to be subject to the public reporting and proxy solicitation requirements of the CBCA and Applicable Securities Laws. Furthermore, it may be possible for the Company to request the elimination of the public reporting requirements where it has less than 51 securityholders worldwide and less than 15 in any jurisdiction of Canada.

- If the Offer is successfully completed, it will eliminate the opportunity for Shareholders who accept the Offer to participate in the longer-term potential benefits and risks of the business of the Company. Shareholders who do not deposit their Common Shares to the Offer will be able to continue to participate in those longer term potential benefits and risks of the business of the Company (subject to the ability of the Offeror to acquire their Common Shares through a Compulsory Acquisition or a Subsequent Acquisition Transaction). Such risks include, but are not limited to, the risks set out above in relation to a potential delisting from the TSX, a potential cancellation of the Company's securities from AIM and the Company potentially ceasing to be subject to public reporting requirements.

The foregoing discussion of the factors reviewed by the Special Committee and subsequently considered by the Board of Directors (excluding the Interested Directors) is not intended to be exhaustive. The Board of Directors has relied on the recommendation of the Special Committee in makings its recommendation. In view of the wide variety of factors considered in connection with their evaluation of the Offer, the Special Committee and the Board of Directors (excluding the Interested Directors) did not find it practicable to, and therefore did not, quantify or assign relative weights to specific factors or methodologies in reaching its conclusion. In addition, individual members of the Special Committee and the Board of Directors (excluding the Interested Directors) may have given different weights to different factors.

Shareholders should consider the Offer carefully and come to their own conclusions as to whether to accept or reject the Offer. Shareholders who are in doubt as to how to respond should consult with their own investment dealer, stockbroker, bank manager, lawyer or other professional advisor. Shareholders are advised that acceptance of the Offer may have tax consequences and they should consult their own professional tax advisors.

AVESORO RESOURCES INC.

The Company was incorporated as "Aureus Mining Inc." under the CBCA on February 1, 2011. On December 7, 2016 the Company filed an amendment to its articles of incorporation to effect the change of the Company's name to "Avesoro Resources Inc." The registered office of the Company is located at 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario M5L 1B9, Canada. The head office of the Company is located at 1st Floor Octagon Point, 5 Cheapside, St. Paul's, London EC2V 6AA, United Kingdom.

The Company is a West African focused gold producer and development company engaged in the exploration, development and operation of gold mining assets across West Africa. The New Liberty Gold Mine in Liberia (the "**New Liberty Mine**") and the Youga Gold Mine in Burkina Faso (the "**Youga Mine**") are Avesoro's primary assets. Avesoro also holds a portfolio consisting of various investments primarily in the mining sector. Historically these investments have been acquired for the purpose of enhancing efforts, increasing gold production and ore processing.

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of October 18, 2019, there were 81,575,260 Common Shares issued and outstanding.

The Company's Common Shares are listed for trading on the Toronto Stock Exchange ("**TSX**") (ticker: ASO) and admitted for trading on the AIM market operated by the London Stock Exchange ("**AIM**") (ticker: ASO). For further information please consult the Company's website www.avesoro.com. The information contained on the Company's website is not incorporated by reference in this Directors' Circular.

The Company is a reporting issuer or the equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador, and the Northwest Territories, Yukon and Nunavut and files its continuous disclosure documents with the Securities Regulatory Authorities in those provinces and territories. Such documents are available under the Company's SEDAR profile at www.sedar.com.

THE OFFEROR

The Offeror is a private company incorporated under the laws of Jersey with registered company number 115464. The Offeror is a holding company focused on developing and managing mining projects all over the world using its in-house engineering and construction capabilities. The principal business activity of the Offeror and its subsidiaries is the exploration, development and operation of gold assets in Liberia and Burkina Faso.

The Offeror acquired Common Shares of the Company pursuant to a number of transactions including the Avesoro Jersey Private Placement and the December 2016 Fundraise, as set out below under "Background to the Offer".

As of the date of this Directors' Circular, the Offeror beneficially owned, or exercised control or direction over, 59,457,152 Common Shares, representing approximately 72.9% of the issued and outstanding Common Shares.

BACKGROUND TO THE OFFER

The following is a summary of the principal events leading to the making of the Offer by the Offeror and the announcement thereof. Common Share numbers in this section prior to January 24, 2018 reflect the Company's Common Shares on a pre-consolidation basis. On January 24, 2018, the Company completed a 100:1 share consolidation.

Acquisition of Share Ownership by the Offeror

The Offeror is the Company's largest shareholder and currently owns, or exercises control or direction over, 59,457,152 Common Shares, representing approximately 72.9% of the issued and outstanding Common Shares. The Offeror acquired its share ownership in the Company pursuant to a number of financing and other transactions as set out below.

The Offeror initially acquired Common Shares of the Company on June 20, 2016, pursuant to the completion of the initial tranche of a private placement (the "**Avesoro Jersey Private Placement**"). Pursuant to the Avesoro Jersey Private Placement, the Company issued to the Offeror, 59,533,674 Common Shares at a price of £0.0321 per Common Share (the "**Avesoro Jersey Issue Price**") and issued a promissory note (the "**Promissory Note**") in the aggregate principal amount of US$12,303,006, to raise gross proceeds for the Company of approximately US$15 million. In connection with the closing of the Avesoro Jersey Private Placement, the Company entered into the Relationship Agreement with the Offeror (as further described under "Agreements with the Offeror and its Affiliates"). The Relationship Agreement provides certain rights to the Offeror to nominate directors for election to the Board of Directors and to maintain its pro rata equity interest in the Company in connection with future share issuances by the Company.

On July 15, 2016, the Company completed the second and final tranche of the Avesoro Jersey Private Placement pursuant to which it issued 331,111,209 Common Shares to the Offeror at the Avesoro Jersey Issue Price for aggregate gross proceeds of US$15 million. Concurrently with the closing of the second tranche of the Avesoro Jersey Private Placement, the Promissory Note automatically converted into 271,577,546 Common Shares at a price of US$0.045302 per Common Share.

An aggregate of 662,222,429 Common Shares were issued to the Offeror pursuant to the two tranches of the Avesoro Jersey Private Placement and the automatic conversion of the Promissory Note in connection therewith, to raise gross proceeds to the Company of US$30 million and pursuant to which, the Offeror acquired an interest in the Company representing 55% of the Company's then total number of issued and outstanding Common Shares.

On September 6, 2016, the Company announced that the mining services contract (the "**Mining Contract**") between Bea Mountain Mining Corporation ("**Bea**"), an indirect wholly-owned subsidiary of the Company, and MonuRent (Liberia) Limited ("**MonuRent**"), together with all underlying MonuRent supplier contracts, had been novated to Atmaca Services (Liberia) Inc. ("**ASLI**"), a Liberian company that is wholly-owned by the Offeror. Pursuant to the novation of the Mining Contract, ASLI became the operator of the Company's New Liberty Mine.

On December 6, 2016, the Company completed another equity offering (the "**December 2016 Fundraise**") pursuant to which the Offeror acquired 3,250,000,000 Common Shares at a price of £0.015 per Common Share. Certain other institutional investors also participated in such offering, resulting in aggregate gross proceeds to the Company of approximately US$76,000,000. The net proceeds of the December 2016 Fundraise were used for, among other things, the purchase by Bea of the mining equipment and inventory at the New Liberty Mine from ASLI and the payment of a fee to ASLI in the amount of US$4.5 million for the termination of the Mining Contract, thereby allowing the Company to transition to the owner-operator of the New Liberty Mine.

On March 31, 2017, the Company amended its finance facilities with Nedbank Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division). The revised and improved terms of the facilities were agreed to in exchange for the provision of a personal guarantee and indemnity from Mr. Mehmet Nazif Günal, Non-Executive Chairman of the Company, and corporate guarantees, indemnities and undertakings from the Offeror and its parent company, AHL.

On July 13, 2017, Bea entered into a US$35 million loan facility with the Offeror (the "**Avesoro Jersey Facility**") which was further novated to the Company on February 21, 2018 pursuant to the Novation Agreement. Pursuant to the terms of the Avesoro Jersey Facility, the Company was provided the ability to draw down up to US$35 million in multiple tranches at its discretion before December 31, 2020. The Company has drawn down the entire amount available under the Avesoro Jersey Facility as of the date hereof and the funds have been made available for general working capital purposes.

On December 18, 2017, the Company completed its acquisition of the Youga Mine and Balogo deposit in Burkina Faso through the acquisition of the entire issued share capital of MNG Gold Burkina SARL, Cayman Burkina Mines Ltd., MNG Gold Exploration Ltd., AAA Exploration Burkina Ltd. and Jersey Netiana Mining Ltd. and their subsidiaries from the Offeror for total consideration of US$69.5 million, of which £38.6 million (approximately US$51.0 million) was satisfied by the issuance of 2,033,492,822 new Common Shares to the Offeror at a price of £0.019 per Common Share and the remaining £14.0 million (approximately US$18.5 million) was paid in cash.

On January 24, 2018, the Company completed a 100:1 share consolidation that had the effect of consolidating the number of Common Shares held by the Offeror to 59,457,152 Common Shares. Such consolidation was approved at the special meeting of Shareholders held on December 14, 2017.

On March 5, 2019, the Company entered into the Second Avesoro Loan Agreement with the Offeror with an additional working capital facility of up to US$10 million. The Company has drawn down the entire amount available under the Second Avesoro Jersey Facility as of the date hereof and the funds have been made available for general working capital purposes.

Special Committee Process

On March 5, 2019, the Board of Directors approved the formation of a special committee of independent directors (the "**Special Committee**") comprised of Messrs. Loudon Owen (Chair), David Netherway and Jean-Guy Martin with a mandate to consider, advise and review any (i) future financing requirements of the Company, including but not limited to a review of options to refinance its loan facilities with the Offeror, and (ii) potential strategic transactions that could enhance and maximize shareholder value, including potential merger and acquisition transactions.

Between March 12, 2019 and June 6, 2019, the Special Committee met four times to discuss potential financing alternatives available to the Company. During the course of these discussions, the Special Committee considered advice received from the Nomad in respect of a potential equity raise and met with management of the Company to discuss and consider potential financing alternatives. The Special Committee recommended continued engagement with Mr. Mehmet Nazif Günal, the Company's non-executive Chairman in association with discussions involving the Company's financing requirements.

In early June 2019, representatives of Mr. Murathan Doruk Günal and Mr. Mehmet Nazif Günal ("**MNG Group**") informed the Special Committee that MNG Group may be interested in exploring the possibility of a privatization of the Company as part of MNG Group's prior expression of ongoing financial support for the Company.

On June 10, 2019, the Company announced the formation of the Special Committee and provided an update on operations at the New Liberty and Youga mines. Among other issues, the press release highlighted the significant ore dilution at the Youga Mine and labour issues resulting from the Company's transition to contractor mining at the New Liberty and Youga mines. The Company also announced the lowering of its 2019 annual production guidance.

On June 11, 2019, the Special Committee met to discuss the operational challenges with the participation of management, and the possible financial repercussions of such challenges, as well as the possibility of a privatization by MNG Group and the process implications.

On June 13, 2019, the Special Committee met to discuss and consider the potential engagement of independent legal and financial advisors.

On June 17, 2019, the Special Committee engaged Osler as its independent legal counsel.

On June 17, 2019, the Special Committee communicated with MNG Group through email correspondence for the purposes of seeking to better understand its intentions and the extent of its interest in exploring a possible privatization of the Company as well as potential financing transactions.

On July 4, 2019 the Special Committee met with representatives of Osler. At that meeting, the Special Committee reviewed and discussed its mandate and was briefed by representatives of Osler with regard to the duties and responsibilities of the members of the Special Committee in reviewing and evaluating a potential privatization transaction and exploring and reviewing potential strategic alternatives. The Special Committee also discussed the process to be undertaken to select an independent financial advisor and to discharge its mandate.

On July 9, 2019, the Board of Directors approved an amended and restated mandate of the Special Committee, effective as of March 5, 2019, for the purpose of considering, assessing and, if considered advisable, negotiating a potential take-private transaction with MNG Group as well as potential alternative transactions including financing transactions or other strategic transactions that may be identified by the Special Committee.

The Special Committee held three other meetings in July where it continued to consider various financing alternatives available to the Company, met with potential independent financial and technical advisors, and discussed the qualifications, terms and scope of engagement of such advisors. On July 9, 2019, the Special Committee met with management to discuss the Company's financial outlook and potential financing alternatives.

On July 10, 2019, the Company issued a press release to provide its Q2 2019 production update and disclosed operational challenges related to the transition to contractor mining at both the Youga and the New Liberty mines. The Company issued a subsequent press release on July 15, 2019, to among other things, provide a funding position update on the Company.

On August 6, 2019, the Special Committee met with representatives to discuss the status of engagement of independent financial and technical advisors to the Special Committee and the financial condition and operations of the Company.

On August 8, 2019, the Company issued a press release announcing the Company's Q2 2019 financial results and which among other things, advised of a security breach and other operational issues at the Youga Mine. The August 8th press release disclosed that the Company's ultimate parent company, AHL, had breached two undertakings in respect of the parent company guarantee provided by AHL to the Company's lenders, Nedbank Limited and FirstRand Bank Limited (the "**Lenders**"), which breaches represented events of default by the Company under its financing arrangements with the Lenders.

On August 15, 2019, the Special Committee met with representatives of senior management and Osler to discuss, among other things, the Company's financial condition and its financing requirements.

On August 16, 2019, the Special Committee delivered further email correspondence to MNG Group to inform it as to the Company's financial and operational issues and to again elicit information and seek to better understand its interest in exploring a potential privatization transaction.

Later that same day, the Special Committee received a non-binding acquisition proposal from the Offeror via its counsel, Norton Rose, in which the Offeror proposed to acquire all of the issued and outstanding shares of the Company not already owned by the Offeror and its affiliates at the Offer Price. The acquisition proposal contemplated a board approved, court approved and shareholder approved transaction that would be effected by way of a statutory plan of arrangement and also indicated that the Offeror had entered into hard lock-up agreements with shareholders representing approximately 45% of the Common Shares held by Minority Shareholders and 12.9% of all of the issued and outstanding Common Shares.

On August 18, 2019, the Special Committee met with representatives of Osler to discuss the acquisition proposal, the hard lock-up agreements, the applicable legal requirements relating to the proposal under applicable corporate and securities laws, and the conclusions that the Special Committee would have to consider, including whether the proposal in the best interests of the Company and fair to the Minority Shareholders. Representatives of Osler also discussed the process to select and engage an independent valuator in accordance with the requirements of MI 61-101, the Company's disclosure obligations and process considerations.

At around the same time, the Offeror and the Company entered into discussions regarding a new loan facility, pursuant to which the Offeror would agree to lend the Company up to US$5,000,000 for a period of 12 months at an interest rate of 3%.

Following the August 18, 2019, meeting, representatives of Osler held discussions with representatives of Norton Rose to elicit information about, and better understand the acquisition proposal, including the rationale for the proposed transaction structure, the terms and conditions of the proposal, and the assertion that hard lock-up agreements had been entered into with significant shareholders of the Company. During the course of those discussions, Osler sought, and subsequently obtained, copies of the hard lock-up agreements.

On August 20, 2019, the Company issued a press release announcing the receipt of the non-binding acquisition proposal from the Offeror and provided an update of the Company's operational issues and financing requirements. The Company also announced that prior to the receipt of the non-binding acquisition proposal from the Offeror it had been negotiating with the Offeror for a working capital loan facility to provide short term liquidity.

On August 23, 2019 and August 28, 2019, the Special Committee met with representatives of Osler to review and consider the Offeror's proposal and proposed loan facility.

During that same period, representatives of Osler, on behalf of the Special Committee, and Norton Rose, on behalf of the Offeror, held numerous discussions relating to the acquisition proposal including in respect of the proposed transaction structure, and the importance to the Special Committee of achieving transaction certainty and financing certainty. In light of the hard lock-up agreements entered into by the Offeror prior to making its acquisition proposal, the financial condition of the Company, MNG Group's substantial ownership position in the Company's common shares and the MNG Group's interest in acquiring the remaining Common Shares of the Company, the MNG Group was encouraged and asked to extend an offer to the Minority Shareholders to acquire the remaining Common Shares by way of a formal take-over bid. The Special Committee expressed to the MNG Group that it would consider abridging the deposit period of a take-over bid from 105 days to 35 days as permitted under applicable Canadian securities laws in order to provide Shareholders with greater transaction certainty. The parties continued to negotiate the terms of the proposed loan facility, including the funding conditions and additional oversight rights relating to the Company in favour of the Offeror.

On August 30, 2019, the Company entered into a further loan agreement with the Offeror in connection with the Third Avesoro Jersey Facility which provided the Company with an additional working capital facility of up to US$5 million, which amount has been fully drawn down as of the date hereof. The Third Avesoro Jersey Facility also imposed certain restrictions on the Company with respect to the incurrence of additional indebtedness or the issuance of additional equity interests in the Company, the initiation of insolvency proceedings, the termination of the Company's Chief Executive Officer and Chief Financial Officer and the rights of the Offeror to appoint additional directors to the Board of Directors.

On September 1, 2019, the Offeror issued a press release to announce its intention to commence a take-over bid to acquire all of the issued and outstanding common shares of the Company that were not already owned by the Offeror, at the Offer Price. The Company issued a press release on September 2, 2019 providing an update on the acquisition proposal from the Offeror and highlighting its legal and other obligations in connection with the Offer.

On September 4, 2019, the Special Committee concluded its evaluation of potential independent financial advisors and on September 13, 2019 executed and delivered the Engagement Letter with the Valuator to prepare an independent valuation in accordance with MI 61-101. It also determined that now that the Offeror had publicly committed to making a take-over bid, it was no longer practical to continue the engagement with the Initial Financial Advisor for alternative financing alternatives for the time being and subsequently terminated its engagement letter with the Initial Financial Advisor on September 10, 2019.

Through September 2019 the Valuator completed its work on the Valuation, and Osler and Norton Rose prepared for the launch of the formal take-over bid by the Offeror and related logistics to coordinate the actions of the parties to the greatest extent possible.

On October 1, 2019, the Special Committee met with Osler to discuss issues related to the pending Offer. The Special Committee agreed it would be appropriate to shorten the time period in which the Offer would be open from 105 days to 35 days.

On October 8, 2019, the Special Committee met with the Valuator together with management and Osler to receive a presentation from the Valuator on its preliminary analysis relating to the Valuation. The Valuator's preliminary valuation range and preliminary indications of fairness were discussed and following the meeting, the Valuation was finalized and was delivered to the Special Committee in final form on October 11, 2019.

On October 17, 2019, Norton Rose, on behalf of the Offeror, notified Osler that the Offer was being commenced and that the news release announcing the commencement of the Offer had been disseminated. Immediately following notification that the Offer had been commenced, the Special Committee met to approve the shortening of the initial period for depositing Common Shares under the Offer from 105 to 35 days.

On October 18, 2019, the Special Committee convened a meeting at which the Valuator delivered the Fairness Opinion to the Special Committee. The Fairness Opinion concluded that based on the assumptions and qualifications set out therein, the Offer is fair to Shareholders (other than the Offeror and its affiliates and associates). Following receipt of the Fairness Opinion, the Special

Committee reviewed the Offer and based upon, among other things, the Valuation and Fairness Opinion and the advice of its legal and financial advisors, the Special Committee unanimously determined that the Offer is in the best interests of the Company and fair to the Minority Shareholders. The Special Committee resolved to recommend to the Board of Directors that it recommend that Minority Shareholders accept the Offer and deposit their Common Shares to the Offer.

On October 18, 2019, immediately following the meeting of the Special Committee, the Board of Directors convened a meeting whereby the Special Committee provided its unanimous recommendation to the Board of Directors to make the Board Recommendation. Following the unanimous recommendation of the Special Committee, the Board (excluding the Interested Directors who disclosed their conflicts of interest and recused themselves from voting in connection therewith) (i) voted in favour of the Board Recommendation, (ii) approved the Directors' Circular in substantially the form provided to the Board of Directors, and (iii) approved the acceleration of the vesting of all outstanding Options and the subsequent termination or cancellation of all outstanding Options to the extent any are not exercised prior to the time that the Offeror first takes up Common Shares pursuant to the Offer.

On October 18, 2019, the Company entered into a further loan agreement with the Offeror with an additional working capital facility of up to US$5 million drawable in a total of two tranches (the "**Fourth Avesoro Jersey Facility**"). The Company intends to draw down a first tranche of US$3,500,000 and the funds are being made available for general working capital purposes. The second tranche of up to US$1,500,000 is drawable until December 31, 2019, at the mutual agreement of both parties.

SUMMARY OF THE VALUATION

The following summary of the Valuation is qualified in its entirety by the full text of the Valuation attached as Appendix A to this Directors' Circular and which is filed under the Company's SEDAR profile at www.sedar.com. The Valuation is also available for inspection at the Company's principal office at 1st Floor Octagon Point, 5 Cheapside, St. Paul's, London, England EC2V 6AA and a copy of the Valuation will be sent to any Shareholder by the Company for a nominal charge upon request to the Company's Chief Financial Officer, Geoff Eyre, at contact@avesoro.com.

Shareholders are encouraged to read the full text of the Valuation carefully and in its entirety for a description of the assumptions made, information reviewed, procedures followed, matters considered and limitations on the scope of review undertaken.

Engagement of Valuator

The Valuator was initially contacted by a representative of the Special Committee on August 20, 2019 and was formally retained by the Special Committee pursuant to an engagement agreement dated September 12, 2019 (the "**Engagement Agreement**") and executed on September 13, 2019 to provide the Valuation in accordance with MI 61-101. The terms of the Engagement Agreement provide for the Valuator to be paid a fixed fee in the aggregate amount of $150,000 in connection with the engagement. No portion of the fee payable to the Valuator under the Engagement Agreement is contingent upon the conclusion reached by the Valuator in the Valuation or the success of the Offer. The Company has agreed to reimburse the Valuator for reasonable expenses and to indemnify the Valuator in respect of certain liabilities which may be incurred by it in connection with the use of the Valuation.

Qualification of Valuator

Prior to entering into the Engagement Agreement, the Valuator reviewed its qualifications with the Special Committee and, based on certain representations made to the Special Committee by the Valuator, the Special Committee determined that the Valuator is qualified to provide an independent valuation and a fairness opinion and is independent for the purposes of MI 61-101.

The Valuator is a global valuation and corporate finance advisor with expertise in transaction opinions, M&A, complex valuation, disputes and investigations, restructuring, and compliance and regulatory consulting. Its clients include publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. It also advises the world's leading standard setting bodies on valuation issues and best practices. The Valuator's nearly 3,500 professionals are located in 28 countries around the world.

The form and content of the Valuation have been reviewed and approved for release by certain senior corporate finance professionals of the Valuator, all of whom are experienced in merger, acquisition, divestiture and valuation matters.

Independence of Valuator

The Valuation was prepared by the Valuator acting independently. The assessment of independence of the Valuator is consistent with the independence requirements of MI 61-101, as detailed in the Valuation.

In particular, neither the Valuator nor any of its affiliates:

1. is an "associated entity", "affiliated entity" or "issuer insider" (as those terms are defined in MI 61-101) of the Company or the Offeror or any affiliate thereof (each, an "**Interested Party**");

2. is acting as an advisor to any Interested Party in connection with the Offer (except to provide the Valuation as contemplated by the Engagement Agreement);

3. is subject to any circumstance whereby the compensation of the Valuator depends in whole or in part on an agreement, arrangement or understanding that gives the Valuator a financial incentive in respect of the conclusion reached in the Valuation or the outcome of the Offer;

4. is or will be: (i) a manager or co-manager of any soliciting dealer group formed in connection with the Offer; or (ii) a member of a soliciting dealer group formed in connection with the Offer whereby, in its capacity as a soliciting dealer, it would perform services beyond the customary soliciting dealer's function or would receive more than the per security or per security holder fees payable to other members of the group;

5. is an external auditor of any Interested Party; and/or

6. has a material financial interest in the completion of the Offer.

Scope of Review

In connection with the Valuation, the Valuator made such reviews, analyses and inquiries as it reasonably deemed necessary and appropriate under the circumstances. The Valuator also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions.

The Valuator's procedures, investigations, and financial analysis with respect to the preparation of the Valuation included, but were not limited to, a review of the following documents: (i) NI 43-101 Pre-Feasibility Report – Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Liberia dated April 1, 2019 prepared by CSA Global; (ii) NI 43-101 Technical Report – Mineral Resource and Mineral Reserve Update for the Youga Gold Mine, Burkina Faso dated June 20, 2019 prepared by CSA Global; (iii) prior annual information forms, annual and quarterly financial statements and management discussion and analysis, and press releases from the Company over the past 18 months; (iv) internal interim unaudited consolidated financial statements for the Company as of August 31, 2019; (v) other internal documents relating to the history, current operations, and probable future outlook of the New Liberty and Youga mines, including financial projections and updated life of mine plans for the New Liberty and Youga mines, provided to the Valuator by management of the Company; (vi) the Company's investor presentation dated September 2019; and (vii) representations from the management of the Company as to the historical financial statements, financial position and outlook of the New Liberty and Youga mines.

In addition, the Valuator undertook the following procedures: (i) conducted a site visit to the New Liberty Mine on September 24-25, 2019; (ii) discussed the information referred to above and the background and other elements of the Offer with management of the Company; (iii) reviewed the historical trading price and trading volume of the Common Shares and the publicly traded securities of certain other companies that it deemed relevant; (iv) performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including an analysis of selected public companies that it deemed relevant, and an analysis of selected transactions that it deemed relevant; and (vi) conducted such other analyses and considered such other factors as it deemed appropriate.

The Valuator's scope was inherently limited due to the lack of information concerning the potential costs and production delays related to the October 1, 2019 pit wall failure at the New Liberty mine, which were not available at the time of preparing the Valuation, but the Valuator expected that such costs and delays would likely have a downward impact on the value computed therein.

Assumptions and Limitations

In accordance with the terms of the Engagement Agreement, the Valuator relied upon the completeness, accuracy, and fair presentation of all the financial and other information, data, advice, opinions or representations obtained by it from publicly available sources, management of the Company, and their consultants and advisors, or discussed with or reviewed by it for the Valuation (collectively the "**Information**"). The Valuation assumes, and is conditional upon, the completeness, accuracy, and fair presentation of such Information.

In preparing the Valuation, the Valuator made several assumptions which are described in the Valuation, including assumptions relating to any estimates and evaluations (including technical reports) furnished to the Valuator having been reasonably prepared and based upon the best available information and the good faith judgment of management of the Company.

The Valuator did not undertake any audit, review or other procedures of any kind to verify the accuracy or completeness of the above information. The Valuator relied upon the accuracy, completeness and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to the Valuator from private sources, including Company management, and did not independently verify such information.

The Valuator prepared the Valuation effective as of September 30, 2019. The Valuation is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of such date, and the Valuator disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuation which may come or be brought to its attention of after the date of the Valuation.

The Valuation was furnished solely for the use and benefit of the Special Committee in connection with its consideration of the Offer and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose.

The Valuation does not include an opinion concerning any legal, tax or accounting matters concerning the Offer.

Valuation Approach and Methodologies

For the purposes of its conclusion, the Valuator adopted "fair market value" as the basis for value. Fair market value is defined as the highest price available in an open and unrestricted market between informed, prudent parties acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth. In the Valuator's per Common Share valuation, as required by MI 61-101, no downward adjustment was made to reflect the liquidity of the Common Shares, the effect of the Offer on the individual securities, or the fact that the Common Shares subject to the Offer do not form part of a controlling interest.

The Valuator assessed a number of different methodologies in planning and approaching the Valuation, noting that these are three traditional approaches in the valuation of an asset or business (each of which methodologies are described in detail in the Valuation): (i) the income approach; (ii) the market approach; and (iii) the cost approach.

The income approach is a valuation technique that provides an estimation of the fair market value of an asset or business based on market participant expectations about the cash flows that an asset or business would generate over its remaining useful life.

The market approach is a valuation technique wherein the equity, invested capital, and/or net assets of a firm are valued by comparison to other publicly traded firms or transactions in similar lines of business.

The cost approach recognizes that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce it new or to replace it new.

Conclusion of the Valuation

Based on the Valuator's scope of review and subject to the assumptions, restrictions and qualifications noted in the Valuation and such other factors as considered relevant by the Valuator in Section 5.3 of the Valuation, including the Company's current capital structure, leverage, and operational challenges, the Valuator concluded that, in its opinion, as of the effective date of September 30, 2019, the fair market value of the Common Shares is in the range of $1.39 to $1.76 per Common Share (or approximately £0.86 to £1.08 per Common Share, based on the Bank of Canada daily closing rate of exchange on September 30, 2019 for Pounds Sterling of $1.00 = £0.6145).

Fairness Opinion

In assessing the fairness of the Offer to the Shareholders (other than the Offeror and its affiliates) from a financial point of view of the consideration to be offered pursuant to the Offer, the Valuator considered and relied upon a number of factors, as described above and set out in the Fairness Opinion and the fact that under the terms of the Offer, the Offer Price is within the Valuator's fair market valuation range of the Common Shares.

PRIOR VALUATIONS AND FAIRNESS OPINION

To the knowledge of the Company and its directors and officers, after reasonable inquiry, other than the Valuation, there have been no prior valuations and fairness opinions (as defined in MI 61-101) prepared in respect of the Company, the Common Shares or any material assets of the Company during the 24 months prior to the date of the Offer.

While not within the above-referenced 24-month period, a valuation was prepared for the Company by the Valuator on September 30, 2017 in connection with the Company's December 18, 2017 acquisition of the Youga Mine (the "**Prior Valuation**").

The Prior Valuation is available for inspection at the Company's principal office at 1st Floor Octagon Point, 5 Cheapside, St. Paul's, London, England EC2V 6AA and a copy of the Prior Valuation will be sent to any Shareholder by the Company for a nominal charge upon request to the Company's Chief Financial Officer, Geoff Eyre, at contact@avesoro.com.

PRIOR OFFER

To the knowledge of the Company and its directors and officers, after reasonable inquiry, other than the Offer, the Company has not received any bona fide offer relating to the Common Shares or which is otherwise relevant to the Offer during the 24 months before the Offer was publicly announced.

AGREEMENTS WITH THE OFFEROR AND ITS AFFILIATES

The following are brief summaries of certain provisions of those agreements entered into and are currently in effect between the Company and the Offeror or its affiliates. The below summaries do not purport to be complete and are qualified in their entirety by reference to the full text of the agreements filed by the Company with the applicable Securities Regulatory Authorities and as available under the Company's SEDAR profile at www.sedar.com.

Relationship Agreement

The Company entered into the Relationship Agreement on June 20, 2016 in connection with the US$30 million equity investment in the Company by the Offeror pursuant to the Avesoro Jersey Private Placement.

Under the terms of the Relationship Agreement, for so long as the Offeror maintains an ownership interest in the Company of at least (i) 9.90%, it shall be entitled to nominate one individual for appointment or election as a director of the Company, (ii) 20%, it shall be entitled to nominate two individuals for appointment or election as directors of the Company, and (iii) 50.01%, it shall be entitled to nominate three individuals for appointment or election as directors of the Company.

Subject to the terms of the Relationship Agreement, for so long as the Offeror maintains at least a 20% shareholding in the Company, the Offeror will continue to have certain rights to participate for its pro-rata share in future equity issuances by the Company on the same terms and at the same price that the Company is prepared to issue the such equity securities to the other prospective purchaser. The Offeror is also entitled to maintain its then current shareholding in the Company in connection with issuances under the Stock Option Plan.

The Relationship Agreement further obligates the Company to use commercially reasonable efforts to maintain its listings on the TSX and AIM and gives the Offeror the right to provide to the Company and its affiliates, technical and financial expertise through its employees, consultants and advisors.

Loan Facility and Novation Agreement

On July 13, 2017, the Offeror entered into a US$35 million loan facility with Bea Mountain Mining Corporation ("**Bea**"), an indirect wholly-owned subsidiary of the Company (the "**Avesoro Jersey Facility**"). The Avesoro Jersey Facility was subsequently novated to the Company pursuant to a novation agreement between the Company, Bea and the Offeror dated February 21, 2018 (the "**Novation Agreement**").

Pursuant to the terms of the Avesoro Jersey Facility, the Company has the ability to draw down up to US$35 million in multiple tranches at the Company's discretion before December 31, 2020, with funds to be used for general working capital purposes. The full amount available under the Avesoro Jersey Facility has been drawn down as of the date hereof.

The facility is repayable by the Company on or prior to December 31, 2022 with interest being charged on amounts drawn under the facility at a fixed rate of 3.75% per annum.

The Avesoro Jersey Facility is unsecured and ranks subordinate to the other debt facilities of the Company.

Equipment Finance Facilities with the Offeror's affiliates

On October 16, 2017, Bea entered into equipment finance facility agreements ("**Finance Agreements**") with Mapa İnşaat ve Ticaret A.Ş. ("**Mapa**"), an affiliate of the Offeror, to facilitate the purchase of heavy mining equipment totaling approximately US$6.1 million.

Further equipment finance facility agreements between Bea and Mapa were entered into on December 12, 2017 and February 21, 2018, to facilitate the purchase of additional heavy mining equipment and additional auxiliary equipment totalling approximately US$17.1 million and US$10.3 million respectively.

Each of these equipment finance loans is unsecured, with interest charged at between 5.5% per annum and 6.5% per annum and is repayable in cash in eight equal semi-annual instalments. The loan principal of each of these agreements included a mark-up of 2.5% over the cost incurred by Mapa in procuring the equipment.

Mapa has granted a number of waivers and extensions to the repayment dates under the Mapa loans.

Loan Facilities with the Offeror

On March 5, 2019, the Company entered into a further loan agreement with the Offeror with an additional working capital facility of up to US$10 million (the "**Second Avesoro Jersey Facility**"). The Company has drawn down the entire amount available under the Second Avesoro Jersey Facility as of the date hereof and the funds have been made available for general working capital purposes.

The facility is repayable by the Company on or prior to the date that is 12 months following the date the facility was drawn down with interest being charged on amounts drawn under the facility at a fixed rate of 8.0% per annum. There is no penalty under the terms of the Second Avesoro Jersey Facility for early repayment.

The Second Avesoro Jersey Facility is unsecured and ranks subordinate to the other debt facilities of the Company.

On August 30, 2019, the Company entered into a further loan agreement with the Offeror in connection with an additional working capital facility (the "**Third Avesoro Jersey Facility**") of up to US$5 million. The Company has drawn down the entire amount available under the Third Avesoro Jersey Facility as of the date hereof and the funds have been made available for general working capital purposes.

The facility is repayable by the Company on or prior to the date that is 12 months following the date the facility was drawn down with interest being charged on amounts drawn under the facility at a fixed rate of 3.0% per annum. There is no penalty under the terms of the Third Avesoro Jersey Facility for early repayment.

Pursuant to the terms of the Third Avesoro Jersey Facility, the Company is subject to the following conditions:

- the Company will not incur any additional indebtedness or issue any equity interests in the Company until completion of its next annual general meeting without the unanimous approval of the Board of Directors;

- the Company will not file or initiate any insolvency proceedings until completion of its next annual general meeting without the unanimous approval of the Board of Directors;

- the Company will not terminate the employment or appointment of its Chief Executive Officer or Chief Financial Officer until completion of its next annual general meeting without the unanimous approval of the Board of Directors; and

- following the formal commencement of the Offer, upon the earlier of (i) the termination of the Offer in accordance with its terms because the Minimum Tender Condition has not been satisfied or because another condition has not been satisfied due to a force majeure or other event which materially and adversely affects the Company, and (ii) January 1, 2020, the Offeror will have the right to appoint one additional director (who need not be independent) to the Board and to appoint two further independent directors to the Board. Each appointment will be subject to compliance with applicable laws, the Company's director on-boarding process, and the approval of the Nomad.

The Third Avesoro Jersey Facility is unsecured and ranks subordinate to the other debt facilities of the Company.

On October 18, 2019, the Company entered into the Fourth Avesoro Jersey Facility. The Company intends to draw down a first tranche of US$3,500,000 and the funds are being made available for general working capital purposes. The second tranche of up to US$1,500,000 is drawable until December 31, 2019, at the mutual agreement of both parties.

The amounts to be drawn down under the Fourth Avesoro Jersey Facility are repayable by the Company on or prior to the date that is 12 months following the date each relevant tranche was drawn down with interest being charged on amounts drawn under the facility at a fixed rate of 3.0% per annum. There is no penalty under the terms of the Fourth Avesoro Jersey Facility for early repayment.

The Fourth Avesoro Jersey Facility is unsecured and ranks subordinate to the other debt facilities of the Company.

OWNERSHIP OF SECURITIES OF THE COMPANY

The Company is authorized to issue an unlimited number of Common Shares. As of October 18, 2019, there were 81,575,260 Common Shares issued and outstanding (85,551,431 on a Fully-Diluted Basis), and 3,976,171 options outstanding.

The following tables set out the names of each of the directors and officers of the Company and the number of outstanding Common Shares and Options beneficially owned as at October 18, 2019, directly or indirectly, or over which control or direction may be exercised by each such person and, where known after reasonable enquiry, by each associate or affiliate of the directors and officers of the Company, each associate or affiliate of any insider of the Company, each associate or affiliate of the Company, each insider of the Company (other than the Offeror and its affiliates and the directors and officers of the Company), and any person or company acting jointly or in concert with the Company.

Name and Position	Common Shares held Direct or Indirect	% of outstanding Common Shares held	Options in the money[1]	Options out of the money[2]	% of total outstanding Options held
<u>Directors & Officers of the Company</u>					
Mehmet Nazif Günal *(Chairman and Director)*	NIL	N/A	NIL	NIL	NIL
Serhan Umurhan *(Chief Executive Officer and Director)*	1,863,814	2.28	NIL	497,000	12.40
Geoff Eyre *(Chief Financial Officer and Director)*	27,200	0.03	NIL	437,500	11.00
David Netherway *(Non-Executive Director)*	4,314	<0.01	NIL	154,000	3.87
Jean-Guy Martin *(Non-Executive Director)*	993	<0.01	NIL	143,000	3.59
Loudon Owen *(Non-Executive Director)*	995	<0.01	NIL	140,250	3.52

Notes:

1. *Options in the money are Options which have an exercise price lower than the Offer Price.*
2. *Option out of the money are Options which have an exercise price higher than the Offer Price.*

In addition, the Offeror holds, 59,457,152 Common Shares, representing approximately 72.9% of the issued and outstanding Common Shares.

To the knowledge of the directors and officers of the Company, no associate or affiliate of the Company, no insider of the Company, nor any of such insider's associates or affiliates nor any person acting jointly or in concert with the Company, beneficially owns or exercises control or direction over, directly or indirectly, any Common Shares of the Company except as otherwise disclosed in this Directors' Circular.

A "collateral benefit", as defined under MI 61-101, includes any benefit that a "related party" of the Company (which includes the directors and senior officers of the Company) is entitled to receive as a consequence of the Offer, including a lump sum payment or an enhancement in benefits related to past or future services as an employee, director or consultant of the Company; however, such benefit will not constitute a "collateral benefit" if at the time the Offer was publicly announced, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding Common Shares.

Other than the change of control payments to the Company's Chief Executive Officer described under the section entitled "Arrangements Between the Company and its Directors and Officers", there are no collateral benefits with respect to the Offer.

TRADING IN SECURITIES OF THE COMPANY

During the six months preceding the date hereof, none of the Company, the directors or officers of the Company or other insiders of the Company nor, to the knowledge of the directors and officers of the Company, after reasonable enquiry, any of their respective associates or affiliates, or any person acting jointly or in concert with the Company, has traded any securities of the Company.

ISSUANCES OF SECURITIES OF THE COMPANY

Except as set forth below or disclosed elsewhere in this Directors' Circular, no Common Shares, excluding Common Shares purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights, or Convertible Securities (which term includes Options for the purposes of this Directors' Circular) have been issued to the directors or officers of the Company or other insiders of the Company during the two years preceding the date of this Directors' Circular.

INTENTIONS WITH RESPECT TO THE OFFER

To the knowledge of the directors and officers of the Company, after reasonable enquiry, each of the directors and officers listed in the table under the heading "Ownership of Securities of the Company" above intends to accept the Offer and deposit all of the Common Shares set out opposite such director's or officer's name, as applicable.

Pursuant to the terms and conditions of the Lock-Up Agreements, each of the Locked-Up Shareholders has agreed, among other things, to irrevocably deposit under the Offer all Common Shares owned, directly or indirectly, by such Locked-Up Shareholder. The Locked-Up Shareholders hold, in the aggregate and excluding Common Shares issuable under Options with an exercise price higher than the Offer Price, 10,504,035 Common Shares representing approximately 12.9% of the issued and outstanding Common Shares.

OWNERSHIP OF SECURITIES OF THE OFFEROR

Other than Serhan Umurhan, who owns 3% of the outstanding shares in the capital of AHL and Murathan Doruk Gunal, who is an associate of Mehmet Nazif Gunal and affiliated with the MNG Group, owns 94% of the outstanding shares in the capital of AHL, none of the Company, the directors and officers of the Company, or, to the knowledge of the directors and officers of the Company, after reasonable enquiry, any other associate or affiliate of an insider of the Company, any associate or affiliate of the Company, any insider of the Company, or any person acting jointly or in concert with the Company beneficially owns or exercises control over any outstanding securities of the Offeror or its affiliates.

ARRANGEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS AND OFFICERS

Except as disclosed below, no agreement, commitment or understanding has been made or is proposed to be made between the Company and any of the directors or officers of the Company in relation to the Offer, including any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful.

Pursuant to a services agreement dated August 3, 2016 (as amended), between the Company and Serhan Umurhan, the Company's Chief Executive Officer, if a change of control of the Company takes place (including where the Offeror has taken up and paid for the Common Shares validly deposited under the Offer in accordance with the terms and conditions of the Offer and Circular) and Mr. Umurhan gives notice to terminate his services agreement, Mr. Umurhan is entitled to a payment of 24 months basic salary plus the cash equivalent of the benefit of pension contributions, private medical insurance, permanent health and life insurance and other benefits he would be entitled to receive. If a change of control takes place, Mr. Umurhan may give written notice to the Company at any time during the period commencing with the change of control and the 180th day following the change of control which will have the effect of terminating the agreement with the Company.

Pursuant to a services agreement dated August 3, 2016 (as amended), between the Company and Geoff Eyre, the Company's Chief Financial Officer, if a change of control of the Company takes place (including where the Offeror has taken up and paid for the Common Shares validly deposited under the Offer in accordance with the terms and conditions of the Offer and Circular) and Mr. Eyre gives notice to terminate his services agreement, Mr. Eyre is entitled to a payment of 24 months basic salary plus the cash equivalent of the benefit of pension contributions, private medical insurance, permanent health and life insurance and other benefits he would be entitled to receive. If a change of control takes place, Mr. Eyre may give written notice to the Company at any time during the period commencing with the change of control and the 180th day following the change of control which will have the effect of terminating the agreement with the Company.

The estimated compensation following a change of control is, in the case of Serhan Umurhan, US$1,124,144 and in the case of Geoff Eyre, US$863,963.

RELATIONSHIP BETWEEN THE OFFEROR AND DIRECTORS AND OFFICERS

Except as disclosed elsewhere in this Directors' Circular, and as set out below, there is no agreement, commitment or understanding made or proposed to be made between the Offeror and any of the directors or officers of the Company, including any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful.

ARRANGEMENTS BETWEEN THE OFFEROR AND SECURITY HOLDERS OF THE COMPANY

Other than the Lock-Up Agreements discussed under the heading "Intentions with Respect to the Offer", the particulars of which are disclosed in Section 5 of the Offeror's bid circular, "Lock-up Agreements", there are no agreements, commitments or understandings made or, to the knowledge of the directors and officers of the Company, proposed to be made between the Offeror and a security holder of the Company relating to the Offer.

INTERESTS OF DIRECTORS AND OFFICERS IN MATERIAL TRANSACTIONS WITH THE OFFEROR

Except as otherwise disclosed in this Directors' Circular, none of the directors or officers of the Company and their associates and, to the knowledge of the directors and officers of the Company, after reasonable inquiry, no person who owns more than 10% of any class of equity securities of the Company for the time being outstanding has any interest in any material transaction to which the Offeror is a party.

MATERIAL CHANGES AND OTHER INFORMATION CONCERNING THE COMPANY

Except as publicly disclosed or otherwise described in this Directors' Circular, none of the directors or officers of the Company are aware of any information that indicates any material change in the affairs of the Company since the date of its last published financial statements, being its unaudited consolidated financial statements as at and for the three and six months ended

June 30, 2019 and management's discussion and analysis relating thereto, each of which is available under the Company's SEDAR profile at www.sedar.com.

RESPONSE OF THE COMPANY

Except as otherwise described or referred to herein or in the Offer and Circular, there are no transactions, directors' resolutions, agreements in principle, or signed contracts in response to the Offer nor are there any negotiations underway in response to the Offer which relate to or would result in: (a) an extraordinary transaction such as a merger or reorganization involving the Company or a Subsidiary of the Company; (b) the purchase, sale or transfer of a material amount of assets by the Company or a Subsidiary of the Company; (c) a bid by the Company for its own securities or for those of another issuer; or (d) any material change in the present capitalization or dividend policy of the Company.

OTHER INFORMATION

Except as disclosed in this Directors' Circular, there is no information that is known to the directors which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of the Company with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL OF THIS DIRECTORS' CIRCULAR

This Directors' Circular and the contents herein have been approved and its sending has been authorized by the Board of Directors.

This Directors' Circular is dated as of October 18, 2019.

GLOSSARY

In this Directors' Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set out below.

"**affiliate**" means an "**affiliate**" as defined in National Instrument 45-106 – *Prospectus Exemptions* (and "affiliates" shall be construed accordingly);

"**AHL**" means Avesoro Holdings Limited;

"**AIM**" means the AIM market of the London Stock Exchange;

"**Applicable Securities Laws**" means the *Securities Act* (Ontario) and the regulations thereunder and all other applicable Canadian and United Kingdom Laws;

"**Board of Directors**" means the board of directors of the Company;

"**Board Recommendation**" means the unanimous determination of the Board of Directors (excluding the Interested Directors) that the Offer is in the best interests of the Company and fair to the Minority Shareholders and the unanimous recommendation of the Board of Directors (excluding the Interested Directors) that Shareholders accept the Offer and deposit their Common Shares;

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by Law to be closed in Toronto, Ontario or London, United Kingdom;

"**CBCA**" means the *Canada Business Corporations Act*, as amended, and the regulations thereunder;

"**Common Shares**" means the issued and outstanding common shares of Avesoro, including common shares represented by Depository Interests and common shares issued on the exercise, exchange or conversion of Convertible Securities and "**Common Share**" means any one common share of Avesoro;

"**Company**" or "**Avesoro**" means Avesoro Resources Inc.;

"**Compulsory Acquisition**" means an acquisition by the Offeror of Common Shares not tendered to the Offer pursuant to Part XVII of the CBCA that may be undertaken by the Offeror (or any of its affiliates);

"**Convertible Securities**" means, collectively, the Options and any other securities of Avesoro that are convertible into or exchangeable or exercisable for Common Shares;

"**CREST**" means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);

"**CREST Regulations**" means the United Kingdom Uncertificated Securities Regulations 2001(SI No. 2001/3755) as amended from time to time;

"**Depository Interest**" means a depository interest held in CREST representing an entitlement to a Common Share;

"**Directors' Circular**" means this directors' circular dated October 18, 2019 issued by the Board of Directors in connection with the Offer;

"**Euroclear**" means Euroclear UK & Ireland Limited;

"**Expiry Time**" means 5:00 p.m. (Toronto time) on November 22, 2019 or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, "Extension, Variation or Change in the Offer";

"**Fully-Diluted Basis**" means that the number of outstanding Common Shares as of a particular time is deemed to be the sum of (a) the number of Common Shares outstanding at such time, plus (b) the number of Common Shares issuable pursuant to the terms of all Options outstanding at such time, assuming the satisfaction of all conditions of the grants of such Options);

"**Governmental Entity**" means:

(i) any supranational government body or organization (such as the European Union), sovereign nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission (including any securities commission), instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;

(ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court;

(iii) any stock exchange; or

(iv) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing entities established to perform a duty or function on its behalf;

"**Independent Directors**" mean the members of the Board of Directors other than the Interested Directors;

"**Interested Directors**" means those members of the Board of Directors who have declared an interest in, and refrained from voting in respect of the transactions contemplated by the Offer to Purchase, (being Serhan Umurhan, Geoff Eyre and Mehmet Nazif Gunal);

"**Laws**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, or other requirements, policies or instruments of any Governmental Entity having the force of law;

"**Lock-Up Agreements**" means the hard lock-up agreements dated August 12, 2019 and August 14, 2019 between the Offeror and the Locked-Up Shareholders pursuant to which, among other things, the Locked-Up Shareholders have agreed to deposit their Common Shares to the Offer in accordance with the terms of the Offer;

"**Locked-Up Shareholders**" means the following Shareholders of the Company: Lombard Odier Asset Management (Europe) Limited and Richard Griffiths;

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Material Adverse Change**" means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the prolonged condition (financial or otherwise), properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), capitalization, privileges, businesses, operations or results of operations of Avesoro and its subsidiaries, taken as a whole, whether before or after giving effect to the transactions contemplated by the Offer except any change, effect, event, occurrence or state of facts resulting from, relating to or arising in connection with:

(i) the announcement of the Offer or transactions contemplated thereby;

(ii) any change in the mining industry in general, including any change in the price of gold on a current or forward basis;

(iii) a change in the market trading price or trading volume of securities of Avesoro;

(iv) compliance with the Lock-Up Agreements or any actions or inactions in respect thereof to which the Offeror has consented; or

(v) any matter which has been publicly disclosed by Avesoro or has been communicated in writing to the Offeror, in each case, prior to the date of the Offer;

"**Minimum Tender Condition**" has the meaning ascribed thereto in Section 4 of the Offer and Circular;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**Nomad**" means the nominated financial advisor of the Company under the AIM rules, being finnCap Limited;

"**Norton Rose**" means Norton Rose Fulbright Canada LLP and Norton Rose Fulbright LLP, counsel to the Offeror;

"**Offer**" means the offer to be made by the Offeror by way of a formal take-over bid for all of the outstanding Common Shares other than Common Shares held by the Offeror and its affiliates;

"**Offer and Circular**" has the meaning ascribed thereto under the heading "Directors' Circular";

"**Offer to Purchase**" means the offer to purchase all of the outstanding Common Shares other than Common Shares held by the Offeror and its affiliates contained in the Offer and Circular;

"**Offeror**" means Avesoro Jersey Limited, a private company incorporated under the laws of Jersey with registered number 115464;

"**Offer Price**" means a price per Common Share of £1.00 in cash;

"**Options**" means outstanding options to acquire Common Shares under the Stock Option Plan;

"**Osler**" means Osler, Hoskin & Harcourt LLP, counsel to the Special Committee;

"**Parties**" means the Offeror and the Company, and "**Party**" means either one of them;

"**person**" includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative;

"**Regulatory Approvals**" means all sanctions, rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities that are required to complete the transactions contemplated in this Directors' Circular and the Offer and Circular and the expiration or early termination of any waiting period under any Laws that is necessary to complete the transactions contemplated in this Directors' Circular and the Offer and Circular;

"**Representative**" means, in respect of a person, its subsidiaries and each of its and their respective directors, officers, employees, agents and other representatives (including any financial, legal or other advisors);

"**Securities Regulatory Authorities**" means the applicable securities commission or regulatory authority in each province and territory of Canada;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* and available for public view at www.sedar.com;

"**Shareholders**" means the registered and beneficial holders of Common Shares, other than the Offeror and its affiliates, including the holders of Depository Interests;

"**Special Committee**" means the special committee of the Board of Directors formed to consider the Offer, composed of Mssrs. David Netherway, Jean-Guy Martin and Loudon Owen;

"**Stock Option Plan**" means the Company's incentive stock option plan, as amended from time to time;

"**Subsequent Acquisition Transaction**" means any proposed arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other transaction involving Avesoro or the Subsidiaries and the Offeror, if successfully completed, will result in the Offeror owning, directly or indirectly, all of the Common Shares or all of the assets of Avesoro that may be undertaken by the Offeror (or any of its affiliates);

"**Subsidiaries**" means any entity with respect to which Avesoro (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect at least a majority of the directors, or similar managing body, or in which Avesoro owns directly or indirectly 50% or more of the fair market value of the equity of such entity (and "**Subsidiary**" shall be construed accordingly);

"**Take-up Time**" means the time that the Offeror first takes up Common Shares pursuant to the Offer;

"**Taxes**" means, with respect to any person, all supranational, national, federal, state, local, provincial, or other taxes, including income taxes, branch taxes, gross receipts taxes, windfall profits taxes, capital gain taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, goods and services taxes, harmonized sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, Canada, Quebec and other pension plan premiums or contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, in each case, whether disputed or not;

"**TSX**" means the Toronto Stock Exchange;

"**UK**" or "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland; and

"**Valuation**" means the formal valuation of the Common Shares prepared by Duff & Phelps as required by MI 61-101 and which is attached to this Directors' Circular as Appendix A.

<u>CONSENT OF DUFF & PHELPS CANADA LIMITED</u>

To: The Board of Directors of Avesoro Resources Inc.

We refer to our valuation dated October 11, 2019 (the "**Valuation**") and fairness opinion dated October 18, 2019 (the "**Fairness Opinion**"), which we prepared for the special committee of Avesoro Resources Inc. ("**Avesoro**") in connection with the offer made by Avesoro Jersey Limited (the "**Offeror**") to purchase all of the issued and outstanding common shares of Avesoro ("**Common Shares**") (excluding Common Shares owned by the Offeror and its affiliates). We consent to the filing of the Valuation and Fairness Opinion with the securities regulatory authorities and the inclusion of a summary of the Valuation and Fairness Opinion and references to the Valuation and Fairness Opinion in the directors' circular of Avesoro dated October 18, 2019.

DATED at Toronto, Ontario, this 18th day of October, 2019.

DUFF & PHELPS CANADA LIMITED

<u>(signed) Duff & Phelps Canada Limited</u>

CERTIFICATE OF THE COMPANY

DATED: October 18, 2019

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors of Avesoro Resources Inc.

(Signed) Loudon Owen	(Signed) David Netherway
Director	Director

APPENDIX A
VALUATION AND FAIRNESS OPINION

OF DUFF & PHELPS

PRIVATE & CONFIDENTIAL October 18, 2019

The Special Committee of the Board of
Directors of Avesoro Resources Inc.
199 Bay Street
Suite 5300
Commerce Court West
Toronto, ON, Canada, M5L 1B9

Dear Sirs:

The Special Committee (the "Special Committee") of the Board of Directors of Avesoro Resources Inc. ("Avesoro" or the "Company") has engaged Duff & Phelps Canada Limited ("Duff & Phelps") to serve as an independent financial advisor to provide an opinion (the "Opinion") as of the date hereof as to the fairness, from a financial point of view, to the shareholders of the Company, other than the Related Party (as defined below) and its affiliates and associates, of the consideration to be paid pursuant to the Offer (as defined below).

Description of the Offer

It is Duff & Phelps' understanding that the Company's controlling shareholder, Avesoro Jersey Limited ("AJL" or the "Related Party"), has made a formal offer dated October 17, 2019 to purchase all of the issued and outstanding common shares of the Company not already owned by the Related Party for cash consideration of £1.00 per common share (the "Offer") (or C$1.69 cash per common share based on the closing rate of exchange as of October 17, 2019 of C$1.69 = £1), to be effected by way of a formal takeover bid conducted in compliance with Multilateral Instrument ("MI") 61-101 and MI 62-104.

Scope of Analysis

In connection with this Opinion, Duff & Phelps has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its Opinion included, but were not limited to, the items summarized below:

1. Reviewed the following documents:

   a) National Instrument 43-101 ("NI 43-101") Pre-Feasibility Report - Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Liberia dated April 1, 2019 prepared by CSA Global;

   b) NI 43-101 Technical Report - Mineral Resource and Mineral Reserve Update for the Youga Gold Mine, Burkina Faso dated June 20, 2019 prepared by CSA Global;

   c) Prior annual information forms, annual and quarterly financial statements and management discussion and analysis, and press releases from the Company over the past 18 months;

   d) Internal interim unaudited consolidated financial statements for the Company as of August 31, 2019;

   e) Other internal documents relating to the history, current operations, and probable future outlook of the New Liberty and Youga mines, including financial projections and updated life of mine plans for the New Liberty and Youga mines, provided to us by management of the Company;

   f) Company investor presentation dated September 2019;

   g) Representation from the management of the Company as to the historical financial statements, financial position and outlook of the New Liberty and Youga mines; and

   h) Documents relating to the Offer, including the offer to purchase and the take-over bid circular (collectively, the "Take-Over Bid Circular").

2. In addition, we undertook the following procedures:

   a) Conducted a site visit to New Liberty on September 24-25, 2019;

   b) Discussed the information referred to above and the background and other elements of the Offer with management of the Company;

   c) Reviewed the historical trading price and trading volume of the Company's common shares and the publicly traded securities of certain other companies that Duff & Phelps deemed relevant;

   d) Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including a discounted cash flow analysis, an analysis of selected public companies that Duff & Phelps deemed relevant, and an analysis of selected transactions that Duff & Phelps deemed relevant; and

e) Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

3. Duff & Phelps also prepared a formal valuation of the common shares of Avesoro dated October 11, 2019 prepared in accordance with MI 61-101 (the "Valuation") which concluded that, based on our scope of review and subject to the assumptions, restrictions and qualifications noted in the Valuation, the fair market value of the issued and outstanding common shares of Avesoro is in the range of C$1.39 to C$1.76 per share as of September 30, 2019 (or approximately £0.86 to £1.08 per share, based on the closing rate of exchange as of September 30, 2019 of C$1.63 = £1). The Valuation is reproduced in its entirety as Schedule A to the Opinion.

   Our scope was inherently limited due to the lack of information concerning the potential costs and production delays related to the October 1, 2019 pit wall failure at New Liberty, which were not available at the time of preparing this letter, but we expect that such costs and delays would likely have a downward impact on the value computed herein.

We did not undertake any audit, review or other procedures of any kind to verify the accuracy or completeness of the above information. We relied upon the accuracy, completeness and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to us from private sources, including management of the Company, and did not independently verify such information.

Assumptions, Qualifications and Limiting Conditions

In performing its analyses and rendering this Opinion with respect to the Offer, we have assumed, in addition to the assumptions noted elsewhere herein, that:

1. Any estimates and evaluations (including technical reports) furnished to Duff & Phelps were reasonably prepared and based upon the best available information as of the date hereof and the good faith judgment of management of the Company;

2. Information supplied and representations made by management of the Company are substantially accurate regarding the Company and its assets, including the New Liberty and Youga mines, and the Offer;

3. The Company had good title to the assets as of the date hereof;

4. There are no back-in rights, payments, contingent liabilities or other agreements and encumbrances to which the Company is subject as of the date hereof;

5. There will be no net insurance proceeds available to the Company arising from any potential insurance claims that may be filed that would have a material effect on the value of the common shares;

6. There were 81,575,260 issued and outstanding common shares of the Company as of the date hereof;

7. The final versions of all documents reviewed by Duff & Phelps (as described above in item 1 under “Scope of Analysis”) in draft form conform in all material respects to the drafts reviewed;

8. Other than the October, 1, 2019 pit wall failure noted above, there has been no material change in the assets, liabilities, financial condition, results of operations, business, or prospects of the Company since the date of the most recent financial statements and other information made available to Duff & Phelps, and that there is no new information or facts that would make the information reviewed by Duff & Phelps incomplete or misleading;

9. The information included and statements made in the Take-Over Bid Circular are substantially accurate;

10. The conditions required to implement the Offer will be satisfied and that the Offer will be completed in accordance with the Take-Over Bid Circular without any amendments thereto or any waivers of any terms or conditions thereof;

11. The conclusions of the Valuation remain accurate as of the date of this Opinion; and

12. All governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the Company.

To the extent that any of the foregoing assumptions or any of the facts on which this Opinion is based prove to be untrue in any material respect, this Opinion cannot and should not be relied upon. Furthermore, in Duff & Phelps’ analysis and in connection with the preparation of this Opinion, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Offer.

Information indicating assumptions contrary from those above or others set out in this letter would require a review of our opinion contained herein.

Duff & Phelps has prepared this Opinion effective as of the date hereof. This Opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to the attention of Duff & Phelps after the date hereof.

Duff & Phelps did not evaluate the Company's solvency or conduct an independent appraisal of any specific assets or liabilities (contingent or otherwise). Duff & Phelps has not been requested to, and did not, (i) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Offer, the assets, businesses or operations of the Company, or any alternatives to the Offer, (ii) negotiate the terms of the Offer, and therefore, Duff & Phelps has assumed that such terms are commercially reasonable, from the Company's perspective, or (iii) advise the Special Committee or any other party with respect to alternatives to the Offer.

This Opinion should not be construed as a valuation opinion, credit rating, solvency opinion, an analysis of credit worthiness, as tax advice, or as accounting advice. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

In rendering this Opinion, Duff & Phelps is not expressing any opinion with respect to the amount or nature of any compensation to any of the Company's officers, directors, or employees, or any class of such persons, relative to the consideration to be received by the shareholders in the Offer, or with respect to the fairness of any such compensation.

This Opinion is furnished solely for the use and benefit of the Special Committee in connection with their consideration of the Offer and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without Duff & Phelps' express written consent. Duff & Phelps has consented to the inclusion of this Opinion in the directors' circular prepared by the Company to be sent to shareholders and filed with applicable Canadian securities regulators in connection with the Offer.

This Opinion (i) does not address the merits of any underlying business decision with respect to the Offer, including any recommendation that may be made by the Special Committee with respect to the Offer, versus any alternative strategy or transaction; (ii) does not address any transaction related to the Offer; (iii) is not a recommendation as to how the Special Committee, Board of Directors or any shareholder should vote or act with respect to any matters relating to the Offer, or whether to proceed with the Offer or any related transaction, and (iv) does not indicate that the consideration received is the best possibly attainable under any circumstances, it merely states whether the consideration is within a range suggested by certain financial analyses. The decision as to whether to proceed with the Offer or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which this Opinion is based. This letter should not be construed as creating any fiduciary or other duty on the part of Duff & Phelps to any party.

This Opinion is solely that of Duff & Phelps, and Duff & Phelps' liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter between Duff & Phelps and the Company dated September 12, 2019 (the "Engagement Letter"). This letter is confidential, and its use and disclosure is strictly limited in accordance with the terms set forth in the Engagement Letter.

Disclosure of Prior Relationships

Duff & Phelps has acted as an independent financial advisor to the Special Committee and will receive a fixed fee for its services. In addition, Duff & Phelps is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Company in the manner set forth in the indemnity that forms part of the Engagement Letter. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this Opinion or whether or not the Offer is successfully consummated. Pursuant to the terms of the Engagement Letter, a portion of Duff & Phelps' fee is payable upon Duff & Phelps' stating to the Special Committee that it is prepared to deliver its Opinion. Prior to this engagement, Duff & Phelps prepared a formal valuation of the gold mining properties known as Youga/Ouaré and Balogo (now collectively known as the Youga mine) as of September 30, 2017 in connection with the Company's December 18, 2017 acquisition of AJL's interest in the Youga mine. For this prior engagement, Duff & Phelps received a fixed fee, expense reimbursement, and indemnification.

Conclusion

Based upon and subject to the foregoing, Duff & Phelps is of the opinion that, as of the date hereof, the consideration to be paid pursuant to the Offer is fair, from a financial point of view, to the shareholders of the Company other than the Related Party and its affiliates and associates.

This Opinion has been approved by the Opinion Review Committee of Duff & Phelps.

Respectfully submitted,

Duff & Phelps Canada Limited

Duff & Phelps Canada Limited

SCHEDULE A

VALUATION

DUFF & PHELPS

Avesoro Resources Inc.

Formal Valuation

October 11, 2019

Contents

DUFF & PHELPS

PRIVATE & CONFIDENTIAL October 11, 2019

The Special Committee of the Board of
Directors of Avesoro Resources Inc.
199 Bay Street
Suite 5300
Commerce Court West
Toronto, ON, Canada, M5L 1B9

Dear Sirs:

Re: Formal Valuation of the Common Shares of Avesoro Resources Inc. ("Avesoro" or the "Company")

1.0 Introduction

1.1 The Special Committee of the Board of Directors of Avesoro (the "Special Committee") has engaged Duff & Phelps Canada Limited ("Duff & Phelps") to serve as an independent financial advisor in connection with the contemplated transaction described below (the "Proposed Transaction") to prepare a formal valuation (the "Valuation") of all of the issued and outstanding common shares of Avesoro as of September 30, 2019 (the "Valuation Date").

1.2 We understand that you require the Valuation for the purposes of complying with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101").

1.3 In providing our Valuation, you have asked that we prepare a Comprehensive Valuation Report as defined by the Canadian Institute of Chartered Business Valuators (the "CICBV"). See the Restrictions and Limitations section of this report for further discussion.

1.4 Subject to the terms of our engagement letter dated September 12, 2019 (the "Engagement Letter"), we consent to the filing of our Valuation with applicable Canadian securities regulators and a summary thereof, in form satisfactory to Duff & Phelps, in the offer to purchase and take-over bid circular prepared by AJL (as defined below) (collectively, the "Take-Over Bid Circular") and the directors' circular prepared by the Company (the "Directors' Circular") in connection with the Proposed Transaction. In providing such consent, we do not intend that any person other than the Special Committee, as expressly provided in the Engagement Letter, may rely upon this report.

1.5 In general, all per share amounts herein are expressed in Canadian dollars ("C$") or British pounds ("£"), while all values and financial metrics are expressed in United States dollars, unless stated otherwise.

2.0 Engagement of Duff & Phelps

2.1 Duff & Phelps was originally contacted by the Company regarding a potential advisory assignment on August 20, 2019. Duff & Phelps was formally engaged by the Special Committee on September 13, 2019 pursuant to the Engagement Letter.

2.2 Duff & Phelps has acted as financial advisor to the Special Committee and will receive a fixed fee for its services. In addition, Duff & Phelps is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Company in the manner set forth in the indemnity that forms part of the Engagement Letter. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this Valuation or whether or not the Proposed Transaction is successfully consummated. Pursuant to the terms of the Engagement Letter, a portion of Duff & Phelps' fee is payable upon Duff & Phelps' stating to the Special Committee that it is prepared to deliver its Valuation.

3.0 Description of the Proposed Transaction

3.1 It is our understanding that the Proposed Transaction, if completed, will involve the purchase by the Company's controlling shareholder, Avesoro Jersey Limited ("AJL" or the "Related Party") of all the issued and outstanding common shares of the Company not already owned by the Related Party for cash consideration of £1, or C$1.63 cash per share as of the Valuation Date, (the "Offer") to be effected by way of a formal takeover bid conducted in compliance with MI 61-101 and Multilateral Instrument 62-104 (the "Proposed Transaction").

3.2 The Related Party currently holds approximately 72.9% of the Company's common shares. The Company understands that the Proposed Transaction is supported by holders of a further 12.9% of the common shares pursuant to "hard" lock up agreements.

3.3 The Related Party has committed to continue to support the financial needs of the Company while the Proposed Transaction is ongoing.

3.4 The above description is summary in nature. The specific terms and conditions of the Proposed Transaction will be summarized in the Take-Over Bid Circular to be mailed by AJL to Shareholders upon formal commencement of the Proposed Transaction.

4.0 Definition of Value

4.1 For the purposes of our conclusion, we have adopted fair market value ("FMV") as the basis for value. Fair market value is defined as the highest price available in an open and unrestricted market between informed, prudent parties acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth.

4.2 In our per share valuation, as required by MI 61-101, no downward adjustment has been made to reflect the liquidity of the common shares, the effect of the Proposed Transaction on the individual securities, or the fact that the common shares do not form part of a controlling interest.

4.3 Value in the notional marketplace must be differentiated from the concept of price established in the open marketplace. There may be many prices for a particular business. The actual price at which a sale takes place may be higher or lower than a notional value due to many factors, including different purchasers' negotiating strengths, risk assessment, structure of the transaction, synergies and non-economic considerations.

4.4 Only when a business interest or security is exposed for sale can the price and the above factors be quantified with any degree of certainty. Unless these factors can be identified and estimated, we are of the view that notional value should be determined on the basis considered in this report.

5.0 Summary Conclusions

5.1 Based on our scope of review and subject to the assumptions, restrictions and qualifications noted herein, our conclusion as to the fair market value of the issued and outstanding shares of Avesoro is in the range of C$1.39 to C$1.76 per share as of the Valuation Date (or approximately £0.86 to £1.08 per share, based on the Bank of Canada daily closing rate of exchange as of the Valuation Date $1.63 = £1).

5.2 Our conclusion does not reflect the impact of the October 1, 2019 pit wall failure at New Liberty, which was disclosed by the Company on October 3, 2019. Information concerning the potential costs and production delays related to the pit wall failure were not available at the time of preparing this valuation but we expect that such costs and delays would likely have a downward impact on the value computed herein.

5.3 In arriving at our valuation opinion, we had regard to the following key factors:

a) The Company has limited access to financing and operating cash flow to meet near-term liquidity requirements related to maturities of bank and shareholder loans and capital costs, including the following:

   i. Approximately US$21 million of senior debt due by end of 2020, with approximately US$8 million due by end of 2019;

   ii. Approximately US$18 million of equipment financing due by end of 2020;

   iii. Approximately US$15 million of shareholder loans due by end of 2020, some of which had already been due and reflect the benefit of a deferral;

   iv. Over US$50 million for capital costs for expansion for Ouaré and New Liberty by end of 2020; and

b) The Company has experienced meaningful operational challenges, interruptions and/or delays at both New Liberty and Youga over the past year, with the risks of continued underperformance, interruptions and/or delays over the projection period, particularly in light of the planned transition from open pit mining to underground at New Liberty and the permits and infrastructure required to transition from Youga to Ouaré and Balogo.

   Although there exists the opportunity for improved operations, the risks of further disruptions, delays and/or dilution, particularly in the near-term (over and above that which has been included in the cash flow projections) could be meaningful.

6.0 Scope of Review

6.1 In connection with the Valuation, Duff & Phelps has made such reviews, analyses and inquiries as it has reasonably deemed necessary and appropriate under the circumstances. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions.

6.2 Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of the Valuation included, but were not limited to, a review of the following documents:

a) National Instrument 43-101 ("NI 43-101") Pre-Feasibility Report – Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Liberia dated April 1, 2019 prepared by CSA Global (the "April 2019 New Liberty Technical Report");

b) NI 43-101 Technical Report – Mineral Resource and Mineral Reserve Update for the Youga Gold Mine, Burkina Faso dated June 20, 2019 prepared by CSA Global (the "June 2019 Youga Technical Report");

c) Prior annual information forms, annual and quarterly financial statements and management discussion and analysis, and press releases from the Company over the past 18 months;

d) Internal interim unaudited consolidated financial statements for the Company as of August 31, 2019;

e) Other internal documents relating to the history, current operations, and probable future outlook of the New Liberty and Youga mines, including financial projections and updated life of mine plans for the New Liberty and Youga mines, provided to us by management of the Company;

f) Company investor presentation dated September 2019; and

g) Representation from the management of the Company as to the historical financial statements, financial position and outlook of the New Liberty and Youga mines.

6.3 In addition, we undertook the following procedures:

a) Conducted a site visit to New Liberty on September 24-25, 2019;

b) Discussed the information referred to above and the background and other elements of the Proposed Transaction with management of the Company;

c) Reviewed the historical trading price and trading volume of the Company's common shares and the publicly traded securities of certain other companies that Duff & Phelps deemed relevant;

d) Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques including an analysis of selected public companies that Duff & Phelps deemed relevant, and an analysis of selected transactions that Duff & Phelps deemed relevant; and

e) Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

6.4 Our scope was inherently limited due to the lack of information concerning the potential costs and production delays related to the October 1, 2019 pit wall failure at New Liberty, which were not available at the time of preparing this report, but we expect that such costs and delays would likely have a downward impact on the value computed herein.

6.5 We did not undertake any audit, review or other procedures of any kind to verify the accuracy or completeness of the above information. We relied upon the accuracy, completeness and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to us from private sources, including Company management, and did not independently verify such information.

7.0 Credentials of Duff & Phelps

7.1 Duff & Phelps is a global valuation and corporate finance advisor with expertise in transaction opinions, M&A, complex valuation, disputes and investigations, restructuring, and compliance and regulatory consulting. Our clients include publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. We also advise the world's leading standard setting bodies on valuation issues and best practices. Duff & Phelps' nearly 3,500 professionals are located in 28 countries around the world.

7.2 Our expertise is not that of independent consulting geologists and engineers, and we have not undertaken any ore body resources and technical feasibility analyses. This report does not constitute a technical report, preliminary economic assessment, prefeasibility study or feasibility study as contemplated under NI 43-101.

8.0 Independence

8.1 Duff & Phelps is not an insider, associate or affiliate of, nor has it provided any financial or other advisory services to the Company, AJL or its affiliates or associates within the last 24 months, except for the September 2017 Youga Mine Valuation (defined and described in Section 13.0 Prior Valuation).

8.2 Based on a review of our internal records, we confirm that we are independent of the Company, AJL, its affiliates or associates and for purposes of MI 61-101.

8.3 There are no understandings or agreements between Duff & Phelps, the Company, AJL or its affiliates or associates with respect to any future business dealings.

8.4 Our report has been prepared in conformity with the practice standards of the CICBV by persons acting independently and objectively.

8.5 The fees payable under the terms of our Engagement Letter are not contingent upon an action or event resulting from the use of our report.

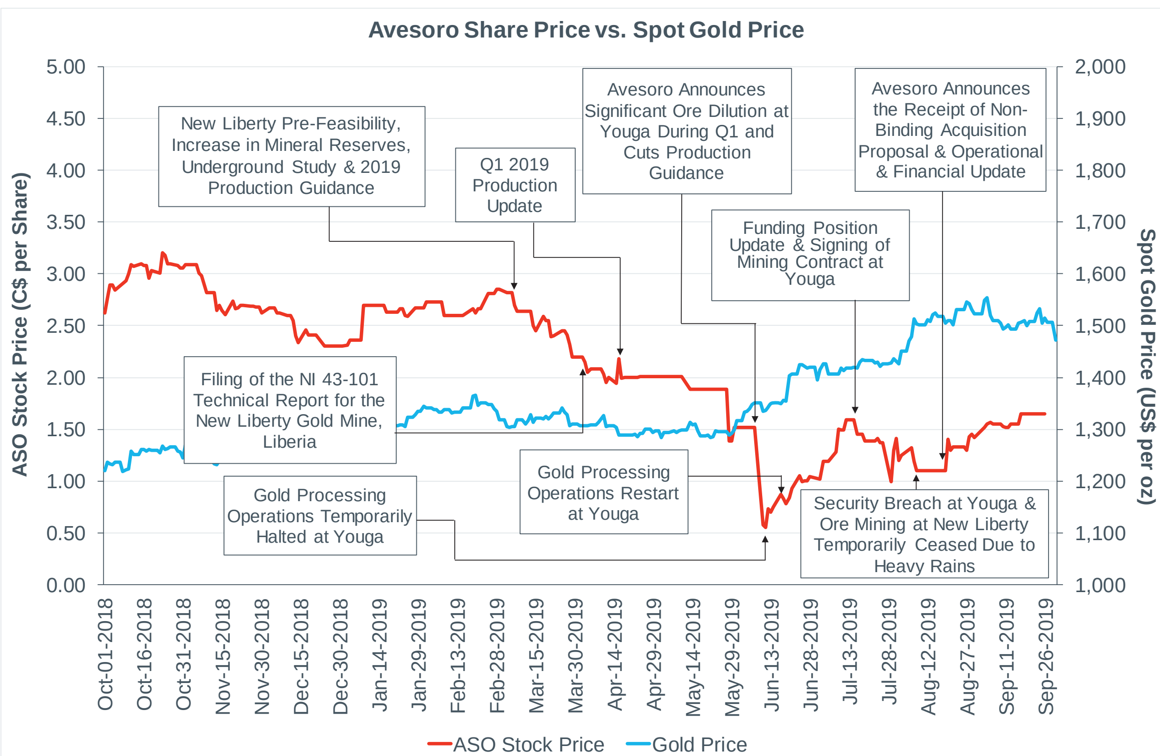
9.0 Company Background

Overview

9.1 Avesoro Resources Inc. is a West African focused gold producer and development company engaged in the exploration, development and operation of gold mining assets across West Africa. The Company's common shares are listed for trading under the ticker "ASO" on the Toronto Stock Exchange and on the AIM market of the London Stock Exchange.

9.2 A summary of the Company's stock price based on its TSX listing, as against changes in spot gold prices and events at the Company over the past 12 months (discussed further below), is set out below in Figure 1:

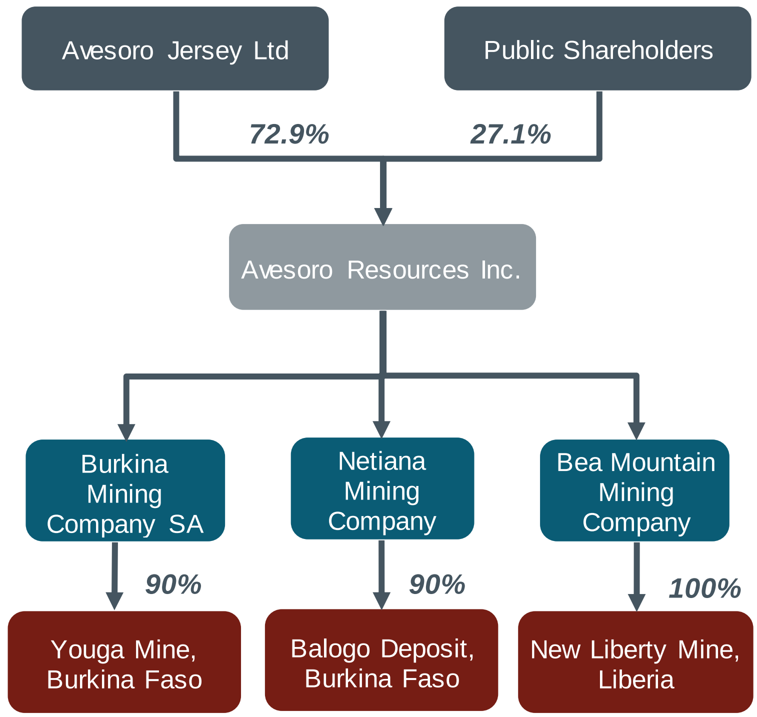
Figure 1: Annotated Avesoro Stock Price



Source: Capital IQ

9.3 As illustrated in Figure 2 below, the Company's principal assets are the New Liberty gold mine located in Liberia and the Youga gold mine located in Burkina Faso, and the Company is 72.9% owned by Avesoro Jersey, with the public owning the remaining 27.1%:

Figure 2: Simplified Organizational Chart



Overview of the New Liberty Mine[1]

9.4 As illustrated below, the New Liberty Gold Mine ("New Liberty") is located approximately 90km northwest of Monrovia, in the north-western portion of Liberia within the Gola Konneh District of Grand Cape Mount County.

9.5 New Liberty is a conventional open pit gold mining operation which commenced commercial production in March 2016. The approximate 1.7 million tonnes per annum ("Mtpa") capacity process plant is a conventional gravity/carbon-in-leach processing facility.

[1] Source: NI 43-101 Pre-Feasibility Report Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Liberia published by CSA Global dated April 1, 2019.

9.6 Mining operations are scheduled to transition from open pit mining to underground in 2021, along with the development of a satellite open pit at the Ndablama deposit, located approximately 45km north east of New Liberty.

9.7 A Mineral Development Agreement ("MDA") between Bea Mountain Mining Company ("BMMC") and the Government of Liberia became effective in March 2002. A restated and amended MDA was ratified in 2013.

9.8 The Liberian Government is entitled to a 10% free-carried interest and retains a 3% Net Smelter Return ("NSR") royalty.

Figure 3: Map of the New Liberty Mine

9.9 As set out below, New Liberty had approximately 2,019,000 ounces of gold resources (Measured and Indicated plus Inferred), including approximately 1,365,000 ounces of gold reserves as of December 31, 2018:

Figure 4: New Liberty Mineral Resources (including Reserves) as of December 31, 2018

Mineral Resource estimate for the New Liberty and Ndablama Gold Projects, Liberia, as at 31 December 2018												
Deposit	Measured			Indicated			Measured and Indicated			Inferred		
	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)
New Liberty OP	0.19	1.82	10.9	4.48	3.49	503.0	4.67	3.42	513.9	0.0	1.7	2
New Liberty UG	0.18	2.85	16.4	5.90	3.32	630.0	6.08	3.30	646.3	2.7	3.0	253
Ndablama OP				9.72	1.88	588.0	9.72	1.88	588.0	0.3	1.6	16
Total	**0.37**	**2.32**	**27.3**	**20.10**	**2.66**	**1,720.9**	**20.47**	**2.66**	**1,748.2**	**3.0**	**2.8**	**271**

Figure 5: New Liberty Mineral Reserves as of December 31, 2018

Mineral Reserves estimated for the New Liberty "Combined" Project, Liberia, as at 31 December 2018										
Deposit	Cut-off grade (g/t)	Proven			Probable			Total Ore Reserve		
		Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)
New Liberty Open Pit	0.80	0.216	1.65	11	4.701	3.19	482	4.917	3.12	494
New Liberty Underground	2.00	0.084	3.36	9	4.575	3.07	452	4.659	3.08	461
Ndablama Open Pit	1.00	0.00	0.00	0.0	7.282	1.71	400	7.282	1.71	400
Total (excl. Stocks)		**0.300**	**2.13**	**21**	**16.559**	**2.51**	**1,334**	**16.859**	**2.50**	**1,355**
NL ROM Stockpiles (LG, MG, HG)					0.210	1.47	10	0.210	1.47	10
Total (incl. Stocks)		**0.300**	**2.13**	**21**	**16.769**	**2.49**	**1,344**	**17.069**	**2.49**	**1,365**

9.10 A NI 43-101 pre-feasibility study for the combined New Liberty Gold Mine and the Ndablama deposit was completed by CSA Global ("CSA") with a report date of April 1, 2019 and an effective date of January 31, 2019.

9.11 The combined project contemplates the transition of mining operations at New Liberty from the current open pit to underground and the development of a new satellite open pit at Ndablama.

9.12 Mining operations transitioned from owner mining to contractor mining in April 2019 with production in April (3.4koz) and May (8.1koz) materially below budget as a result of disruptions in mining activities following the transition.

9.13 Heavy rainfall in late July 2019 resulted in the flooding of the main pit and the suspension of ore mining and milling operations for most of August and September. Waste stripping operations continued during the suspension. Ore mining resumed in mid-September with milling and gold processing restarting shortly thereafter. As of the Valuation Date, pit-dewatering was still ongoing.

9.14 The impact of the above disruptions, changes and challenges at New Liberty are reflected in the mining and milling statistics in Figures 6 and 7 below:

Figure 6: New Liberty 2019 Monthly Mill Performance – Actual vs Planned

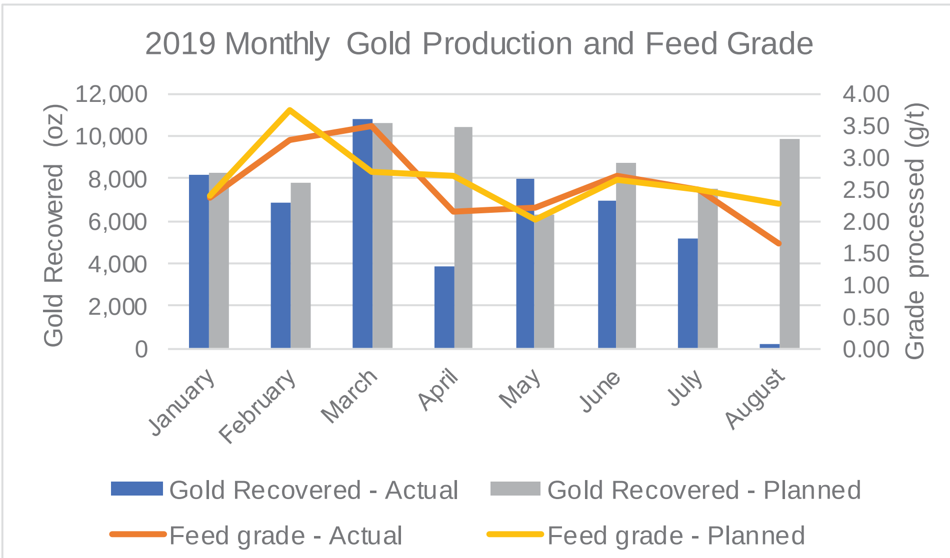
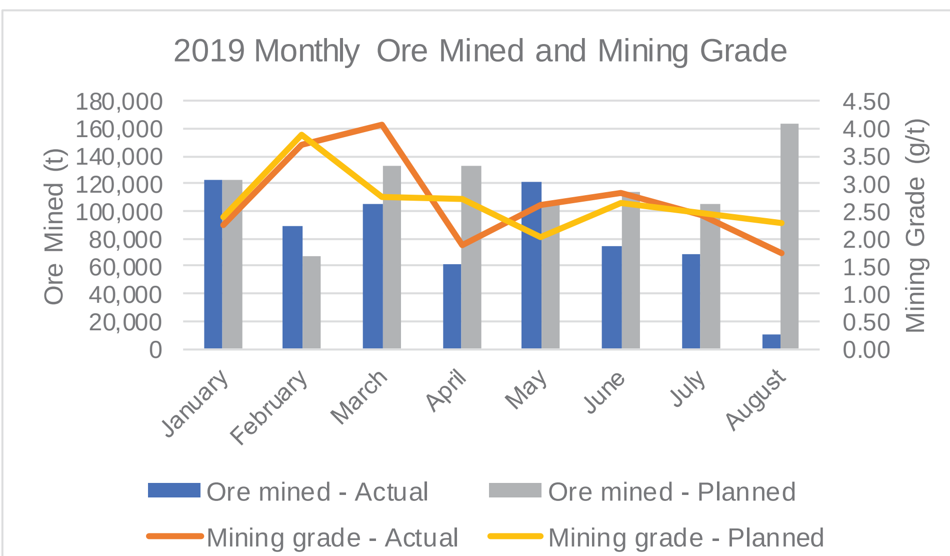


Figure 7: New Liberty 2019 Monthly Mine Performance – Actual vs Planned



9.15 Higher levels of waste stripping will continue through 2020 in order to complete the final pushback and prepare the pit for the development of underground operations.

9.16 The CSA mine schedule produces between 1.45Mt to 1.60Mt of annual mill feed from 2019 to 2021 increasing to 1.79Mt in 2022. Significant improvements in availability and productivity of the excavators and trucks (and associated supplies) is required to achieve these mining rates. The mine plan could be adversely impacted should improvements on the management and operational level not be achieved.

9.17 A potential heap leach operation at Ndablama is currently being assessed by the Company.

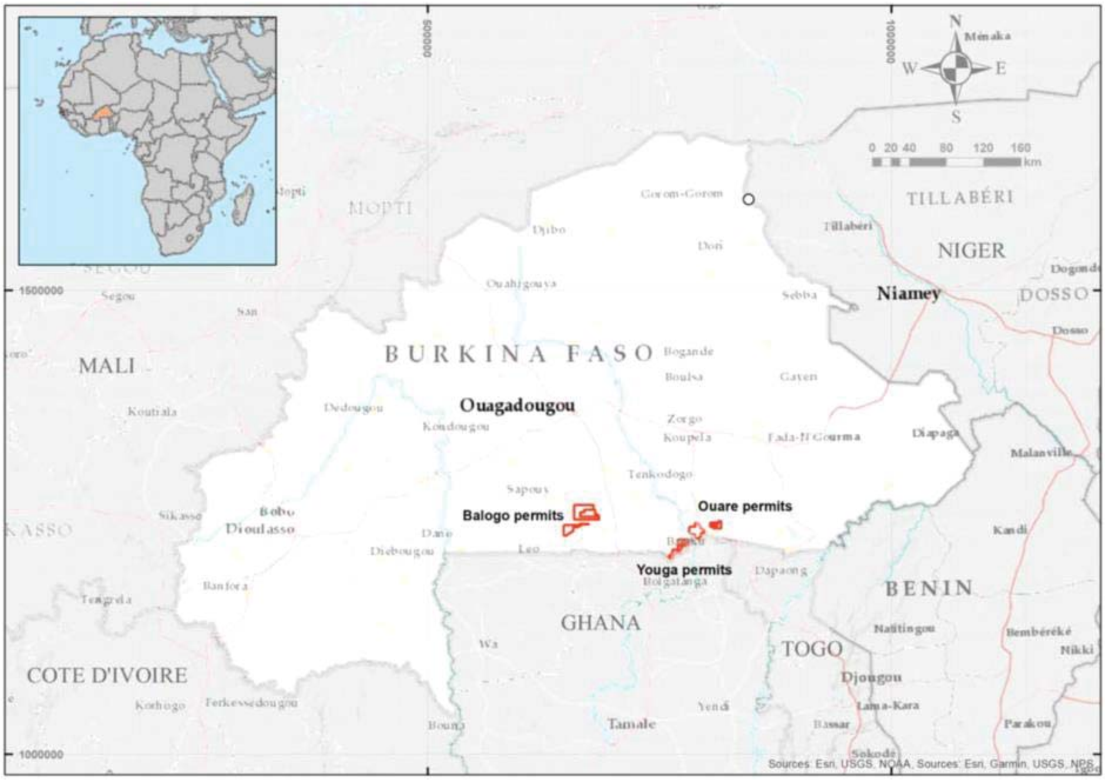
9.18 On October 3, 2019, the Company announced that a pit wall and ramp failure occurred at the New Liberty mine on October 1, 2019. No injuries or equipment damage was reported. Mining activities in the Kinjor-East pit have been suspended pending an assessment of the impact of the wall and ramp failure. Mining operations are ongoing at the Marvoe and Kinjor-South pits, with production volumes anticipated to be reduced for some time.

Overview of the Youga Mine[2]

9.19 As illustrated below, the Youga Gold Mine ("Youga") is situated in southern Burkina Faso, West Africa, approximately 180 kilometres south-east of the capital city Ouagadougou, adjacent to the Ghanaian border. Youga includes the Ouaré deposit, located 44km east of the Youga mine, and the Balogo mine, located 154km to the west. Commercial production at the Balogo mine commenced in March 2017.

[2] Source: NI 43-101 Technical Report Mineral Resource and Mineral Reserve Update for the Youga Gold Mine, Burkina Faso published by CSA Global dated June 20, 2019.

Figure 8: Map of the Youga Mine



9.20 Youga is an open pit gold mining operation with a 1.1Mtpa gravity/carbon in leach processing facility. Commercial production commenced in 2008.

9.21 Youga includes the Ouaré deposit, located 44km east of the Youga mine, and the Balogo mine, located 154km to the west. Commercial production at the Balogo mine commenced in March 2017.

9.22 An exploitation permit on Youga was granted in April 2003 and is valid for 20 years with 5-year renewal periods. The Balogo exploitation permit was granted in January 2017 and is valid for four years with 5-year renewal periods.

9.23 The government of Burkina Faso holds a 10% interest in the Youga and Balogo mines and retains a 3-5% percent NSR royalty and a 1% Community Social Responsibility fee. In addition, a 1.8% NSR is payable to Endeavour Mining Corp. on certain deposits.

9.24 The Youga Mine comprises an operating conventional open pit gold mine at Youga and the nearby Ouaré deposit.

9.25 As set out below, Youga had approximately 1,566,000 ounces of gold resources (Measured and Indicated plus Inferred), including approximately 815,000 ounces of gold reserves as of December 31, 2018:

Figure 9: Youga Mineral Resources (including Reserves) as of December 31, 2018

Property	Deposit	Cut-off grade (g/t)	Measured			Indicated			Measured and Indicated			Inferred		
			Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)
Balogo	Netiana	0.60	0.03	7.63	7.5	0.13	6.76	29.2	0.17	6.92	36.8	0.0	1.8	1
Youga	Main Pit	0.55				2.96	1.53	145.6	2.96	1.53	145.6	0.8	1.4	36
	Zergoré	0.55				2.57	1.20	99.1	2.57	1.20	99.1	1.0	1.2	39
	NTV	0.55				1.88	1.10	66.6	1.88	1.10	66.6	1.5	1.3	61
	A2N East	0.55				0.20	1.38	9.1	0.20	1.38	9.1	0.1	1.6	6
	A2N Middle	0.55	0.02	6.38	3.7	0.07	6.31	14.4	0.09	6.32	18.1	0.0	6.4	5
	Gassore	0.55				0.93	3.69	110.3	0.93	3.69	110.3	0.5	4.0	61
	East Pit	0.55				0.68	1.55	33.8	0.68	1.55	33.8	0.0	1.2	2
	West Pit 1	0.55										0.1	1.6	5
	West Pit 2	0.55				0.57	1.46	26.8	0.57	1.46	26.8	0.2	1.5	8
	West Pit 3	0.55				0.64	1.53	31.5	0.64	1.53	31.5	0.2	1.2	7
	West Pit 4	0.55				0.33	1.54	16.3	0.33	1.54	16.3	0.4	0.9	13
	LeDuc	0.55										1.0	1.0	34
Ouaré	Ouaré	0.65				11.14	1.66	595.1	11.14	1.66	595.1	1.7	1.8	99
Total			**0.05**	**7.17**	**11.3**	**22.11**	**1.66**	**1,177.8**	**22.16**	**1.67**	**1,189.1**	**7.6**	**1.5**	**377**

Figure 10: Youga Mineral Reserves as of December 31, 2018

Property	Deposit	Cut-off grade (g/t)	Proved			Probable			Total		
			Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)	Tonnes (Mt)	Au grade (g/t)	Au metal (koz)
Balogo	Netiana	1.10	0.06	5.56	10.5	0.14	6.35	28.3	0.20	6.11	38.8
Youga	Main Pit	0.70				1.27	1.63	66.6	1.27	1.63	66.6
	Zergoré	0.70				1.46	1.22	57.1	1.46	1.22	57.1
	NTV	0.70				1.21	1.07	41.6	1.21	1.07	41.6
	A2N Middle	0.70	0.02	5.98	3.5	0.06	5.88	11.3	0.08	5.90	14.8
	Gassore	0.70				0.67	3.74	80.0	0.67	3.74	80.0
	East Pit	0.70				0.47	1.47	22.4	0.47	1.47	22.4
	West Pit 2	0.70				0.37	1.34	15.8	0.37	1.34	15.8
	West Pit 3	0.70				0.39	1.61	20.2	0.39	1.61	20.2
	West Pit 4	0.70				0.26	1.53	12.6	0.26	1.53	12.6
Ouaré	Ouaré	0.84				6.72	1.86	403.0	6.72	1.86	403.0
Total (excluding Stocks)			**0.08**	**5.66**	**14.0**	**13.01**	**1.81**	**758.9**	**13.09**	**1.84**	**772.9**
Youga Stockpiles						0.22	1.15	8.3	0.22	1.15	8.3
Balogo Stockpiles						1.41	0.72	32.8	1.41	0.72	32.8
Total (including Stocks)			**0.08**	**5.66**	**14.0**	**14.67**	**1.70**	**800.8**	**14.74**	**1.72**	**814.9**

9.26 A NI 43-101 technical report for the Youga Gold Mine was completed by CSA with a report date of June 20, 2019 and an effective date of January 1, 2019.

9.27 Mining operations transitioned from owner mining to contractor mining in June 2019, which resulted in a temporary stoppage in mining activities.

9.28 The mine has experienced significant ore dilution in 2019 with the average mined grade at the Gassore satellite pit significantly below the reserve grade (3.74g/t). The Company engaged CSA to undertake an operational review of the mining and grade control practices in order to address the grade issue, resulting in the hiring of additional technical staff.

9.29 On August 8, 2019, Youga experienced a security breach resulting in a temporary suspension of all processing and mining operations and the relocation of all Company staff at Youga. The incident also resulted in significant damage to a number of haul trucks, excavators and auxiliary equipment. No damage was sustained to the process plant or associated facilities.

9.30 Milling and mining operations have since restarted with a substantially reduced mining fleet. The Company's mining contractor has begun to ship additional heavy mining equipment to the mine, which is expected to help relieve the situation to some degree.

9.31 The impact of the above disruptions, changes and challenges at Youga are reflected in the mining and milling statistics in Figures 11 and 12 below:

Figure 11: Youga 2019 Monthly Mill Performance – Actual vs Planned

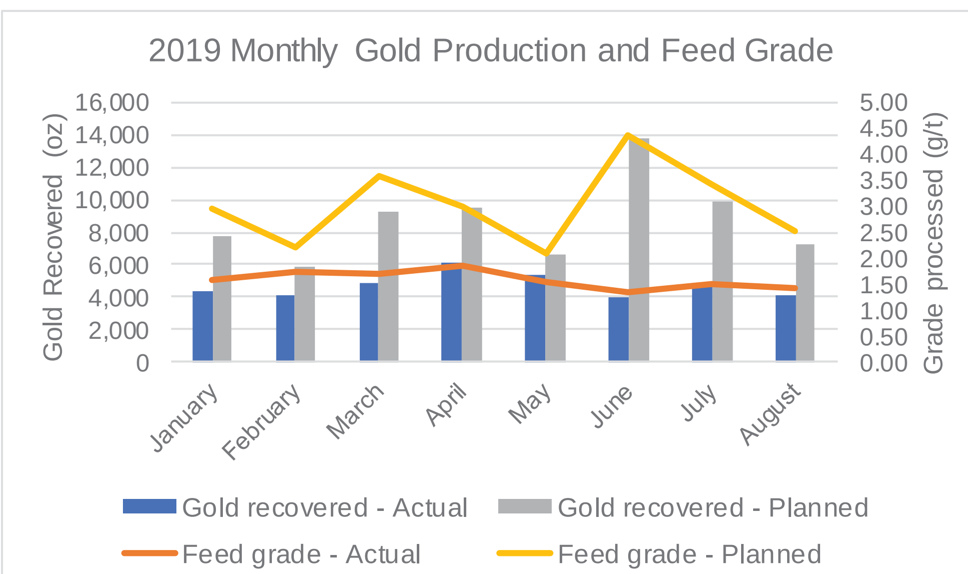
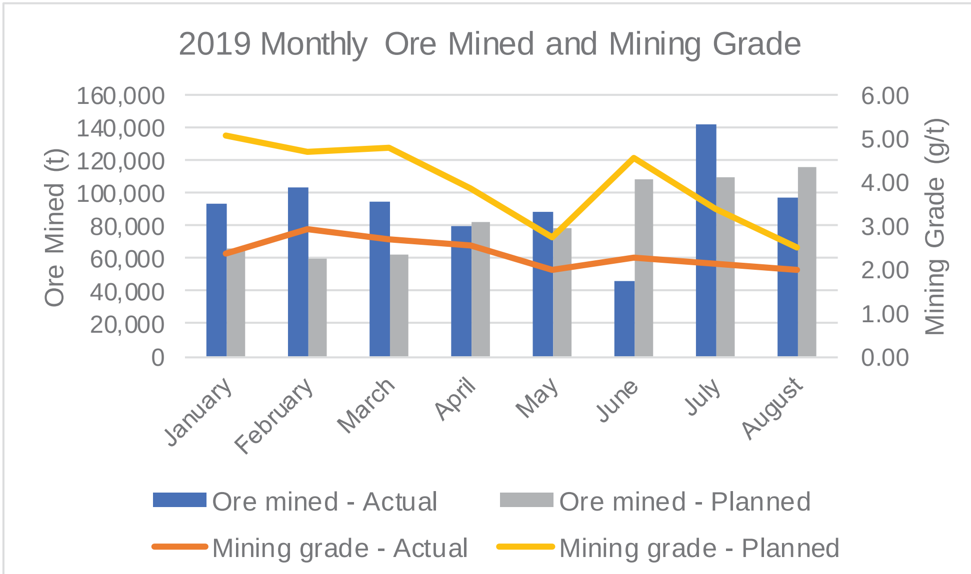


Figure 12: Youga 2019 Monthly Mine Performance – Actual vs Planned



9.32 Given the recent security incident and ore dilution, the Company announced that it is assessing the longer-term viability of ongoing mining operations at Youga.

10.0 Industry Overview

Metals and Mining Industry Overview

10.1 The metals and mining industry is subdivided by the type of metal, generally into the precious metals, base metals, ferrous metals, coal, uranium, industrial minerals and aggregates, and diamonds/gems. We will discuss areas which are generally consistent across the base and precious metals and mining industry first, followed by specific metal details.

10.2 The metals and mining industry is comprised of multiple players, characterized by their level of activity. The following description highlights the stratification of the industry.

- Exploration companies: these firms generally have few assets other than exploration concessions (rights to drill) and sufficient capital to conduct the drilling and trenching operations through which deposits are uncovered. Once they discover a proven deposit, some exploration companies attempt to become development companies; others may seek to sell their discovery to a development company;

- Development companies: development companies are firms that have explored for, and successfully proved, an ore body. They are one step removed from the exploration category by virtue of having a proven deposit. After making such a discovery, a development company must raise capital to finance the building of a mine; and

- Production companies: these firms have advanced beyond the exploration and development stages and focus their operations on mining proven deposits. Production companies are further categorized by reference to their annual production levels into senior, intermediate, and junior producers. Two key determinants of a company's ability to maintain current production levels are metals prices and production costs.

Metals and Mining Industry Factors

10.3 There are many factors affecting the metals and mining industry, including cyclical commodities prices as well as macroeconomic factors such as the business cycle and inflation. Of the other factors that affect the industry, the most relevant seem to be barriers to entry, and political risk for operations in foreign countries.

Barriers to Entry

10.4 Financing is the principal barrier to entry in metals mining, which is a highly capital-intensive enterprise. Large sums of money are required to construct mines and associated production facilities and to sustain the exploration and development activities necessary to replenish reserves. The risks in metals mining are numerous, and long-term survival requires significant capital resources. The financial barriers are less formidable for a new exploration firm than for a company aspiring to become a major producer. An exploration company is involved in just one operation: discovery of a deposit. It needs relatively little capital because it has no existing production. However, such a firm's survival depends on its ability to find the one large deposit that will propel it to producer status.

10.5 The number of exploration companies that actually become midsize or major producers is very small. Most exploration companies have short life spans. Until they find a significant deposit, their survival depends on their ability to raise capital to fund further exploration. In turn, this ability is a function of how the industry is faring. In rising markets, exploration companies can prolong their existence, whereas in falling markets they cannot attract funds and many cease operations. If we were to include exploration companies as an important part of the industry, broadly speaking, we could argue that the financial barrier to entry for metals mining is not insurmountable. However, embarking on a business and surviving in it are two very different matters. Thus, it would be more accurate to state that the financial barrier to entry for metals mining is small, while the obstacles to remaining in business are much larger.

Political Risk

10.6 Political events may constitute significant risk for metals mining activity. In many instances, mining activity is located in politically unstable nations. For now, many nations, anxious to attract capital for development, offer favorable deals to private producers. However tempting the terms of such agreements might be, the prospects of civil strife and possible nationalization of mining properties remain as threats. Historically, only major producers have had the financial wherewithal to risk making such pacts.

<u>Precious Metals Industry</u>

10.7 In general, the precious metals industry is very capital intensive, concentrated, and global in scope. Long-term survival in this industry requires heavy expenditures to finance production and exploration. Industry players normally are not vertically integrated and companies that mine precious metals typically do not also refine or transform the initial product into its final form. A clear division of labor exists between the companies that extract metal from the earth and those that refine, smelt, or otherwise alter the commodity for final sale.

10.8 The gold mining industry today is a global business in every sense. Gold is extracted from mines on every continent, with the exclusion of Antarctica (where mining is forbidden), in operations ranging from the minute to the enormous. In 2002, an independent research group identified over 900 operating gold mines spread around the world. Precious metals are truly global commodities, and the industry has a worldwide reach. For example, North American gold mining companies own producing mines and explore for gold internationally, not just in the United States and Canada. Similarly, South African and Australian companies explore for gold outside of their own country.

Gold Demand Overview

10.9 The World Gold Council classified gold demand into four categories: jewellery, technology, investment (e.g., exchange traded funds ["<u>ETFs</u>"]), and central bank net purchases. Given these classifications, gold's supply and demand dynamics are not as straightforward as the other asset classes. Gold prices are influenced by macroeconomic factors in the US and other world economies, performance of alternative assets such as equity and bonds, the value of the dollar, interest rates, and inflation.

10.10 Investors hold gold in their portfolios as an inflation hedge. When inflation is high, the purchasing power of money falls, and investors opt for gold, as it does not lose its value in this environment. As the demand for gold rises in an inflationary environment, the lack of inflation and fears of global deflation are bearish for gold.

Gold Demand[3],[4],[5]

10.11 Following a peak in demand of 4,748 tonnes ("t") in 2011, gold experienced a decline in demand until demand bottomed out at 4,199t in 2017. In 2018, gold demand increased 5 percent to 4,399t. In the first quarter of 2019, global gold demand declined 2 percent when compared to the same period the prior year to 1,304t, but increased 6 percent compared to the previous quarter.

10.12 Inflows to ETFs have steadily increased beginning in June 2019 due to increasing expectations that the U.S. Federal Reserve would cut interest rates. As of September 2019, inflows into ETFs rose 10 percent year-over-year. Analysts believe that ETFs will be an attractive investment option for risk-adverse portfolio managers, pension funds, money managers, and high-net-worth individuals due to trade and geopolitical risks.

10.13 Combined bar and coin demand accounts for the largest portion of gold demand after jewellery. In 2018, total bar and coin demand was 1,096t, which represented a 5 percent increase over 2017 demand of 1,046t. When looked at individually, demand figures from 2018 show that bar demand remained almost unchanged, while coin demand increased. In the first quarter of 2019, bar demand continued to weaken and was offset by an increase in demand for coins. It is forecast that the combined bar and coin demand will be 1,150t in 2019 and 1,225t in 2020.

10.14 Central bank holdings have steadily increased since early 2009 when gold holdings hit a low of 29,921t. During this time, emerging market central banks have increased their official gold purchasing while European banks have stopped selling their holdings. Over the period between 2011 and 2015, central bank gold purchases averaged 500t annually, but began to drop in 2016 when purchases dropped to around 390t and further to 377t in 2017. In the later half of 2018, central bank purchasing patterns changed as 657t had been accumulated by the end of the year.

10.15 Going forward it is predicted that central banks will acquire 580t and 575t in 2019 and 2020, respectively. Analysts believe the uptick in the amount of gold purchased by central banks is reflective of geopolitical and economic uncertainties.

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[3] July 8, 2019. "Gold Outlook: Stormy Weather Drives Sunnier Outlook." HSBC Global Research.
[4] September 11, 2019. "Precious Metals & Minerals: Anatomy of a Gold Rally." BMO Capital Markets.
[5] September 5, 2019. "Global Gold Outlook: Raising Our Gold Forecast; Gold Equities Offer Attractive Upside." RBC Capital Markets.

Gold Supply[6,7]

10.16 In the years leading to 2019, gold production has mostly remained at record highs with expansions at existing operations and new mines coming online. It is forecasted that gold output will plateau, and net gains will broadly cease after 2021 as outputs will edge gradually lower over the next 10 years as fewer new projects move through the production pipeline.

Gold Price[8,9]

10.17 Gold prices slumped in 2018, from a high of $1,365/oz in April, to a low of $1,160/oz in August and ended the year at $1,284/oz. Analysts were surprised by this performance as it occurred during a time of mounting global trade frictions, frequent periods of investor risk aversion, and elevated geopolitical risks. The price of gold has benefitted from the expectation of lower interest rates from the Federal Reserve and other central banks in 2019 and has been supported by the belief that gold is a “safe-haven” investment. On August 7, 2019, the price of gold surpassed $1,500/oz as the U.S. two and ten-year treasury spread turned negative and real bond yields in many global jurisdictions also fell negative.

10.18 Consensus estimate gold price projections as of the Valuation Date are set out below in Figure 13:

Figure 13: Consensus Estimate Gold Price Projections (in real US$/oz)

(in Real US$/oz)	2020	2021	2022	2023	Long Term
Median	**1,425**	**1,400**	**1,385**	**1,350**	**1,350**
Average	**1,440**	**1,410**	**1,370**	**1,340**	**1,330**

[6] September 3, 2019. “Gold Mined Supply: Flat Q2 Production to Hold Global Production Steady in 2019.” S&P Global Market Intelligence.
[7] July 8, 2019. “Gold Outlook: Stormy Weather Drives Sunnier Outlook.” HSBC Global Research.
[8] July 8, 2019. “Gold Outlook: Stormy Weather Drives Sunnier Outlook.” HSBC Global Research.
[9] September 10, 2019. “Consensus Price Forecasts – Diverging Trends for Precious and Industrial Metals.” S&P Global Market Intelligence.

11.0 Africa Economic Overview[10]

11.1 After peaking at 4.7 percent in 2010-14, Africa's real GDP growth slowed to 3.5 percent in 2015 and 2.1 percent in 2016, due partly to the drop in oil prices and other regional shocks such as drought in East and Southern Africa. Economic growth in Africa has modestly improved with GDP increasing at a rate of 3.5 percent in 2018. Going forward, GDP in Africa is expected to accelerate to 4.0 percent in 2019 and 4.1 percent in 2020. In recent years the drivers of the African economy have been gradually rebalancing, as consumptions' contribution to real GDP growth declined from 55 percent in 2015 to 48 percent in 2018, while investment's contribution increased from 14 percent in 2015 to 48 percent in 2018.

11.2 Economic fundamentals in many African countries have improved, with inflationary pressures low or subsiding in countries with stable exchange rates. Although, in countries where exchange rates have depreciated, inflationary pressures remain high, and central banks have tightened monetary policies. Inflation pressures in Africa have eased with the average inflation rate falling from 12.6 percent in 2017 to 10.9 percent in 2018. Going forward, inflation is expected to further decline to 8.1 percent in 2020.

11.3 Beginning in 2016, commodity exporters in Africa have experienced a recovery in growth driven by a rebound in commodity prices. In the period between February 2016 to October 2018, the price of Brent crude oil rose approximately 177 percent from a 10-year low of $27.45 per barrel. Due to global geopolitical risks, uncertainty surrounding coordinated oil production restrictions, and changes in industrial demand, the outlook for oil prices is unclear. Although, in the medium term it is expected that oil prices will stabilize in 2019 and 2020 at $70 per barrel.

11.4 The escalation of trade tensions between the United States and its trading partners has the ability to reduce world economic growth. These tensions, when coupled together with the strengthening U.S. dollar, have increased the volatility of some commodity prices and have put pressure on currencies of emerging countries. Going forward, if global demand slows, prices of commodities could drop, which would reduce GDP growth and negatively impact trade and fiscal balances for Africa's commodity exporters.

[10] The Economic Overview section is based upon African Economic Outlook 2019 provided by African Development Bank Group.

Interest Rate Environment and Global Economic Trends[11]

11.5 In July 2018, the Federal Reserve ("Fed") lowered the federal fund rate by 25 basis points, which represented the first rate cut in the United States since 2008. The decision to lower the key policy rate followed intensified trade tensions between the United States and China, as the conflict has disrupted financial markets and has threatened the global economy. Signs of a global economic slowdown have also been illustrated by weak economic reports from Germany and China, geopolitical unrest, the dissolution of the Italian government, as well as the possibility of a disruptive British exit from the European Union. Major central banks, such as the Federal Reserve, European Central Bank, and Bank of Japan have pointed towards more monetary accommodation in the near term.

11.6 The Federal Reserve cut the key policy rate by another 25-basis points during their September 2019 meeting, while the European Central Bank ("ECB") launched a new monetary policy stimulus programme following their September meeting. The Bank of Japan ("BOJ") has acknowledged that trade tensions and a slowing of the global economy pose downside risks to their domestic economy. The BOJ has stated that they are prepared for a "pre-emptive policy response" if there is threat to achieving their inflation target.

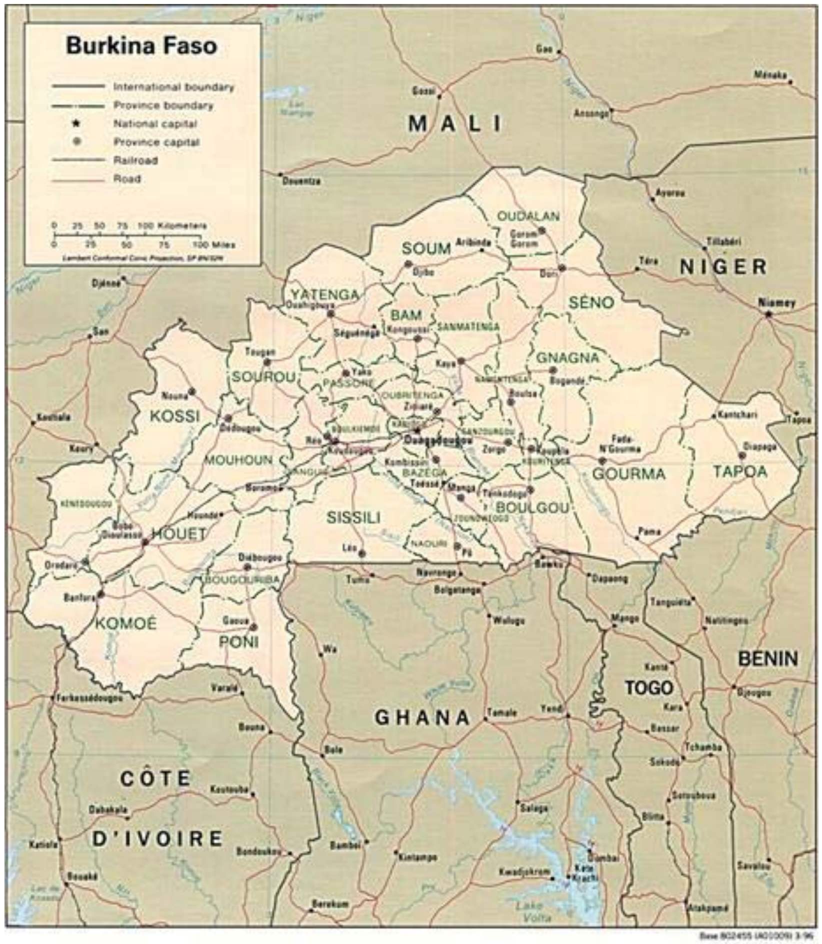
Burkina Faso[12]

Country Overview

11.7 Burkina Faso is a low-income, landlocked Sub-Saharan country with limited natural resources. Its population, which is growing at an average annual rate of 3.1 percent, was estimated at about 18.6 million inhabitants in 2016. The economy is heavily reliant on agriculture, with close to 80 percent of the active population employed in the sector. Cotton is the country's most important cash crop, while gold exports have gained importance in recent years.

[11] The Interest Rate Environment and Global Economic Trends section is based upon *Blue Chip Economic Indicators*, September 2018; and *Blue Chip Financial Forecasts*, September 9, 2019.
[12] The World Bank - Burkina Faso (http://www.worldbank.org/en/country/burkinafaso/overview).

Figure 14: Map of Burkina Faso



11.8 In December 2018, the country declared a state of emergency in several provinces after terrorist attacks began to occur on a more frequent basis. In January 2019, the ministers of defense and security were replaced as a result of a cabinet reshuffle and President Roch Koboré assumed the role of rotating president of the G5 Sahel in February 2019.

Economic Overview and Outlook[13]

11.9 The telecommunications and financial services sectors, as well as the organization of international events such as the International Arts and Handicrafts Trade Show (SIAO) and the Tour du Faso helped to drive economic activity in Burkina Faso as Real GDP grew at 6 percent in 2018. The mining sector and a rebound in agricultural production also helped economic activity hold steady, despite a challenging national security context and an increase in international oil prices.

11.10 In 2018, the inflation rate was expected to reach 2.0 percent, which represented an increase over the 2017 inflation rate of 0.4 percent. This increase was attributed to prices of alcoholic beverages, housing, and hydrocarbons.

11.11 Although prolonged strikes in the public sector, including the Ministry of Economy, negatively impacted tax collection in Burkina Faso, it was expected that public deficit would decrease between 2017 and 2018. An increase in internal grants would help mitigate the affects of these strikes and would cause the public deficit to reach a projected 4.7 percentage points of GDP in 2018, compared to the 7.8 percentage points experienced in 2017.

11.12 Real GDP growth in Burkina Faso is expected to grow at a rate of 6.0 percent in 2019 and 5.9 percent in 2020. During this time, economic activity will be driven primarily by cotton ginning, cash crop farming, and the financial services sector. It is projected that investment will increase in sectors, such as energy, as cooperation with China resumes.

11.13 Interventions made by Burkina Faso aim to improve agro-sylvo-pastoral productivity and will help increase the manufacturing sector's contribution to GDP from 8 percent in 2018 to 12 percent in 2020. As of 2018, the country has pursued reforms in both the energy and agricultural sectors. In the energy sector, legislation in 2017 broadened the powers of the Energy Regulatory Authority, and the construction of eight additional solar power plants were predicted to add 100 MW to the country's installed capacity. In the agricultural sector, the development of growth poles were pursued following the success of the Bagre Growth Pole Project. In 2018, it was anticipated that the mining sector would add 15,000 new jobs and would invest 3.5 billion CFA francs.

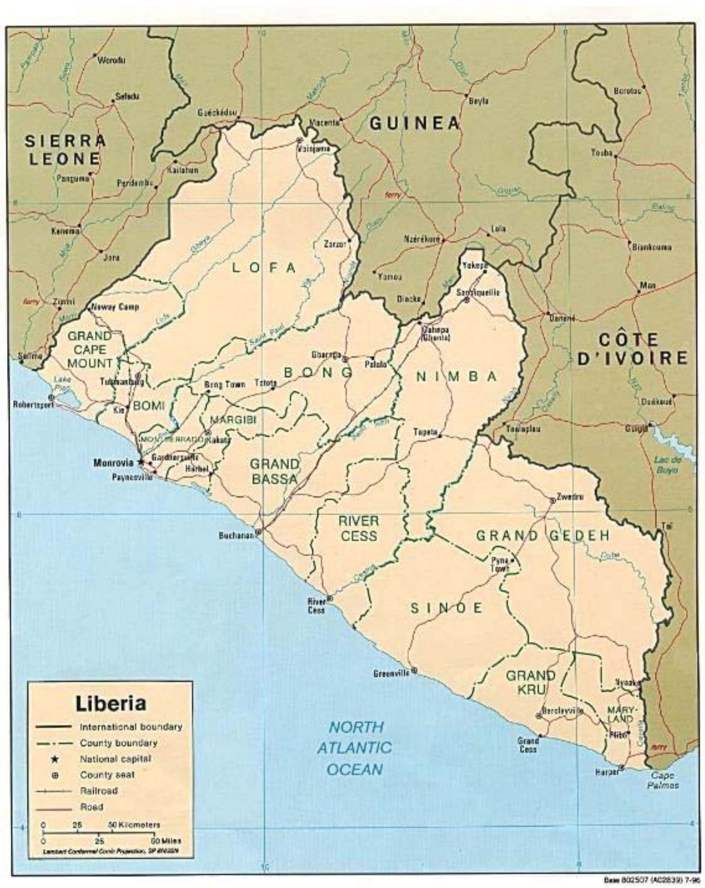
[13] The African Development Bank - Burkina Faso Economic Outlook (https://www.afdb.org/en/countries/west-africa/burkina-faso/burkina-faso-economic-outlook/).

Liberia

Country Overview[14]

11.14 Liberia is a low-income, Sub-Saharan country that has a climate favourable to agriculture, as well as ample access to water, mineral resources and forestry. The principles exports of Liberia are iron ore, rubber, diamonds, and gold, while palm oil and coca are emerging as new export products. Its population was estimated at approximately 4.8 million inhabitants in 2018.

Figure 15: Map of Liberia



11.15 As of January 2019, the president of Liberia, President George M. Weah had completed his first year in office. In April 2018, the UN Mission in Liberia (UNMIL) had completed its withdrawal from the country, emphasizing the need for the

[14] Central Intelligence Agency The World Factbook – Liberia – (https://www.cia.gov/library/publications/the-world-factbook/geos/li.html) Archived copy retrieved from the WayBackMachine dated August 14, 2019.

strengthening of national security architecture as means to combat any threat to the peace and stability of Liberia.

11.16 President Weah has stated that his government has a commitment to developing the construction of paved roads and other critical infrastructures in Liberia. Paved roads will act as a means to connect the capital, Monrovia, to the rest of the country, and will also aid in the country's socioeconomic development.

Economic Overview and Outlook[15, 16]

11.17 In 2018, the economy of Liberia grew by an estimated 1.2 percent, which represented a slowdown from the recorded rate of growth of 2.5 percent in 2017. In 2018, the mining sector helped to support growth as it experienced an expansion of 24.2 percent year-over-year, as iron ore and gold production was bolstered by the opening of a new Arcelor Mittal mining site and increased investment in the gold sector. However, the non-mining sector, which accounts for approximately 90 percent of GDP, contracted by 1.3 percent, and rubber production, which is normally a key cash crop for Liberia, did not record growth.

11.18 Headline inflation rose to a record high of 28.5 percent by the end of 2018, as the Liberian dollar depreciated 20.3 percent year-over-year when compared to the United States dollar. In 2018, the fiscal deficit widened from 4.8 percent of GDP in fiscal 2017, to 5.5 percent of GDP in fiscal 2018. This deficit resulted from a shortfall in revenues and higher than expected non-discretionary expenditures.

11.19 Real GDP in Liberia is expected to slow to 0.4 percent in 2019 and will hold at around 1.5 percent over the medium term of 2020 and 2021. The mining sector is expected to expand at a slower pace, due to a lack of new investments and a moderate improvement in the terms of trade. Performance in the agriculture sector is expected to modestly improve as returns on earlier investments in agricultural commercial crops (particularly in new rubber and palm oil trees) begins to yield positive results.

[15] The World Bank – Liberia (https://www.worldbank.org/en/country/liberia/overview)
[16] The World Bank – Liberia (https://www.worldbank.org/en/country/liberia/overview)

12.0 Valuation Analysis

Overview

12.1 There are three traditional approaches employed in the valuation of an asset or business: the income approach, the market approach, and the cost approach.

12.2 The income approach is a valuation technique that provides an estimation of the FMV of an asset or business based on market participant expectations about the cash flows that an asset or business would generate over its remaining useful life. The income approach begins with an estimation of the annual cash flows a market participant would expect the subject asset or business to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value equivalent of the residual value of the asset or business (if any) at the end of the discrete projection period to arrive at an estimate of FMV.

12.3 The market approach is a valuation technique wherein the equity, invested capital, and/or net assets of a firm are valued by comparison to other publicly traded firms or transactions in similar lines of business. The conditions and prospects of firms in similar lines of business depend on common factors such as overall demand for their products and services. Analysis of the market multiples of firms engaged in similar businesses can yield insight into investor perceptions of the subject firm.

12.4 The cost approach recognizes that a prudent investor would not ordinarily pay more for an asset than the cost to reproduce it new or to replace it new. Utilization of the cost approach results in a concept referred to as depreciated replacement cost new, where the term "depreciated" refers to a reduction of utility or value and provides an indicator of FMV provided that all elements of depreciation and obsolescence are addressed.

12.5 In assessing the FMV of the issued and outstanding common shares of the Company, we relied upon the Net Asset Value ("NAV") technique, which estimates the FMV of New Liberty and Youga (determined using the above referred income, market or cost approaches), working capital surplus or deficit, less its interest-bearing liabilities.

12.6 Specifically, we relied upon the following approaches to determine the FMV of the Company's interests in the New Liberty and Youga mines and additional ounces of gold resources:

a) An income approach for the New Liberty and Youga mines; and

b) A market approach for the incremental value of the indicated and inferred resources not contained in the projected cash flows (the "Additional Resources").

12.7 Our conclusion for the New Liberty and Youga mines under the income approach was tested for reasonableness using the market approach.

Application of Income Approach

12.8 Our application of the income approach was based on a discounted cash flow ("DCF") analysis utilizing the latest life-of-mine ("LOM") projections contained in the April 2019 New Liberty Technical Report and the June 2019 Youga Technical Report, (collectively, the "CSA Technical Reports").

12.9 The CSA Technical Reports contain up-to-date projections of the New Liberty and Youga mines available at the Valuation Date. The LOM projections included production schedules, cost projections, cash flow projections, and anticipated closure costs covering the mining of the reserves portion of the total mineralization.

12.10 Under the DCF approach, fair market value of the New Liberty and Youga mines was estimated based upon the present value of the expected future cash flows, projected on a real basis, from exploiting the mineral reserves as of the Valuation Date.

12.11 In general, the following procedures were performed to estimate the fair market value of the New Liberty and Youga mines:

a) Gross total revenue was based upon the projected LOM production profiles, expected grades and recovery factors, and the resultant production matched to projected gold prices. Net revenue was then estimated by deducting selling costs from gross revenue;

b) Operating costs were generally based upon either projected tonnes mined or milled;

c) Depreciation for tax purposes of assets acquired and projected capital expenditures were calculated utilizing a straight-line methodology;

d) Taxable income was estimated by subtracting operating costs and tax depreciation from total net revenues. An effective tax rate of 25 percent was applied to the taxable income at New Liberty and 23.2 percent was applied to the taxable income at Youga, as described in the CSA Technical Reports;

e) After-tax cash flows were adjusted for anticipated capital expenditures and changes in net working capital; and

f) The adjusted after-tax cash flows were then discounted to present value and summed to obtain an estimate of the operating value for the New Liberty and Youga mines.

Discount Rate

12.12 When applying the discounted cash flow method, the cash flows expected to be generated by a business or asset are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. In determining the appropriate discount rate to be applied to the forecasted cash flows, we considered the weighted average cost of capital ("WACC") analysis.

12.13 The WACC is calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected industry capital structure.

12.14 Our WACC analysis indicated a range of discount rates of 10 percent to 11 percent using the capital asset pricing model reflecting consideration of:

a) Normalized long-term U.S. treasury bond yields of 3.0 percent;

b) Relevered beta of 0.93 for West African gold producers;

c) Normalized equity risk premium of 5.5 percent;

d) Small stock premium of 5.22 percent;

e) Cost of debt capital of 9.5 percent based on the S&P 500 B-Rated Materials Corporate Bond Index; and

f) A weighting of 90 percent equity and 10 percent debt financing in the target capital structure for smaller precious metals producers.

Additional Resources

12.15 The Additional Resources comprise the resources not contained in the projected cash flows. The incremental value of the Additional Resources was based on the Market Approach.

12.16 Specifically, as set out in Figure 16 below, we analyzed the acquisition multiples of precedent transactions of development stage gold projects in West Africa to derive multiples of price to gold resource ounces that could be used to assess a value of the Additional Resources[17].

Figure 16: Acquisition Multiples of West African Gold Development Stage Projects

Announce Date	Asset Location	Target Asset(s)	Purchase Price	Total Acquired Au Equivalent R&R (000 oz)	Price Paid per oz of Resource Au Eq ($/oz)
2/11/2019	Cote d'Ivoire	11 exploration permits	30,000	430	70
11/27/2018	Burkina Faso	South Hounde Project	4,000	1,049	4
12/13/2017	Cote d'Ivoire	Afema land package	10,000	1,393	7
8/3/2017	Ghana	Ghanaian assets	4,250	76	56
11/7/2016	Guinea	Mandiana project	374	459	1
10/26/2016	Ghana	Akoko project	500	93	5
10/10/2016	Guinea	Tri-K project	4,000	2,113	2
6/27/2016	Nigeria	Segilola gold project	6,271	320	20
6/18/2016	Nigeria	Segilola gold project	5,000	333	15
5/24/2016	Burkina Faso	Bondi project	1,098	432	3
10/12/2015	Ghana	Julie West project	367	200	2
6/1/2015	Ghana	Akoase project	8,000	790	10
3/3/2015	Ghana	Kubi gold project	10,448	112	93
2/6/2015	Burkina Faso	Balogo project	10,000	186	54
11/27/2014	Burkina Faso	South Hounde project	15,000	1,124	13
11/13/2014	Guinea	Kouroussa gold mining project	278	455	1
9/16/2014	Ghana	AQ Ghana Gold Limited	1,000	1,115	1

All Transactions	
4th Quartile	$93
3rd Quartile	$20
2nd Quartile	$7
1st Quartile	$2
Mean	$21
Median	$7
Selected $/oz for additional resources	*$10 to $20*

12.17 We selected the range of $10 to $20/oz for application to the Additional Resources at New Liberty and Youga, having regard to the following factors:

a) The observed median and mean multiples of $7/oz and $21/oz, respectively, and

b) The anticipated time to production for the additional resources relative to the above transactions (which were generally at the reserves development stage).

[17] Source: SNL Financial

Value of New Liberty

12.18 As a result of continued underperformance, the following adjustments to the LOM projections contained in the April 2019 New Liberty Technical Report were made to arrive at the value of the New Liberty mine:

a) Updated the mining costs for the new mining contractor rates;

b) Increased the capital expenditure contingency to 15% from 10%;

c) Included the estimated cost of a second ramp and additional costs associated with the tailings storage facility;

d) Reduced the annual tons processed in all future third quarters to allow for anticipated delays for further rainy seasons over the LOM; and

e) Included a further 10% dilution at Ndablama for anticipated ore loss.

12.19 In addition, to the above, we made the following adjustments to the LOM projections contained in the June 2019 New Liberty Technical Report in arriving at the value of the New Liberty mine:

a) Updated the projected gold prices based on consensus estimates as of the Valuation Date, specifically, average gold prices of $1,500 for Q4 2019, $1,425/oz for 2020, $1,400/oz for 2021, $1,385/oz for 2022 and $1,350/oz thereafter;

b) Excluded the effects of financing from the cash flows; and

c) Excluded the actual and estimated results from January 1 to September 30, 2019.

12.20 The Company held an estimated $325 million in tax loss carry forwards in Liberia as of June 30, 2019, which is expected to reduce income tax payable to nil over the current life of mine using consensus gold price projections.

12.21 The Liberian government’s 10 percent free carried interest is not projected to be triggered as Bea Mountain Mining (the Liberian subsidiary that holds New Liberty) is capitalized with over $300 million of shareholder loans and approximately $70 million of bank loans which would need to be repaid prior to any dividends or distributions of profits from New Liberty.

12.22 A summary of the New Liberty cash flow projections on a 100 percent basis are set out below:

New Liberty Summary Cash Flow Projections (100 percent basis)

		Totals	Oct-Dec 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
				For the years ending December 31,									
Total Gold Produced		**1,068,022**	**29,997**	**134,690**	**140,138**	**137,964**	**93,245**	**104,650**	**97,134**	**86,989**	**106,357**	**80,365**	**56,493**
Gold Price ($/oz)		$ 1,375	$ 1,500	$ 1,425	$ 1,400	$ 1,385	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350
Gross Revenue		**1,468,267**	**44,995**	**191,933**	**196,194**	**191,080**	**125,881**	**141,278**	**131,131**	**117,435**	**143,582**	**108,493**	**76,265**
Less: Total Selling Cost		5,340	150	673	701	690	466	523	486	435	532	402	282
Less: Total Royalty Payments	3.0%	43,888	1,345	5,738	5,865	5,712	3,762	4,223	3,919	3,510	4,291	3,243	2,279
Net Revenue		**1,419,039**	**43,500**	**185,522**	**189,628**	**184,678**	**121,652**	**136,532**	**126,726**	**113,490**	**138,758**	**104,848**	**73,703**
$ per oz		*$ 1,329*	*$ 1,450*	*$ 1,377*	*$ 1,353*	*$ 1,339*	*$ 1,305*	*$ 1,305*	*$ 1,305*	*$ 1,305*	*$ 1,305*	*$ 1,305*	*$ 1,305*
Total Operating Costs		**966,445**	**29,950**	**120,558**	**103,932**	**88,694**	**111,407**	**108,919**	**102,354**	**88,212**	**80,824**	**77,376**	**54,220**
EBITDA		**452,594**	**13,550**	**64,964**	**85,696**	**95,984**	**10,245**	**27,613**	**24,373**	**25,278**	**57,935**	**27,473**	**19,484**
Less: Depreciation		229,050	11,801	50,671	55,384	23,271	14,805	16,564	17,491	15,107	10,884	8,139	4,931
Taxes Payable		-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income After Tax		**223,543**	**1,749**	**14,292**	**30,312**	**72,712**	**(4,560)**	**11,049**	**6,881**	**10,170**	**47,051**	**19,334**	**14,552**
$ per oz		$ 209	*58*	*106*	*216*	*527*	*(49)*	*106*	*71*	*117*	*442*	*241*	*258*
Plus: Depreciation		229,050	11,801	50,671	55,384	23,271	14,805	16,564	17,491	15,107	10,884	8,139	4,931
Less: Capital Expenditures		(129,739)	(7,447)	(29,065)	(23,052)	(22,509)	(14,876)	(6,133)	(5,946)	(3,636)	(2,700)	(2,875)	(11,500)
Change in Net Working Capital		-	(2,151)	(5,667)	2,513	668	(4,185)	2,485	14	792	2,194	(1,623)	4,960
Free Cash Flow		**322,855**	**3,953**	**30,231**	**65,157**	**74,143**	**(8,816)**	**23,965**	**18,441**	**22,434**	**57,428**	**22,975**	**12,943**
PV Factor	10%		0.976	0.888	0.807	0.733	0.667	0.606	0.551	0.501	0.455	0.414	0.376
Present Value (100% Interest)		**208,232**	**3,859**	**26,831**	**52,571**	**54,382**	**(5,878)**	**14,527**	**10,162**	**11,239**	**26,155**	**9,512**	**4,872**

12.23 As noted earlier, our analysis does not reflect the impact of the October 1, 2019 pit wall failure at New Liberty, which was disclosed by the Company on October 3, 2019. Information concerning the costs and production delays related to the pit wall failure are not available at the time of this valuation but we expect that such costs and delays could have a downward impact on the value computed herein.

New Liberty Sensitivity Analysis

12.24 A sensitivity analysis containing ranges of value for a 100 percent interest in the New Liberty mine based on an array of long-term gold prices and discount rates (expressed in real terms) is set out below:

		Long-term Gold Price (US$/oz)				
		1,300	1,325	1,350	1,375	1,400
Discount Rate	8.0%	207,372	216,340	225,307	234,274	243,241
	9.0%	199,628	208,060	216,493	224,925	233,357
	10.0%	192,360	200,296	208,232	216,168	224,104
	11.0%	185,529	193,004	200,480	207,955	215,430
	12.0%	179,103	186,149	193,196	200,243	207,290
	13.0%	173,049	179,697	186,346	192,994	199,643

Selected Value for New Liberty

12.25 Based on our scope of review and subject to the assumptions, restrictions and qualifications noted herein, we concluded on a value for New Liberty as at the Valuation Date in the range of approximately $207 million to $221 million based on a range of discount rates of 10% to 11%, and a range of $10 to $20 per oz for the New Liberty Additional Resources, as set out below:

		Low (11%, $1,350 gold)		High (10%, $1,350 gold)
NPV of New Liberty Mine excl add'l resources (100% interest)		**$ 200,480**		**$ 208,232**
Value of additional resources				
Resource multiple ($/oz)	*$10*		*$20*	
Resources (out of mine plan, in koz)	*654*		*654*	
Value of additional resources (100% interest)		**$ 6,542**		**$ 13,084**
Aggregate value of New Liberty Mine (100% interest)		**$ 207,022**		**$ 221,316**
NPV of New Liberty Mine with add'l resources (100% interest)		**$ 207,022**		**$ 221,316**

Value of Youga

12.26 As a result of continued underperformance, a 10% reduction in the LOM projections was made to reflect anticipated continued dilution at Gassore and the risks of further operational challenges, interruptions and/or delays to the LOM projections contained in the June 2019 Youga Technical Report to arrive at the value of the Youga mine.

12.27 We made the following further adjustments to the LOM projections contained in in arriving at the value of the Youga mine:

a) Updated the projected gold prices based on consensus estimates as of the Valuation Date, specifically, average gold prices of \$1,500 for Q4 2019, \$1,425/oz for 2020, \$1,400/oz for 2021, \$1,385/oz for 2022 and \$1,350/oz thereafter;

b) Excluded the actual and estimated results from January 1 to September 30, 2019; and

c) Adjusted the economic interest of the cash flows from the Youga mine for the Burkina Faso government's 10 percent free carried interest.

12.28 A summary of the Youga cash flow projections on a 100 percent basis are set out below:

Youga Summary Cash Flow Projections (100 percent basis)

		Totals	Oct-Dec 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
							For the years ending December 31,								
Total Gold Produced		**600,412**	**27,907**	**72,998**	**94,322**	**79,483**	**64,037**	**45,167**	**44,277**	**42,267**	**42,144**	**27,739**	**26,712**	**25,776**	**7,582**
Gold Price ($/oz)		$ 1,379	$ 1,500	$ 1,425	$ 1,400	$ 1,385	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350	$ 1,350
Gross Revenue		**827,716**	**41,860**	**104,023**	**132,051**	**110,085**	**86,449**	**60,976**	**59,774**	**57,061**	**56,895**	**37,448**	**36,061**	**34,797**	**10,236**
Less: Total Selling Cost		3,002	140	365	472	397	320	226	221	211	211	139	134	129	38
Less: Total Royalty Payments	7.8%	63,437	3,209	7,973	10,121	8,437	6,625	4,673	4,581	4,373	4,360	2,870	2,764	2,667	784
Net Revenue		**761,277**	**38,512**	**95,684**	**121,458**	**101,250**	**79,504**	**56,077**	**54,972**	**52,477**	**52,324**	**34,439**	**33,164**	**32,002**	**9,413**
$ per oz		*$ 1,268*	*$ 1,380*	*$ 1,311*	*$ 1,288*	*$ 1,274*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*	*$ 1,242*
Total Operating Costs		**591,811**	**19,641**	**84,065**	**73,693**	**62,655**	**69,052**	**60,463**	**57,582**	**54,385**	**31,270**	**25,853**	**23,982**	**22,212**	**6,959**
EBITDA		**169,466**	**18,870**	**11,619**	**47,765**	**38,595**	**10,453**	**(4,385)**	**(2,610)**	**(1,908)**	**21,054**	**8,587**	**9,182**	**9,790**	**2,455**
Less: Depreciation		37,689	87	2,141	3,718	3,885	4,314	4,848	5,394	3,575	2,375	2,375	2,213	1,946	817
Taxes Payable		32,486	1,000	2,199	10,219	8,053	1,424	-	-	-	4,333	1,441	1,617	1,820	380
Net Operating Income After Tax		**99,291**	**17,783**	**7,279**	**33,828**	**26,657**	**4,714**	**(9,233)**	**(8,004)**	**(5,483)**	**14,345**	**4,770**	**5,352**	**6,024**	**1,258**
$ per oz		$ 165	*637*	*100*	*359*	*335*	*74*	*(204)*	*(181)*	*(130)*	*340*	*172*	*200*	*234*	*166*
Plus: Depreciation		37,689	87	2,141	3,718	3,885	4,314	4,848	5,394	3,575	2,375	2,375	2,213	1,946	817
Less: Capital Expenditures		(46,912)	(3,672)	(17,216)	(1,000)	(1,000)	(4,150)	(3,500)	(2,337)	(2,266)	(1,000)	(1,000)	(2,196)	(1,000)	(6,575)
Change in Net Working Capital		-	(672)	(6,057)	4,849	(164)	(2,986)	(65)	721	324	2,333	(352)	(114)	273	1,909
Free Cash Flow		**90,068**	**13,526**	**(13,853)**	**41,396**	**29,379**	**1,892**	**(7,950)**	**(4,225)**	**(3,850)**	**18,054**	**5,793**	**5,255**	**7,243**	**(2,592)**
PV Factor	10%		0.976	0.888	0.807	0.733	0.667	0.606	0.551	0.501	0.455	0.414	0.376	0.342	0.311
Present Value (100% Interest)		**62,315**	**13,205**	**(12,295)**	**33,399**	**21,549**	**1,262**	**(4,819)**	**(2,328)**	**(1,929)**	**8,222**	**2,399**	**1,978**	**2,478**	**(806)**

Youga Sensitivity Analysis

12.29 A sensitivity analysis containing ranges of value for a 100 percent interest in the Youga mine based on an array of long-term gold prices and discount rates (expressed in real terms) is set out below:

		Long-term Gold Price (US$/oz)				
		1,300	1,325	1,350	1,375	1,400
Discount Rate	8%	60,900	62,625	66,444	70,263	74,082
	9%	59,098	60,722	64,314	67,905	71,497
	10%	57,405	58,934	62,315	65,696	69,077
	11%	55,809	57,251	60,436	63,622	66,807
	12%	54,304	55,664	58,668	61,672	64,676
	13%	52,881	54,166	57,001	59,836	62,671

Selected Value for Youga

12.30 Based on our scope of review and subject to the assumptions, restrictions and qualifications noted herein, we concluded on a value for Youga as at the Valuation Date in the range of approximately $61 million to $70 million based on a range of discount rates of 10% to 11%, and a range of $10 to $20 per oz for the Youga Additional Resources, as set out below:

		Low (11%, $1,350 gold)		High (10%, $1,350 gold)
NPV of Youga Mine excl add'l resources (100% interest)		**$ 60,436**		**$ 62,315**
Value of additional resources				
Resource multiple ($/oz)	*$10*		*$20*	
Resources (out of mine plan, in k oz)	*751*		*751*	
Value of additional resources (100% interest)		**$ 7,512**		**$ 15,024**
Aggregate value of Youga Mine (100% interest)		**$ 67,948**		**$ 77,339**
NPV of Youga Mine with additional resources (90% interest)		**$ 61,153**		**$ 69,605**

Summary Value of Avesoro Resources Inc.

12.31 Based on the above values of the New Liberty and Youga mines, we concluded on a value for the Company as at the Valuation Date in the range of C$1.39 to C$1.76 per share (or approximately £0.86 to £1.08 per share), as set out below:

		Low (11%, $1,350 gold)			High (10%, $1,350 gold)
NPV of New Liberty	**$**	**207,022**		**$**	**221,316**
NPV of Youga	**$**	**61,153**		**$**	**69,605**
Other exploration properties	**$**	**500**		**$**	**1,000**
Estimated Working Capital*	$	(14,857)		$	(14,857)
Estimated Debt*	$	(143,316)		$	(143,316)
Corporate G&A	$	(24,588)		$	(25,554)
FMV of Avesoro Resources Inc.	**$**	**85,914**		**$**	**108,193**
Selected Range of Value	**$**	**86,000**	to	**$**	**108,000**
Selected Range of Value Per Share (CAD)	**C$**	**1.39**		**C$**	**1.76**
Selected Range of Value Per Share (GBP)	**£**	**0.86**		**£**	**1.08**

** Estimated balances as of September 30, 2019, including inventory and $5 million shareholder loan in September 2019.*

12.32 The above value range reflects the following adjustments or assumptions:

a) A C$/US$ foreign exchange rate of 1.32 and a C$/£ exchange rate of 1.63, being the closing foreign exchange rates as of the Valuation Date;

b) A range of $0.5 million to $1 million for the Company's other exploration properties, based on an analysis of historical exploration expenditures;

c) Estimated net working capital and debt balances as of September 30, 2019, and

d) Estimated projected corporate general & administrative expenses discounted to present value.

Sensitivity Analysis

12.33 A sensitivity analysis containing ranges of value for the issued and outstanding common shares of the Company in C$ based on an array of long-term gold prices and discount rates (expressed in real terms), as well as based on an array of C$/GBP exchange rates and discount rates are set out below:

		Long-term Gold Price (US$/oz)				
		1,300	1,325	1,350	1,375	1,400
Discount Rate	8%	$ 1.69	$ 1.86	$ 2.06	$ 2.26	$ 2.46
	9%	$ 1.55	$ 1.71	$ 1.90	$ 2.09	$ 2.28
	10%	$ 1.43	$ 1.58	$ 1.76	$ 1.93	$ 2.11
	11%	$ 1.08	$ 1.23	$ 1.39	$ 1.56	$ 1.73
	12%	$ 0.97	$ 1.11	$ 1.27	$ 1.42	$ 1.58
	13%	$ 0.87	$ 0.99	$ 1.14	$ 1.29	$ 1.44

		Exchange Rate (C$/GBP)				
		1.59	1.61	1.63	1.65	1.67
Discount Rate	8%	$ 2.01	$ 2.03	$ 2.06	$ 2.08	$ 2.11
	9%	$ 1.86	$ 1.88	$ 1.90	$ 1.93	$ 1.95
	10%	$ 1.71	$ 1.73	$ 1.76	$ 1.78	$ 1.80
	11%	$ 1.36	$ 1.38	$ 1.39	$ 1.41	$ 1.43
	12%	$ 1.23	$ 1.25	$ 1.27	$ 1.28	$ 1.30
	13%	$ 1.12	$ 1.13	$ 1.14	$ 1.16	$ 1.17

Test of Reasonableness: Market Approach

12.34 To assess the reasonableness of the DCF-based conclusion of the Company, we assessed the value based on a market approach.

12.35 Specifically, we analyzed the trading multiples of comparable public companies and acquisition multiples of precedent transactions of small to mid-sized West African gold producers based on multiples of enterprise value to gold reserve ounces, and enterprise value to gold reserves and resource ounces (the $/oz multiples). Duff & Phelps then compared the observed acquisition and trading $/oz multiples to the implied $/oz multiples from the Proposed Transaction.

12.36 None of the selected public companies or the companies or projects that were acquired in the transactions analysis are identical to the Company and we do not have access to non-public information regarding those companies or projects.

12.37 Many factors affect the comparability of precedent transaction and comparable public company values. In the context of smaller operating gold mining companies in West Africa, these factors include but are not limited to the timing of the transaction and metal price outlook at that time, size, access to infrastructure, status of permitting, geographic location, resource certainty, mix of minerals, method of extraction, cost structure, grade of reserves and resources, expected life of mine, exploration potential, and other mining projects held.

12.38 Based on the proposed aggregate price of the Offering of approximately $100 million and the Company's contained mineralization, the implied $/oz multiples from the Proposed Transaction are $118 per reserve ounce and $71 per reserve and resource ounce, respectively.

Precedent Transactions Analysis

12.39 Under the precedent transactions analysis, we identified the transactions of operating gold mines in West Africa as being most comparable for purposes of deriving value multiples that could be used to assess the reasonableness of our DCF-based conclusion of the Company.

12.40 Specifically, we reviewed the acquisition multiples of price per ounce of reserves and price per ounce of reserves and resources that could be used to assess the reasonableness of our DCF-based conclusion of the Company.

12.41 As noted earlier, many factors affect the comparability of precedent transaction values, including but are not limited to the the timing of the transaction and metal price outlook at that time, size, access to infrastructure, status of permitting, geographic location, reserve and resource certainty, mix of minerals, method of extraction, cost structure, grade of reserves and resources, expected life of mine, and exploration potential.

12.42 The details of the selected transactions and the related acquisition multiples are set out below in Figure 17.[18]

[18] Source: SNL Financial.

Figure 17: Acquisition Multiples of West African Gold Producers

Announce Date	Target Asset(s)	Asset Location	Purchase Price	Total Acquired Au Equivalent Reserves (000 oz)	Total Acquired Au Equivalent R&R (000 oz)	Price Paid per oz of Reserves Au Eq ($/oz)	Price Paid per oz of Resource Au Eq ($/oz)
4/16/2019	Burkina Faso assets	Burkina Faso	$ 1,200	0	142	nm	$ 8
9/4/2018	Tabakoto mine	Mali	60,000	414	2,188	145	27
8/14/2018	Fekola mine	Mali	47,000	365	599	129	79
12/13/2017	Bonikro mine	Cote d'Ivoire	72,000	387	1,079	186	67
8/9/2017	Nzema mine	Ghana	65,000	262	1,507	248	43
2/29/2016	Youga mine	Burkina Faso	25,300	117	856	216	30
9/21/2015	Société des Mines d'Ity S.A.	Cote d'Ivoire	83,279	881	1,858	95	45
Mean						$ 170	$ 43
Median						$ 166	$ 43
9/30/2019	Youga & New Liberty	Burkina Faso & Liberia	243,653	2,069	3,428	$ 118	71

Comparable Public Company Analysis

12.43 Under the comparable public companies analysis, we identified 7 publicly-traded companies with operating gold mines in West Africa as being somewhat comparable for purposes of deriving value multiples that could be used to assess the reasonableness of our DCF-based conclusion of the Company.

12.44 Specifically, we reviewed the trading multiples of total enterprise value ("TEV") per ounce of reserves and TEV per ounce of reserves and resources that could be used to assess the reasonableness of our DCF-based conclusion of the Company.

12.45 As with the precedent transactions analysis, many factors affect the comparability of trading multiples from comparable public companies. In the context of smaller operating gold mining companies in West Africa, these factors include but are not limited to size, secondary mining projects held, access to infrastructure, status of permitting, geographic location, reserve and resource certainty, mix of minerals, method of extraction, cost structure, grade of reserves and resources, expected life of mine, and exploration potential.

12.46 None of the selected public companies are identical to the Company and we do not have access to non-public information regarding those companies or projects.

12.47 The details of the comparable public company analysis and the related trading multiples as of the Valuation Date are summarized below in Figure 18:

Figure 18: Trading Multiples of West African Gold Producers

Company Name	Principal Asset Location	Ticker	Enterprise Value	Au Eq Reserves (oz)	Au Eq Reserves & Resources (oz)	Implied Reserves Multiple ($/oz)	Implied R&R Multiple ($/oz)
Asanko Gold Inc.	Ghana	TSX:AKG	203,059	2,334	3,110	$87	$65
Endeavour Mining Corporation	Burkina Faso	TSX:EDV	2,836,998	7,439	14,881	$381	$191
SEMAFO Inc.	Burkina Faso	TSX:SMF	1,134,528	2,701	7,379	$420	$154
Golden Star Resources Ltd.	Ghana	TSX:GSC	271,412	1,611	11,883	$168	$23
Perseus Mining Limited	Ghana	ASX:PRU	501,992	4,141	9,930	$121	$51
Roxgold Inc.	Burkina Faso	TSX:ROXG	326,796	592	1,446	$552	$226
Teranga Gold Corporation	Senegal	TSX:TGZ	529,065	3,618	9,410	$146	$56
All Companies							
4th Quartile						$552	$226
3rd Quartile						$401	$172
2nd Quartile						$168	$65
1st Quartile						$134	$53
Mean						$268	$109
Median						$168	$65
Avesoro Resources Inc.		TSX:ASO	243,653	2,069	3,428	$118	71

12.48 We concluded that the implied $/oz multiples from our DCF-based conclusion were reasonable, having regard to the observed acquisition and trading multiples, the Company's underperformance over the past 12 months, and differences in reserve and resource certainty, size, cost structure, expected life of mine and exploration potential between the Company and the selected transactions and public companies in our market approach.

13.0 Prior Valuation

13.1 In connection with the Company's December 18, 2017 acquisition of AJL's interest in the gold mining properties known as Youga/Ouaré and Balogo (now collectively known as the Youga mine), Duff & Phelps prepared a formal valuation of the Youga mine as of September 30, 2017 (the "September 2017 Youga Mine Valuation").

13.2 The September 2017 Youga Mine Valuation concluded on a range of value of $71 million to $83 million as of September 30, 2017.

13.3 The primary reasons for the difference between the September 2017 Youga Mine Valuation conclusion of $71 million to $83 million and the value of the Youga Mine of $61 million to $70 million reflected herein are set out below:

a) *Post-acquisition gold production:* the September 2017 Youga Mine Valuation was premised on a LOM plan that reflected the sale of over 400,000 ounces through to 2025. In 2018, over 110,000 ounces were produced and sold, resulting in $33 million of net income for the year, primarily through the mining and sale of higher-grade reserves from Balogo. Through September 30, 2019, under 50,000 ounces have been produced and sold at limited or no profitability due in part to the aforementioned disruptions in mining and processing activities;

b) *Post-acquisition additional reserves and resources and revised life of mine plan:* as reported by the Company on May 8, 2019, there was an increase in mineral reserves at Youga/Ouaré and a mine life extension, effective January 1, 2019. An updated LOM plan contemplated the sale of over 700,000 ounces through to 2031; and

c) *Higher gold price outlook since September 2017:* projected gold prices from September 2017 were approximately $1,275/oz over the then LOM projections, whereas projected gold prices as of the Valuation Date are between $1,350/oz and $1,425/oz over the current LOM projections.

14.0 Assumptions

14.1 In forming our conclusion, we have assumed, in addition to the assumptions noted elsewhere herein, that:

a) Any estimates and evaluations (including technical reports) furnished to Duff & Phelps were reasonably prepared and based upon the best available information as of the Valuation Date and the good faith judgment of management of the Company;

b) Information supplied and representations made by Company management are substantially accurate regarding the Company and its assets, including the New Liberty and Youga mines, and the Proposed Transaction;

c) The Company had good title to the assets as of the Valuation Date;

d) There are no back-in rights, payments, contingent liabilities or other agreements and encumbrances to which the Company is subject as of the Valuation Date;

e) There will be no net insurance proceeds available to the Company arising from any potential insurance claims that may be filed that would have a material effect on the value;

f) There were 81,575,260 issued and outstanding common shares of the Company as of the Valuation Date;

g) The final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;

h) Other than October, 1, 2019 pit wall failure noted above, there has been no material change in the assets, financial condition, business, or prospects of the Company since the date of the most recent financial statements and other information made available to Duff & Phelps;

i) The conditions required to implement the Proposed Transaction will be satisfied and that the Proposed Transaction will be completed in accordance with the purchase agreement without any amendments thereto or any waivers of any terms or conditions thereof; and

j) All governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Transaction will be obtained without any adverse effect on the Company.

14.2 To the extent that any of the foregoing assumptions or any of the facts on which this Valuation is based prove to be untrue in any material respect, this Valuation cannot and should not be relied upon. Furthermore, in Duff & Phelps' analysis and in connection with the preparation of this Valuation, Duff & Phelps has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

14.3 Information indicating assumptions contrary from those above or others set out in this report would require a review of our conclusions contained herein.

15.0 Restrictions and Limitations

15.1 Duff & Phelps has prepared this Valuation effective as of September 30, 2019. This Valuation is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date hereof, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Valuation which may come or be brought to the attention of Duff & Phelps after the date hereof.

15.2 Duff & Phelps did not evaluate the Company's solvency or conduct an independent appraisal or physical inspection of any specific assets or liabilities (contingent or otherwise). Duff & Phelps has not been requested to, and did not, (i) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the Proposed Transaction, the assets, businesses or operations of the Company, or any alternatives to the Proposed Transaction, (ii) negotiate the terms of the Proposed Transaction, and therefore, Duff & Phelps has assumed that such terms are commercially reasonable, from the Company's perspective, or (iii) advise the Special Committee or any other party with respect to alternatives to the Proposed Transaction.

15.3 Duff & Phelps is not expressing any opinion as to the market price or value of the Company's common shares (or anything else) after the announcement or the consummation of the Proposed Transaction. This Valuation should not be construed as a credit rating, solvency opinion, an analysis of the Company's credit worthiness, as tax advice, or as accounting advice. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

15.4 In rendering this Valuation, Duff & Phelps is not expressing any opinion with respect to the amount or nature of any compensation to any of the Company's officers, directors, or employees, or any class of such persons, relative to the consideration to be received by the Shareholders in the Proposed Transaction, or with respect to the fairness of any such compensation.

15.5 This Valuation is furnished solely for the use and benefit of the Special Committee in connection with its consideration of the Proposed Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without Duff & Phelps' express written consent. Duff & Phelps has consented to the inclusion of this Valuation in a filing with applicable Canadian securities regulators made by the Company in connection with the Proposed Transaction.

15.6 This Valuation (i) does not address the merits of any underlying business decision with respect to the Proposed Transaction, including any recommendation that may be made by the Special Committee with respect to the Offer, versus any alternative strategy or transaction; (ii) does not address any transaction related to the Proposed Transaction; (iii) is not a recommendation as to how the Special Committee, Board of Directors or any shareholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction, and (iv) does not indicate that the Consideration received is the best possibly attainable under any circumstances. The decision as to whether to proceed with the Proposed Transaction or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which this Valuation is based. This letter should not be construed as creating any fiduciary or other duty on the part of Duff & Phelps to any party.

15.7 This Valuation is solely that of Duff & Phelps, and Duff & Phelps' liability in connection with this letter shall be limited in accordance with the terms set forth in the Engagement Letter.

Yours truly,

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