

AVESORO RESOURCES INC.

**Management's Discussion and Analysis
For the quarter ended September 30, 2017**

Dated November 10, 2017

AVESORO RESOURCES INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2017
(stated in US dollars)

The following discussion is management's assessment and analysis of the operating results, financial condition and prospects of Avesoro Resources Inc. (the "Company" or "Avesoro") prepared in accordance with the requirements of Canadian National Instrument 51-102. This management discussion and analysis ("MD&A") should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements and related notes for the quarters ended September 30, 2017 and 2016 ("interim financial statements") which have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". This MD&A has been prepared based on information available to the Company as at November 10, 2017. The information provided herein supplements and discusses, but does not form part of, the interim financial statements for the quarters ended September 30, 2017 and 2016. Unless otherwise indicated all amounts are in US dollars.

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website at www.avesoro.com.

1. OVERVIEW

(A) DESCRIPTION OF BUSINESS

Avesoro, is a West African focused gold producer engaged in the exploration, development and operation of gold mining assets. The Company's main asset is the New Liberty Gold Mine located within the licence area subject to the Bea Mountain Mineral Development Agreement ("Bea MDA") in Liberia, West Africa (the "New Liberty Gold Mine"). The Company is listed on the Toronto Stock Exchange (the "TSX") (Ticker ASO) and the AIM Market of the London Stock Exchange (the "AIM") (Ticker ASO).

(B) OVERALL PERFORMANCE OF THE BUSINESS

(B) VISION

The vision of Management is to advance the Company into a premier African focussed mid-tier gold producer with a brand recognised for sustainability, innovation and strong relationships with the local communities. Avesoro's mission is to create value for all stakeholders by:

- producing profitable gold ounces from the New Liberty Gold Mine and any other mines that are successfully developed;
- increasing our resources and expanding our project pipeline; and
- strengthening and leveraging our exploration, development and production teams.

Avesoro intends to achieve these objectives while adhering to the Company's values and maintaining good corporate governance. Management endeavours to maintain and develop local stakeholder support through the Company's employment and training practices and through its sustainability initiatives.

(C) KEY STRENGTHS

Avesoro's key strengths are detailed as follows:

A Strong Portfolio of Assets

The Company has a strong portfolio of gold assets which includes the New Liberty Gold Mine in Liberia and a promising portfolio of exploration stage gold projects in Liberia and Cameroon, including the Ndablama and Weaju Projects situated within close proximity to New Liberty and on the same mining licence.

Technically Strong

The Company has experienced production and exploration teams in the countries in which it operates who understand the geological settings and have the flexibility to work across the region. The Company employs up-to-date technological tools to better focus its exploration efforts.

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Supportive Majority Shareholder

In June 2016 the Company entered into an agreement for an equity financing with Avesoro Jersey Limited ("AJL"), to strengthen the Company's balance sheet and fund working capital as it completed the restart of the processing plant at the New Liberty Gold Mine. Between June and July 2016, AJL invested a total of US\$30 million to acquire a majority stake in the Company.

In December 2016 the Company raised net proceeds of \$75 million in an equity financing, with AJL subscribing for US\$60 million of new shares increasing its ownership to 73.5% of the issued and outstanding share capital of the Company.

During the nine months ended September 30, 2017, the Company drew down \$18.8 million from a loan facility with AJL to meet liabilities arising on the termination of legacy procurement contracts, make advanced payments to suppliers to secure lower unit cost pricing and to accelerate the acquisition of capital items that will increase process plant throughput.

AJL becoming a major shareholder provides Avesoro with an exciting future as it ramps up production at New Liberty and aims to optimise the asset to deliver on its full potential. AJL has strong financial backing, operational experience and is an existing mine operator in Liberia.

2. PROJECTS

(A) NEW LIBERTY GOLD MINE, LIBERIA

Introduction

The key asset in Avesoro's portfolio is the New Liberty Gold Mine, which declared commercial production on March 1, 2016. The New Liberty Gold Mine is a greenfield development and has the advantage of being easily accessible from Monrovia, Liberia's capital city, which is also home to Liberia's main commercial port facility. A tarmac road predominately covers the 100 kilometre route from Monrovia to the New Liberty Gold Mine which provides excellent all year round access.

The Company holds its interests in the New Liberty Gold Mine through its subsidiary Bea Mountain Mining Corporation ("Bea"). In September 2013, the Government of Liberia ("GoL") ratified a Restated and Amended Mineral Development Agreement ("Restated and Amended MDA") for the Bea Mining Licence (as defined below), which covers 478 km² and includes the New Liberty Gold Mine, along with the Ndablama Project (as defined below), Silver Hills, Gondoja, the Weaju Project (as defined below) and Leopard Rock exploration targets.

On July 29, 2009 Bea was granted a Class A Mining Licence ("Bea Mining Licence") within the Bea Mountain Mineral Development Agreement property (the "Bea MDA Property") by the GoL. The Bea Mining Licence permits mining within the 478 km² area which encompasses the New Liberty Gold Mine. The GoL holds a 10% free carry interest in the Bea Mining Licence.

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Operational review for the quarter ended September 30, 2017 ("Q3 2017")

Operating data	Unit	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017
Ore mined	Kt	247	303	812
Waste mined	Kt	2,981	1,598	10,489
Total mined	Kt	3,228	1,901	11,301
Strip ratio	waste:ore	12.1	5.3	12.9
Ore milled	Kt	254	221	829
Feed grade	g/t Au	2.59	2.90	2.17
Recovery	%	91	77	89
Gold ounces produced	oz	19,885	14,392	50,615
Gold ounces sold	oz	19,797	14,139	51,187
Average realised price	US\$/oz	1,286	1,332	1,259
Operating cash cost *	US\$/oz sold	877	1,971	979
All-in-sustaining cash cost *	US\$/oz sold	1,447	2,153	1,505

Note

* - Operating cash cost and all-in sustaining cash cost are non-IFRS financial performance measures.

Refer to the "non-IFRS Financial Measures" section for a reconciliation of these amounts.

The Company has included certain non-IFRS financial measures in this management discussion and analysis, including operating cash costs and all-in sustaining costs per ounce of gold sold ("AISC"). These non-IFRS financial measures do not have any standardised meaning. Accordingly, these financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards ("IFRS"). Operating cash costs and all-in-sustaining cash costs are a common financial performance measure in the mining industry but have no standard definition under IFRS. Operating cash costs are reflective of the cost of production and include a net-smelter royalty of 3%. AISC include operating cash costs, corporate costs, sustaining capital expenditure, sustaining exploration expenditure and capitalised stripping costs.

During Q3 2017 construction work continued towards completion of the heavy mining equipment workshops, with welding of the bay roofs and interior fit outs. Within the mine camp, the additional senior accommodation blocks were completed and work continued on the interior fit-out of the foremen dormitories. At the process plant site, concrete foundation works for the weighbridge were completed early in Q3 2017 and foundation works commenced for the additional warehouse buildings. Work also commenced on the installation of the additional CV20 conveyor to accommodate ore transport to the additional secondary crusher.

Open Pit Mining Operations

Mining operations continued in all three pits during the early part of Q3 2017, with mining activities in Larjor focusing on removing the ore from the 0m to -10m RL, whilst mining activities in Marvoe pit focused on exposing sections of the pit floor to 35m RL and developing a ramp at the southern end of the Marvoe pit.

The third quarter is historically the wettest period of the year in Liberia and during Q3 2017 heavy rains led to the temporary flooding of both the Marvoe and Larjor pits requiring increased pumping. Mining activities continued throughout these flooding events but at a slower pace than that of the previous quarter.

During Q3 2017 total material movement (waste rock and ore) achieved was 3,228,000 tonnes, a 15% decrease on the previous quarter's performance. This was due to lower equipment availability with delays

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on both tyres and track deliveries, in addition to a reduction in mining efficiency due to temporary flooding in the pits at the height of the wet season. Despite the reduction in total material movement, there was a 15% increase in ore mined from the previous quarter to 247,000 tonnes in Q3 2017, with mined ore grades averaging 2.75 g/t, an increase of 4% on the previous quarter. The strip ratio in Q3 2017 was 12.1:1 (Waste: Ore) a decrease from the 16.7: 1 achieved in Q2 2017.

As a result of the reduced material movement, unit mining cost increased from US\$2.38/t mined during Q2 2017 to US\$3.19/t mined during Q3 2017. It is anticipated that unit mining costs will reduce further throughout Q4 2017 as material movement ramps up throughout the dry season and with the arrival of additional heavy mining equipment ("HME").

Following the implementation of Blast Monitoring Technology ("BMT") in the previous quarter, the technology was used on all ore blasts throughout the period with positive effects. The introduction of BMT, in conjunction with revised grade control procedures, including 10 metre spaced channel sampling and closer spaced reverse circulation grade control drilling completed across the mining area has led to an improvement in reconciliation of mined grades to the resource model.

Processing Operations

Process plant performance remained stable throughout Q3 2017, with plant throughput of 254,000 tonnes of ore achieved, a decrease of 14% on the previous quarter. This was predominantly due to low mill utilisation in late September due to a lack of run of mine ("ROM") ore feed caused by heavy downpours of rain resulting in temporary flooding of the pits. The process plant was restarted in early October, following the build-up of a suitable stockpile of ROM ore feed. Historically, Liberia experiences its peak rainfall during August and September and moving into Q4 2017 it is anticipated that the rainfall experienced at site will reduce.

During Q3 2017, the mill throughput continued at 175 tonnes per hour. Gold recovery increased from 88% in the prior quarter to 91%. Plant feed grades averaged 2.59 g/t throughout the quarter resulting in gold production of 19,885 ounces, an increase of 26% on Q2 2017.

Various maintenance programmes were undertaken throughout the quarter including various repairs to the detoxification tanks, the draining and cleaning of the INCO circuit and a liner change on the jaw crusher. Additionally, a service to the reagent overhead crane was completed and screen basket replacements occurred on the carbon inter-stage screens during August and September 2017.

Processing cost per tonne of US\$26.17 was achieved in Q3 2017, a 4% reduction from the previous quarter.

Operating cash costs improved by 15% since Q2 2017 to US\$877 per ounce sold due to higher mined ore grade and gold recovery and the realisation of the operational efficiencies put into place throughout the first half of the year such as bringing the procurement process in-house. All-in sustaining cost improved by 10% since Q2 2017 to US\$1,447 per ounce with the lower rate of improvement due to the continued focus on waste cutbacks.

Updated mineral resource and reserve estimate and updated life of mine schedule

On October 11, 2017 the Company announced the results of an updated mineral resource and reserve estimate and an updated life of mine schedule for New Liberty. The updated mineral resource and reserve estimates are as follows:

- proven and probable mineral reserve of 7.4 million tonnes (Mt) containing 717,000 ounces of gold grading 3.03 grams per tonne (g/t);
- measured and indicated mineral resource of 9.6 Mt containing 985,000 ounces of gold grading 3.2 g/t; and
- inferred mineral resource of 6.4 Mt containing 620,000 ounces of gold grading 3.0 g/t.

Additional HME including four Komatsu PC1250 excavators and twelve Komatsu HD785 haul trucks will be procured to achieve a peak mining rate of 4 million tonnes of material per month. The process plant throughput is expected to increase from 175 to 200 tonnes per hour by the end of 2017. Average annual

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gold production of approximately 149,000 ounces over four years with total forecast recovered gold of 642,000 ounces.

On October 16, 2017 the Company entered into equipment and finance facility agreements with Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related party of the Company, to facilitate the purchase of HME ("finance agreements"). The finance agreements totalling approximately US\$6.1 million relate to two Sandvik 1500i drill rigs one Komatsu PC1250 excavator and four Komatsu HD785 haul trucks which will be commissioned in mid November 2017.

The Company expects to enter into further agreements with Mapa, on substantially similar terms to the finance agreements, to facilitate the purchase of additional new HME including three Komatsu PC1250 excavators and eight Komatsu HD785 haul trucks along with some auxiliary equipment for delivery to New Liberty throughout Q4 2017 and Q1 2018, as required under the updated life of mine schedule.

Exploration

New Liberty

Exploration spend for Q3 2017: US\$48,000 (Q3 2016: US\$142,000)

Throughout Q3 2017, the focus has been on compiling analytical data for near sub-surface work done near targets in order to expand or add to the current drill ready targets. The Goja target within the West Mafa license and areas along strike of the Belgium target were the area of focus for the New Liberty area as these targets fall within 5 to 10km radius of the New Liberty processing plant. Results shows an approximately 900m long drill ready target on Goja target with ore grade in places as well as strike extension and parallel mineralization along strike and parallel to the 1km long drill ready Belgium target.

(B) NDABLAMA GOLD PROJECT, LIBERIA

Exploration spend for Q3 2017: \$147,000 (Q3 2016: US\$84,000)

The Ndablama gold project (the "Ndablama Project") is located in the north-east corner of the northern block of the Bea MDA Property and is approximately 40 km north-east of the New Liberty Gold Mine. The Ndablama Project is defined by the presence of extensive artisanal mining activity and a 2km gold in soil anomaly which trends in a north-south direction.

In December 2014, an updated Mineral Resource of 386,000oz at 1.6 g/t gold Indicated and 515,000oz at 1.7 g/t gold Inferred was estimated at a 0.5 g/t cut off. The Ndablama Project mineral resource estimate was prepared by AMC Consultants (UK) Limited and disclosed in accordance with the requirements of NI-43-101.

Mineral Resource	Tonnes (million)	Grade (g/t)	Contained Gold (koz)
Indicated	7.6	1.58	386
Inferred	9.6	1.70	515

- (1) Mineral Resources for the Ndablama deposit are reported at a cut-off grade of 0.5 g/t Au.
- (2) Resources are reported to a conceptual open pit based on \$1,700 per ounce gold.
- (3) The effective date of the deposit mineral resource estimates is December 1, 2014.
- (4) Mineral Resources in this resource statement are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (5) Totals and average grades are subject to rounding to the appropriate precision.

The Ndablama Project target is similar in geology and style of gold mineralisation to the Leopard Rock target which is located 500 metres south-east of the South East Zone.

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Metallurgical testing undertaken during 2014 at the Ndablama Project gave overall gravity plus CIL gold recovery of between 91% and 96% for the sulphide composites from head grades of 1.4 to 2.7 g/t gold. The oxide ore gave overall gravity plus CIL gold recovery of between 96% - 97% from a head grade of 0.8 g/t gold. Sulphide ore total gravity gold recovery on the various composites gave test work recoveries of between 66% and 72%.

During Q3 2017, an environmental study of possible impact from planned resource conversion drilling which started in Q2 2017 continued with an action plan for mitigating possible environmental impact being formulated.

(C) WEAJU GOLD PROJECT, LIBERIA

Exploration spend for Q3 2017: US\$21,000 (Q3 2016: US\$20,000)

The Weaju Project (the "Weaju Project") is situated 30 km east-north-east of the New Liberty Gold Mine at the eastern end of the Bea Mountain ridge. Previously 48 diamond drill holes were drilled at the Weaju Project by Mano River Resources Inc. ("Mano River") during the period 2000 to 2005. The Weaju Project has been subjected to intense artisanal mining activity.

In November 2013 an inferred mineral resource of 178,000 ounces at 2.1 g/t Au was estimated using a 1.0 g/t cut-off grade. The Weaju Project mineral resource estimate was prepared by AMC Consultants (UK) Limited in accordance with the requirements of NI 43-101.

Mineral Resource	Tonnes (million)	Grade (g/t)	Contained Gold (koz)
Inferred	2.7	2.1	178

- (1) Mineral Resources for the Weaju deposit are reported at a cut-off grade of 1.0 g/t Au
- (2) The effective date of the Weaju gold deposit mineral resource estimates is November 11, 2013
- (3) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- (4) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated and measured mineral resources
- (5) Totals and average grades are subject to rounding to the appropriate precision

Detail mapping of regolith and geology with the objective of outlining strike extension of prospective host rocks and structures with the potential for additional gold mineralization have been deferred to Q4 2017.

(D) LEOPARD ROCK, LIBERIA

Exploration spend for Q3 2017: US\$6,000 (Q3 2016: US\$23,000)

As announced on May 11, 2015 the Bea Mining Licence was enlarged to include the Leopard Rock gold target ("Leopard Rock") located immediately south of the Bea Mining Licence and host to the south eastern extension to the gold bearing rocks associated with the Ndablama Project. The shear structure hosting the Leopard Rock target can be traced in the north-west to the Ndablama Project over a distance of 3 kilometres.

To date, 4,294 metres of diamond drilling has been completed and results from 27 diamond drill holes are available on the Company's website.

Leopard Rock South is a continuation of the Leopard Rock projection, and is identified by a series of gold anomalies to the south and west of Leopard Rock.

Detail mapping with the objective of expanding current drill target as the result of desktop review in Q1 2017 has been deferred for Q4 2017.

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(E) GONDOJA, LIBERIA

Exploration spend for Q3 2017: US\$6,000 (Q3 2016: US\$24,000)

The Gondoja gold target ("Gondoja") is located 8 km north-east of the Ndablama Project and 45 km east-north-east of the New Liberty Gold Mine.

Gondoja was mapped in detail as part of a campaign to map the Yambesei shear zone, this has enabled the tracing of mineralisation at surface and put the soil anomalies into a geological context. Pitting was undertaken along the entire extent of the Yambesei shear zone and identified the continuation of mineralised zones in preparation for future drilling.

The target is drill ready and awaiting execution of a drill program which has the potential to improve the project economics of the Ndablama-Pressure Shadow area.

(F) KOINJA, GBALIDEE, MUSA AND WELINKUA, LIBERIA

Exploration spend for Q3 2017: US\$17,000 (Q3 2016 : US\$40,000)

The Koinja target ("Koinja") and the Gbalidee target ("Gbalidee") are located on the Yambesei shear zone and are part of an 8 km continuous zone of gold in soil anomalies that extends up to the Welinkua target ("Welinkua"), a target located to the north-east of Gondoja and Musa. Mineralisation is located within sheared mafics and ultramafics located between granites and can be followed over a strike length of more than 3.8 kilometres which remains open at both ends.

Detailed mapping of the 8 kilometre extent of the Yambesei shear zone was completed during Q4 2015. Pitting along the entire length of the Yambesei shear was completed in Q3 2016 and has been completed over Gondoja, Musa and Gbalidee. Desktop integration of all datasets from mapping, geological interpretation and geophysical datasets has been completed. The targets are awaiting execution of a drill program to test continuity of mineralization encountered to date from surface mapping and pitting.

(G) SILVER HILLS, LIBERIA

Exploration spend for Q3 2017: US\$35,000 (Q3 2016: US\$88,000)

The Silver Hills targets ("Silver Hills") are situated approximately 13 km north-east of the New Liberty Gold Mine. There has been artisanal activity in the past. Lithologies consist mainly of granite biotite gneisses, itabarites, ultramafics and amphibolite talc sericite schists. The mineralisation is related to zones of silicification occurring within amphibolites. Channel samples highlighted the potential for high grade zones, associated with intense silicification along strike of previously sampled areas.

In Q3 2017, analytical results from pitting carried out to test saprolite for indications of mineralization were compiled for all areas tested as a result of the detail mapping of geology and regolith. Integrating the assays with other data sets including alteration associated with mineralization helped to outline additional targets to the east and west as well as parallel to the 1km Belgium drill target. Drill targets for the Silver Hills area have now expanded thus raising the potential for more near mine ounces from the target area than was previously expected.

(H) MATAMBO CORRIDOR, LIBERIA

Exploration spend for Q3 2017: US\$84,000 (Q3 2016: US\$134,000)

During Q4 2015, the Company entered into an agreement to acquire Sarama Investments Liberia Limited ("Sarama") which held three Liberian exploration licences. These licences, referred to as Cape Mount West (116.6 km²), Cape Mount (96.6 km²) and Cape Mount East (67.7 km²), are contiguous to the Bea Mining

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Licence and are located close to the New Liberty Gold Mine. Following the completion of the acquisition in January 2016, the Company holds 100% ownership of the licences.

Cape Mount and Cape Mount East licences host a 15 km gold in soil anomaly. Prior to entering into the agreement with the Company, Sarama conducted a US\$ 1.8 million exploration programme over the licence areas starting with an airborne geophysics survey followed by regional soil sampling. This programme led to the identification of the 15 km gold in soil anomaly that straddles the two licences and that corresponds to the westerly extension of the Bea Mountain Greenstone Belt, the "Matambo Corridor". This Belt is interpreted as being folded over the licence areas with the southern limb corresponding to the Silver Hills target, located in the Company's Bea Mining Licence.

Follow up work undertaken by Sarama included trenching in several locations along the part of the gold corridor that is located within the Cape Mount license. This work demonstrated in situ mineralisation with best intercepts of 16 m grading 1.7 g/t Au and 6 m grading 2.3 g/t Au. In 2014 Sarama undertook a 1,600 m reconnaissance diamond drilling programme comprising 15 holes targeting the three main targets, namely Bangoma, Saanor and Bomafa prospects. Gold mineralisation intersected by drilling included intercepts of 7.5 m grading 3.9 g/t and 5 m grading 2.3 g/t.

The acquisition of Sarama was completed by the Company in January 2016 for a total consideration of 6,645,070 common shares of the Company.

Geological mapping has covered the majority of the 15 km gold corridor. The Bomafa, Bangoma, Saanor prospects were all mapped and sampled. Locating a main band of greenstone which underlies the soil anomalism with lithosamples confirming multiple bands of mineralisation at surface.

During Q3 2017, desktop interpretation of regolith data advanced to near completion. This data set is being integrated with other analytical data sets from geochemistry to fine tune drilling targets on the 15km long gold in soil anomaly referred to as the "Matambo Corridor".

(I) YAMBESSEI, ARCHEAN WEST, MABONG, MAFA WEST, LIBERIA

Exploration spend for Q3 2017: US\$32,000 (Q3 2016: US\$45,000)

In November 2013 the Company increased its contiguous ground holdings around its New Liberty Gold Mine and Bea Mining Licence by acquiring four new exploration licences referred to as Yambesei, Archean West, Mabong and Mafa West. In 2016, upon renewal of the exploration licences, and as per the Mining Law of Liberia, certain areas of ground were relinquished from within the licence areas with the Yambesei licence and Archaen West exploration licence being reduced in size.

The licence portfolio hosts multiple greenstone belts and associated shear structures, which to date have been the principal hosts to the Archean gold mineralisation systems discovered in Liberia.

Several BLEG targets have been tested for surface expression of mineralization. Analytical results have led to the decision to relinquish approximately 230 km² with modalities being finalized with the government regulating agency.

Pitting work was completed on some historical soil anomalies within the north-western part of the license.

On the West Mafa license (which lies within 5 km radius of the New Liberty plant), pitting was completed over 3km of strike with results showing anomalism associated with rheological contrast. This work has outline a 90m strike length target with some ore grade intercept for drill testing.

BLEG analytical results are pending for the Archean West license to determine anomalous highland catchment areas for soil sampling.

Infill soil sampling on a 200 by 50m spacing was carried out on the Mabong license to trace continuity of

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previous anomalous values encountered on wide spaced 800 by 50m spaced soil traverses. Assay results show an east-west gold in soil anomaly which will be tested further in Q4 for sub-surface mineralization.

(J) CAMEROON

Exploration spend for Q3 2017: US\$70,000 (Q3 2016: US\$54,000)

The Batouri licence (168 km²) is located 436 km east of Yaoundé, the administrative capital of Cameroon. The licence is a window of the Pan-African north equatorial fold belt composed of Paleo-Proterozoic and Neoproterozoic series and known as a result of collision between the West African craton and Congo craton. The region is affected by the Central African Shear Zone system generally following a north-east to south-west trend, and along which syn to post-tectonic granitoid plutons are common. The auriferous zones within the granite are considered to be controlled by the shear zone.

An application for the renewal of the licence was approved in April 2017.

The Batouri project is defined by three prospects; i) Kambele (3.5 km long), ii) Dimako-Mongonam (3.5 km long) and iii) Amndobi (5 km long).

Exploration work continued on the interpretation of the mineralised systems of Kambele and Dimako targets following on from the core relogging. The work was recommended in order to produce a new interpretation of the mineralisation models and determine their potential to host economic deposits. A GIS study was undertaken over the licence area and resulted in the identification of structural lineaments along which field verification has shown the presence of artisanal sites.

(K) PROPOSED ACQUISITION OF YUGA AND BALOGO GOLD MINES

On October 31, 2017 the Company entered into a conditional agreement to acquire the Youga Gold Mine and Balogo Gold Mine (the "Assets") 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 (the "Acquired Entities" which collectively hold the Assets) from AJL, the majority (73.5%) shareholder of the Company, for a total consideration of US\$69.5 million (the "Acquisition") which comprises of the issuance of US\$51 million of new common shares in the Company and a cash component of US\$18.5 million.

The Company has conditionally raised approximately US\$20.0 million through a placing of new Common Shares in the Company ("Placing Shares") at a placing price of 1.9 pence per Placing Share (the "Placing"). Of the proceeds from the Placing, US\$18.5 million will be used to fund the cash component of the Acquisition consideration and the remainder will be used for general working capital purposes. The Acquisition is subject to stock exchange and minority shareholder approvals which is expected to occur on December 18, 2017.

This transformational acquisition for the Company will add two producing mines to the Company's portfolio and simplify the management structure by bringing two mines into the Company from the wider AJL group. In addition, the acquisition provides positive diversification of project and country risk to the Company and significant exploration upside will be added to the Company's portfolio.

The enlarged group is expected to increase forecast combined gold production for 2018 by approximately 60% to 230koz. The Assets will add 0.5Moz of proven and probable mineral reserves and 0.7Moz inferred mineral resources, representing an increase of 72% and 50% respectively to the Company's current mineral resource and reserve portfolio.

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4. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US\$'000 except loss per Common Share	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended March 31, 2017	Quarter ended December 31, 2016
Gold sales	25,452	19,313	19,699	21,826
Loss for the quarter	(4,651)	(9,478)	(9,555)	(73,636)
Loss per Common Share, basic and diluted	(0.001)	(0.002)	(0.002)	(0.036)
Total comprehensive loss for the quarter	(4,566)	(9,708)	(9,521)	(73,406)
Total assets	222,988	222,958	221,092	227,243
	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015
Gold sales	18,839	14,695	8,253	-
Loss for the quarter	(22,878)	(9,740)	(6,736)	(34,876)
Loss per Common share, basic and diluted	(0.021)	(0.018)	(0.012)	(0.085)
Total comprehensive loss for the quarter	(22,956)	(9,873)	(6,673)	(34,978)
Total assets	249,388	251,270	244,097	245,318

The Company's performance is not affected by seasonal trends.

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(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended September 30, 2017 ("Q3 2017") as compared to quarter ended September 30, 2016 ("Q3 2016")

The loss for Q3 2017 was US\$4.7 million and comprises mainly of the operating profit from New Liberty of US\$0.3 million off-set by exploration costs of US\$0.5 million, corporate, administrative and professional expenses of US\$1.8 million and interest charge of US\$2.7 million. This compares to a loss of US\$22.9 million in Q3 2016 which comprises mainly of the operating loss from New Liberty of US\$14.8 million, exploration costs of US\$0.7 million, corporate, administrative and professional expenses of US\$5.2 million and interest charge of US\$2.6 million.

The comprehensive loss for Q3 2017 amounted to US\$4.6 million (Q3 2016: US\$23 million).

Revenues for Q3 2017 of US\$25.5 million (Q3 2016: US\$18.8 million) was generated from the sale of 19,797 ounces of gold.

Cost of sales of US\$25.1 million (Q3 2016: US\$33.7 million) in relation to production costs of US\$18.2 million (Q3 2016: US\$28.5 million) and mine depreciation of US\$6.9 million (Q3 2016: US\$5.1 million) have been recognised in the income statement during the quarter. Production costs include costs associated with mining, processing and mine administration of US\$14.5 million, royalties, freight and refining of US\$0.8 million, impairment of ore stockpile of US\$3.3 million and partly off-set by an increase in inventories of US\$0.4 million. Depreciation amounted to US\$6.9 million or US\$348 per ounce produced.

Administrative and other expenses of US\$1.8 million was US\$3.4 million lower than Q3 2016 mainly due to reduced professional fees due to non-recurring comparative quarter costs associated with the successful arbitration with the Company's earthworks and civils contractor and transaction costs and change in control payments related to the acquisition of the Company by AJL which resulted in termination benefits of US\$1.8 million and legal and professional fees of US\$1.3 million.

Exploration expenditure declined by US\$0.2 million to US\$0.5 million in Q3 2017.

The derivative liability loss of US\$3 thousand (Q3 2016: gain of US\$0.5 million) relates to the increase in fair value of the warrants mainly due to increased volatility in the Company share price.

Interest expense of US\$2.7 million (Q3 2016: US\$2.6 million) represents the effective interest on the Senior Facility, Subordinated Facility, loan payable to AJL, finance lease liabilities and the unwinding of the discount on the mine closure provision.

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by impairment charges, the declaration of commercial production on March 1, 2016 following which all revenues, costs of sales and interest expense are recognised in the income statement rather than capitalised and fees related to the change in ultimate control of the Company.

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(ii) CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Statement of financial position at September 30, 2017 vs. December 31, 2016

Trade and other receivables increased from US\$5.8 million as at December 31, 2016 to US\$15.7 million as at September 30, 2017 predominantly due to increases in gold sales receivable, advance payments to suppliers and receivable from related parties.

Inventories of US\$12.9 million at September 30, 2017 (December 31, 2016: US\$16.4 million) comprised of 908 ounces of gold doré (US\$1 million), gold in circuit (US\$1.6 million), ore stockpile (US\$0.2 million) and consumables (US\$10.1 million). Gold inventories decreased by US\$3.4 million due to impairment of low grade stockpile at September 30, 2017 which is not currently planned to be fed through the processing plant and reduced gold dore held partly off-set by an increase in consumables at the end of the period.

Property, plant and equipment of US\$191.3 million as at September 30, 2017 is US\$0.2 million higher than the balance as at December 31, 2016 of US\$191.1 million. It predominantly comprises the New Liberty Gold Mine assets of US\$150.7 million, capitalised stripping costs of US\$13.6 million in relation to the Kinjor cutback and opening of the Marvoe pit, mining and other equipment of US\$12.6 million, assets held as finance leases of US\$11.1 million and mine closure and rehabilitation costs of US\$1.9 million. An additional US\$9 million was capitalised in Q3 2017 which relates mainly to capitalised stripping cost of US\$5.5 million, upgrade works on the tailings storage facility ("TSF") of US\$1.1 million, construction of additional accommodation blocks and offices of US\$0.9 million, new drill rigs of US\$0.4 million, upgrade works on the processing plant of US\$0.3 million and water pumps of US\$0.2 million.

The Company's investment in Stellar Diamonds of 615,855 shares is carried in the statement of financial position at its fair value (derived from the prevailing market price) which was US\$26 thousand at September 30, 2017 (December 31, 2016: US\$55 thousand).

Current liabilities of US\$27.5 million as at September 30, 2017 (December 31, 2016: US\$37 million) includes trade and other payables of US\$13.8 million (December 31, 2016: US\$14.2 million) arising mainly from New Liberty mining and plant operations, current portion of bank borrowings of US\$9.6 million (December 31, 2016: US\$20.3 million), finance lease liabilities of US\$3.8 million (December 31, 2016: US\$2.4 million) and derivative liability of US\$0.3 million (December 31, 2016: US\$0.1 million) being the fair value of the warrants issued.

Non-current liabilities of US\$108.9 million (December 31, 2016: US\$85.3 million) includes bank borrowings of US\$83.6 million (December 31, 2016: US\$73.2 million), a shareholder loan of US\$14.6 million (December 31, 2016: US\$nil), finance lease liabilities of US\$8.3 million (December 31, 2016: US\$9.8 million) and provision for rehabilitation of New Liberty mine of US\$2.4 million (December 31, 2016: US\$2.3 million). The finance lease liabilities are in respect of HME, power generators and a fuel storage facility at New Liberty.

Bank borrowings include a Senior Facility of US\$85.6 million, a Subordinated Facility of US\$12 million and related interest (together the Company's "Loan Facilities"). The movement in current and non-current borrowings is mainly due to the amendment of the Loan Facilities as further discussed on the following Liquidity, Capital Resources and Financial Instruments section.

As a result of accelerating production from New Liberty, the Company is forecasting that less than 30% of its reserves will remain in the mine plan at the date on which it is due to make its final debt repayment. This would constitute a technical default on the reserve tail covenant at the next test date of December 31, 2017. The Company does not forecast any difficulty making its scheduled debt repayments and is in dialogue with its lenders (Nedbank Limited and FirstRand Bank Limited (acting through its Rand Merchant Bank division)) with the intention of reaching an agreement to avoid a technical default under this covenant at the test date.

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During the period ended September 30, 2017, the Company drew down \$18.8 million from its loan facility with its majority shareholder, AJL, to meet liabilities arising on the termination of legacy procurement contracts, make advanced payments to suppliers to secure lower unit cost pricing and to accelerate the acquisition of capital items that will increase process plant throughput. This loan was initially recognised at fair value calculated as its present value at a market rate of interest and subsequently measured at amortised cost. The difference between fair value and loan amount has been credited to equity as a capital contribution as the loan is from the majority shareholder. Refer to Section D(iv) for further information.

Liquidity, Capital Resources and Financial Instruments

As at September 30, 2017, the Company had cash and cash equivalents of US\$2 million, working capital of US\$4.2 million and an undrawn loan facility with AJL of US\$16.2 million.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, available-for-sale investment, borrowings, trade payables and accruals, finance lease liabilities and derivative liabilities. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

The majority (c.99%) of the Company's cash and cash equivalents are invested with a leading multi-national bank with a Standard & Poor's A- long-term credit rating.

Cash Flows for the nine months ended September 30, 2017 vs. September 30, 2016

Net cash used in operations during the nine months ended September 30, 2017 amounted to US\$3.3 million (2016: US\$6.7 million) and is due predominantly to net operating cash outflows at New Liberty, exploration costs, corporate expenses and movements in operating working capital.

Net cash used in investing activities for the nine months ended September 30, 2017 was US\$20 million (2016: US\$23.6 million) relates mainly to payments for capitalised stripping cost, accommodation and office construction and upgrade works on the plant and TSF.

Net cash from financing activities for the nine months ended September 30, 2017 of US\$11.8 million (2016: US\$27.7 million) was in respect of proceeds from a shareholder loan of US\$18.8 million partly off-set by financing charges on the Loan Facilities and finance leases of US\$7 million.

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(D) OTHER INFORMATION

(i) Outstanding Share Data

As at the date hereof, the Company had an unlimited number of common shares authorized for issuance with 5,324,759,001 Common Shares issued and outstanding.

The Company has the following incentive stock options and warrants outstanding at the date hereof:

	Number	Exercise Price	Expiry Date
Stock Options	123,284,265	C\$0.03-C\$0.72	Jan 2018 – Apr 2022
Warrants	48,212,027	GBP0.07-GBP0.378	Oct 2017 – Apr 2019

(ii) Going concern

The interim consolidated financial statements have been prepared on a going concern basis. The Company has net current assets of \$4.2 million and a loan facility with AJL of which \$16.2 million is undrawn as at September 30, 2017.

The Company's forecasts and projections, considering the above amended loan agreements show that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(iii) Subsequent events

On October 11, 2017 the Company announced the results of an updated mineral resource and reserve estimate and an updated life of mine schedule for New Liberty. The updated mineral resource and reserve estimates are as follows:

- proven and probable mineral reserve of 7.4 million tonnes (Mt) containing 717,000 ounces of gold grading 3.03 grams per tonne (g/t);
- measured and indicated mineral resource of 9.6 Mt containing 985,000 ounces of gold grading 3.2 g/t; and
- inferred mineral resource of 6.4 Mt containing 620,000 ounces of gold grading 3.0 g/t.

On October 16, 2017 the Company entered into equipment and finance facility agreements with Mapa to facilitate the purchase of HME totaling approximately US\$6.1 million. The equipment finance loans are unsecured, with interest charged at 6.5% per annum on the US\$ denominated loan amount of approximately US\$3.7 million and 5.5% per annum on the Euro denominated loan amount of approximately €2.0 million (equivalent to approximately US\$2.4 million). The loans are repayable in cash in eight equal semi-annual instalments, the first of which will fall due six months after utilisation of the loan.

On October 31, 2017 the Company entered into a conditional agreement to acquire the Assets 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 (the "Acquired Entities" which collectively hold the Assets) from AJL, the majority (73.5%) shareholder of the Company, for a total consideration of US\$69.5 million (the "Acquisition") which comprises of the issuance of US\$51 million of new common shares in the Company and a cash component of US\$18.5 million.

The Company has conditionally raised approximately US\$20.0 million through a placing of new Common Shares in the Company ("Placing Shares") at a placing price of 1.9 pence per Placing Share (the "Placing"). Of the proceeds from the Placing, US\$18.5 million will be used to fund the cash component of the Acquisition consideration and the remainder will be used for general working capital purposes.

The Acquisition is subject to stock exchange and minority shareholder approvals and is expected to complete on December 18, 2017.

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(iv) Related party transactions

(a) AJL loan facility

The Company has drawn down \$18.8 million from a loan facility from its majority shareholder, AJL, to meet liabilities arising on the termination of legacy procurement contracts, make advanced payments to suppliers to secure lower unit cost pricing and to accelerate the acquisition of capital items that will increase process plant throughput. Interest charged on the loan for the three and nine months ended September 30, 2017 amounted to US\$0.3 million. The amount undrawn from this loan facility as at September 30, 2017 is \$16.2 million. The loan payable to AJL was initially recognised at fair value calculated as its present value at a market rate of interest and subsequently measured at amortised cost. The difference between fair value and loan amount has been credited to equity as a capital contribution as the loan is from its majority shareholder.

(b) Guarantee on the Loan Facilities

In exchange for the revised and improved conditions and rescheduled repayment terms of the Loan Facilities a personal guarantee was provided by Mehmet Nazif Gnal, Non-Executive Chairman of the Company and corporate guarantees were provided by the Avesoro Holdings Limited group, the beneficial owner of 73.5% of the Company's issued equity.

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(c) Provision/(purchases) of goods and services

The Company provided/(purchased) the following services from related parties:

	Three months ended		Nine months ended	
	September 30, 2017 \$'000	September 30, 2016 \$'000	September 30, 2017 \$'000	September 30, 2016 \$'000
<i>Management, procurement and operational assistance provided to:</i>				
Atmaca Services Liberia Inc., a subsidiary of Company's parent company	-	-	2,000	-
<i>Technical and managerial services provided to:</i>				
Avesoro Services (Jersey) Limited, a subsidiary of Company's parent company	137	46	351	46
<i>Drilling services provided to the Company by:</i>				
Zwedru Mining Inc., a subsidiary of Company's parent company	-	-	(377)	-
<i>Travel services provided to the Company by:</i>				
MNG Turizm ve Ticaret A.S., an entity controlled by the Company's Chairman	(19)	-	(34)	-
<i>Administration services provided to the Company by:</i>				
Avesoro Services (Jersey) Limited, a subsidiary of Company's parent company	(45)	-	(90)	-
<i>Charter jet services provided to the Company by:</i>				
MNG Gold Liberia Inc., a subsidiary of Company's parent company	(55)	-	(55)	-
<i>Lease of mining equipment and related charges provided to the Company by:</i>				
Atmaca Services Liberia Inc., a subsidiary of Company's parent company	-	(2,119)	-	(2,119)
<i>Technical and procurement services provided to the Company by:</i>				
MNG Orko Madencilik A.S., an entity controlled by the Company's Chairman	(350)	-	(350)	-
<i>Environmental services provided by:</i>				
Digby Wells Environmental, an entity that shared a common director with the Company	-	(13)	-	(70)

Included in trade and other receivables is a receivable from related parties of \$2.5 million as at September 30, 2017 (December 31, 2016: \$0.1 million) which mainly represents recharged services and employee costs.

Included in trade and other payables is \$0.9 million payable to related parties as at September 30, 2017 (December 31, 2016: \$0.1 million) which represents services provided to the New Liberty mine.

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(v) Off balance sheet arrangements

As part of the settlement for legacy mining claims at Weaju a third party is entitled to receive a 7.5% net profit interest ("NPI") on life-of-mine production at Weaju.

As part of the agreement to acquire Sarama Investments Liberia Limited, a third party is entitled to receive a royalty equal to 1% net smelter returns from the Cape Mount permit.

(vi) Operating segments

The Company is engaged in the acquisition, exploration, development and operations of gold properties in the West African countries of Liberia and Cameroon. Information presented to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the geographical location. The reportable segments under IFRS 8 are as follows:

- New Liberty operations;
- Liberia exploration;
- Cameroon exploration; and
- Corporate.

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three months ended September 30, 2017:

	New Liberty operations	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	(2,536)	(466)	(87)	(1,562)	(4,651)
Gold sales	25,452	-	-	-	25,452
Production costs					
- Mine operating costs	(15,292)	-	-	-	(15,292)
- Impairment of ore stockpile	(3,319)	-	-	-	(3,319)
- Change in inventories	424	-	-	-	424
	(18,187)	-	-	-	(18,187)
Depreciation	(6,924)	(90)	(14)	(5)	(7,033)
Segment assets	208,093	13,255	59	1,581	222,988
Segment liabilities	(135,480)	(89)	-	(824)	(136,393)
Capital additions – property, plant and equipment	8,975	-	-	-	8,975

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Following is an analysis of the Group's results, assets and liabilities by reportable segment for the nine months ended September 30, 2017:

	New Liberty operations	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	(17,911)	(1,368)	(186)	(4,219)	(23,684)
Gold sales	64,464	-	-	-	64,464
Production costs					
- Mine operating costs	(48,126)	-	-	-	(48,126)
- Impairment of ore stockpile	(3,319)	-	-	-	(3,319)
- Change in inventories	(805)	-	-	-	(805)
	(52,250)	-	-	-	(52,250)
Depreciation	(21,104)	(236)	(17)	(15)	(21,372)
Capital additions – property, plant and equipment	21,545	-	-	-	21,545

(vii) Non-IFRS financial measures

The Company has included certain non-IFRS financial measures in this management discussion and analysis, including operating cash costs and all-in sustaining costs per ounce of gold sold. These non-IFRS financial measures do not have any standardised meaning. Accordingly, these financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards ("IFRS"). Operating cash costs and all-in-sustaining cash costs are a common financial performance measure in the mining industry but have no standard definition under IFRS. Operating cash costs are reflective of the cost of production and include a net-smelter royalty of 3%. AISC include operating cash costs, corporate costs, sustaining capital expenditure, sustaining exploration expenditure and capitalised stripping costs.

Cash Costs

Operating cash costs and all-in-sustaining cash costs are common financial performance measures in the mining industry but have no standard definition under IFRS. The Company reports cash costs on an ounces of gold sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, investors use this information to evaluate the Company's performance and ability to generate cash flow from its operations. Other companies may calculate these measures differently and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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The following table reconciles these non-IFRS measures to the most directly comparable IFRS measures:

In US\$'000 except per ounce figures	Nine months ended September 30, 2017	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended March 31, 2017	Quarter ended December 31, 2016
Gold ounces sold	51,187	19,797	15,382	16,008	17,781
Mine operating costs excluding royalty, freight and refining	45,978	14,460	16,038	15,480	27,901
Impairment of ore stockpile	3,319	3,319	-	-	-
Change in inventories	805	(424)	(121)	1,350	6,550
Total operating cash costs	50,102	17,355	15,917	16,830	34,451
Total operating cash costs per ounce sold	979	877	1,035	1,051	1,938
Total production cash costs	50,102	17,355	15,917	16,830	34,451
Royalty, freight and refining	2,148	833	649	665	728
Corporate administrative costs *	2,982	1,045	1,010	929	1,133
Share based compensation	890	301	314	276	331
Capitalised stripping and sustaining capital	20,545	8,965	6,588	4,992	-
Sustaining exploration	104	48	27	29	47
Accretion and depreciation on reclamation provision	290	93	101	96	67
Total all-in sustaining costs	77,061	28,640	24,606	23,817	36,757
Total all-in sustaining costs per ounce sold	1,505	1,447	1,600	1,488	2,067

* Corporate administrative costs exclude non-recurring arbitration costs with the Company's earthworks and civils contractor incurred up to March 31, 2017 and transaction costs related to the proposed acquisition of Youga and Balogo assets.

EBITDA and Adjusted EBITDA

A non-IFRS financial measure, the Company calculates EBITDA as net profit or loss for the period excluding finance costs, income tax expense and depreciation.

EBITDA does not have a standardised meaning prescribed by IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes and the effects of changes in working capital balances and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate EBITDA differently.

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Adjusted EBITDA is a non-IFRS financial measure calculated by excluding one-off costs or credits relating to non-routine transactions from EBITDA. It excludes other credits and charges, that individually or aggregate, if of a similar type, are of a nature or size that requires explanation in order to provide additional insight into the underlying business performance. Other companies may calculate adjusted EBITDA differently.

In US\$'000	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended March 31, 2017	Quarter ended December 31, 2016
Loss for the period	(4,651)	(9,478)	(9,555)	(73,606)
Finance costs	2,726	2,853	2,770	2,584
Derivative liability loss/(gain)	(3)	13	163	(212)
Depreciation	7,033	7,500	6,840	6,773
EBITDA	5,105	888	218	(64,461)
Transaction fees related to the acquisition of Youga and Balogo assets	342	-	-	-
Professional fees related to the arbitration with ICE	-	-	292	1,027
Termination fees paid to Atmaca Services Liberia Inc.	-	-	-	4,500
Impairment of New Liberty	-	-	-	42,473
Adjusted EBITDA	5,447	888	510	(16,461)

The fivefold increase in adjusted EBITDA of US\$5.5 million is mainly due to the improvement in operating cash costs and an increase in realised gold price in the quarter.

(ix) Critical accounting estimates

In the application of the Company's accounting policies, as disclosed in Note 3.23 of the Company's annual financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following critical IFRS accounting policies and estimates are relevant to the presentation of the Company's consolidated financial statements:

Carrying value of New Liberty cash generating unit

The ability of the Company to realise the carrying values of the cash generating unit is contingent upon future profitable production or proceeds from the New Liberty Gold Mine and influenced by operational, legal and political risks and future gold prices.

Management makes the judgements necessary when considering impairment at least annually with reference to indicators in IAS 36. If an indication exists, an assessment is made of the recoverable amount. The recoverable amount is the higher of value in use (being the net present value of expected future cash flows) and fair value less costs to sell. Value in use is estimated based on operational forecasts with key inputs that include gold reserves, gold prices, production levels including grade and tonnes processed, production costs and capital expenditure. Because of the above-mentioned uncertainties, actual future cash flows could materially differ from those estimated. The consolidated financial statements for the year ended December 31, 2016 outlines the significant inputs used when performing impairment test on the New Liberty cash generating unit.

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New Liberty reserve estimates

The Group estimates its ore reserves and mineral resources in accordance with the National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators. Reserves determined in this way are used in the calculation of depreciation of mining assets, as well as the assessment of the carrying value of the New Liberty cash generating unit and timing of mine closure provision. Uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. The failure of the Company to achieve production estimates could have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and/or financial condition.

Declaration of commercial production

Management used its judgement to declare commercial production at New Liberty effective March 1, 2016 following a 60-day period of process plant operations in line with both design specifications and management expectations in terms of throughput capacity and gold recovery.

Provisions for mine closure and rehabilitation costs

Management uses its judgement and experience to provide for and amortise the estimated mine closure and site rehabilitation over the life of the mine. Provisions are discounted at a risk-free rate and cost base inflated at an appropriate rate. The ultimate closure and site rehabilitation costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements or the emergence of new restoration techniques. The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions established which could affect future financial results.

Capitalisation of exploration and evaluation costs

Exploration and evaluation costs are expensed as incurred until a decision is taken that a mining property is economically feasible, after which subsequent expenditures are capitalised as intangible assets. Management estimates the economic feasibility of a property using key inputs such as gold resources, future gold prices, production levels, production costs and capital expenditure.

Inventories

Valuations of ore stockpile and gold in circuit require estimations of the amount of gold contained in, and recovery rates from, the various work in progress. These estimations are based on analysis of samples and prior experience. Judgement is also required regarding the timing of utilisation of stockpiles and the gold price to be applied in calculating net realisable value.

Share-based payments and warrants

The amounts used to estimate fair values of stock options and warrants issued are based on estimates of future volatility of the Company's share price, expected lives of the options, expected dividends to be paid by the Company and other relevant assumptions.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

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4. NI 43-101 STATEMENT AND QUALIFIED PERSON

The Company's Qualified Person is Mark J. Pryor, who holds a BSc (Hons) in Geology & Mineralogy from Aberdeen University, United Kingdom and is a Fellow of the Geological Society of London, a Fellow of the Society of Economic Geologists and a registered Professional Natural Scientist (Pr.Sci.Nat) of the South African Council for Natural Scientific Professions. Mark Pryor is an independent technical consultant with over 30 years of extensive global experience in exploration, mining and mine development and is a "Qualified Person" as defined in National Instrument 43 -101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators. Mr. Pryor has reviewed and approved the scientific and technical information contained in this MD&A, and consents to the inclusion in this MD&A of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Assay and sampling information are taken from the Company's database as prepared on the New Liberty Gold Mine site by the project geologists. Drill core is split on site and sent under custody to internationally recognised assayers.

Quality control and quality assurance procedures include the regular and methodical implementation of field duplicates, blank samples, standards and laboratory repeats as well as regular and specific programmes of re-assaying and umpire laboratory assaying.

The Company has had prepared an NI 43-101 compliant technical report dated March 25, 2015 and titled "*New Liberty Gold Project, Bea Mountain Mining Licence Southern Block, Liberia, West Africa, Definitive Project Plan*" regarding the New Liberty Project which is available under the Company's SEDAR profile at www.sedar.com.

5. FORWARD-LOOKING STATEMENTS

Certain information contained in this Management's Discussion and Analysis ("MD&A") herein is forward looking information. This information may relate to future events or the Company's future performance. All information other than information of historical fact is forward looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated or projected in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this MD&A should not be unduly relied upon. Forward-looking information speaks only as of the date of this MD&A.

Such forward looking statements include, among other things, statements or information relating to: the New Liberty Gold Mine (including any possible expenses related to future remediation and rehabilitation and the quantity and quality of mineral resource and mineral reserve estimates at the New Liberty Gold Mine), the plans relating to the New Liberty Gold Mine regarding operations and mine design, estimates relating to tonnage, grades, waste ratios, recovery rates, future gold production, future cash flows, life-of-mine estimates, assay results, gravity concentration test results, expectations regarding throughput gold production, mill treatment and plant feed, estimates of capital and operating costs, anticipated sources of funding, expectations regarding staffing requirements and the engagement of external contractors, estimates of revenues, expectations regarding operating parameters, plans regarding optimization work (including the timing thereof), construction activities, power supply and infrastructure development, asset retirement obligations and decommissioning requirements, plans for further exploration work, including drilling and metallurgical test work, expectations regarding the potential direct and indirect environmental and socio-economic impacts of the New Liberty Project, as well as the other forecasts, estimates and expectations relating to the New Liberty Gold Mine included in this MD&A, the future market price of commodities, strategic

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plans, production targets, timetables, the continued listing of the Common Shares on the TSX and the AIM, financing plans and alternatives, proposed plans and exploration activities on the Company's other target areas (including the proximal targets of Weaju, Ndablama, Leopard Rock, Gondoja, Yambesei, Archean West, Mabong and Mafa West) and the timing related thereto, and targets, goals, objectives and plans associated therewith, and the Company's expectation that all licences/permits will be able to be obtained.

With respect to forward looking information contained in this MD&A, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; that Avesoro will be able to advance and complete any remediation, rehabilitation and restoration activities that may be required within expected timeframes; that there will be no significant delay or other material impact on the expected timeframes for completion of any remediation and restoration of the New Liberty Gold Mine and the recommencement of processing operations; that any required permits, approvals and arrangements to proceed with planned remediation and restoration will be obtained in a timely manner; that there will be no interruptions that will materially delay Avesoro's progress with any remediation plans; that Avesoro will have access to any additional capital if required; interest rates and foreign exchange rates; mineral resource and mineral reserve estimates; geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources and mineral reserves) and cost estimates on which the mineral resource and mineral reserve estimates are based; the parameters and assumptions employed in the DFS, (including but not limited to, those relating to construction, future mining and operating costs, processing and recovery rates, net present values and internal rates of return, timing for the commencement of production, tax and royalty rates, future gold prices, metallurgical rates, pit design, operations and management, grades, the base case analysis and the proposed budget for further exploration plans and objectives); the supply and demand for commodities and precious and base metals and the level and volatility of the prices of gold; market competition; the ability of the Company to raise sufficient funds from capital markets and/or debt to meet its future obligations and planned activities; the business of the Company including the continued exploration of its properties; the political environments and legal and regulatory frameworks in Liberia and Cameroon with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities and the ability of the Company to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand. Assumptions used in the preparation of such information, although considered reasonable by Avesoro at the time of preparation, may prove to be incorrect.

Actual results could differ materially from those anticipated in the forward looking information contained in this MD&A as a result of the risk factors, including: risks normally incidental to exploration and development of mineral properties; uncertainty regarding the outcome of any sample testing and analysis to be conducted on the area affected by the overflow from the TSF; risks relating to the timely receipt of necessary approvals and consents to proceed with any required remediation plan; risks relating to the timing, costs and liabilities relating to the modifications to the detoxification circuit and overflow from the TSF; uncertainty as to actual timing of completion of any remediation and restoration activities following the recommencement of processing operations at the New Liberty Gold Mine; risks relating to the impact of the overflow from the TSF on Avesoro's reputation; the quantum of any claims, fines or penalties that may become payable by Avesoro and the risk that current sources of funds are insufficient to fund any such liabilities; risks that Avesoro will be unsuccessful in defending against any legal claims or potential litigation; risk of costs arising from any unforeseen longer-term environmental consequences of the overflow from the TSF at the New Liberty Gold Mine; risks that additional financing that may be required may not be available to Avesoro on terms acceptable to Avesoro or at all; the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all; risks that the cost of implementing the Mine Plan and the operating cash costs of the New Liberty Gold Mine exceed those estimated in the Mine Plan; risks related to operating in West Africa; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; adverse changes in commodity prices; risks related to current global financial

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conditions; risks that the Company's exploration for and development of mineral deposits may not be successful; risks normally incidental to exploration and development of mineral properties; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory framework in Liberia, including adverse changes in applicable laws; competitive conditions in the mineral exploration and mining industry; risks related to obtaining insurance or adequate levels of insurance for the Company's operations; uncertainty of mineral resource and reserve estimates; the inability of the Company to delineate additional mineral resources; risks related to environmental regulations; uncertainties in the interpretation of results from drilling; uncertainties in the estimates and assumptions used, and risks in the methodologies employed, in the DFS and that the completion of additional work at the New Liberty Gold Mine could result in changes to the forecasts, estimates and expectations contained in the DFS; risks related to the legal systems in Liberia; risks related to the tax residency of the Company; the possibility that future exploration, development or mining results will not be consistent with expectations; delays in construction; inflation; changes in exchange and interest rates; risks related to the activities of artisanal miners; actions of third parties that the Company is reliant upon; lack of availability at a reasonable cost or at all, of plants, equipment or labour; the inability to attract and retain key management and personnel; political risks; the inability to enforce judgments against the Company's directors and officers; risks related to the Ebola crisis; and future unforeseen liabilities and other factors.

Disclosure herein of exploration information and of mineral resources and mineral reserves is derived from the respective technical reports. Information relating to "mineral resources" and "mineral reserves" is deemed to be forward looking information as it involves the implied assessment based on certain estimates and assumptions that the mineral resource and mineral reserves can be profitable in the future. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Accordingly, readers should not place undue reliance on forward looking information. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

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

6. RISKS AND UNCERTAINTIES

In the event any rehabilitation and restoration may be required, there would be inherent risks and uncertainties related to the scope, timing and cost of any rehabilitation and restoration, and the recommencement of processing operations at the New Liberty Gold Mine may be further delayed. Furthermore there may be unforeseen or long term environmental consequences as a result of the cause of any rehabilitation and restoration requirements.

It is also unknown at this time whether the Company may become subject to regulatory or civil claims, fines and penalties or the potential quantum thereof. The Company may be unsuccessful in defending against any legal claims that may arise, and current sources of funds may be insufficient to fund liabilities arising from such claims. Any additional financing that may be required may not be available to the Company on terms acceptable to the Company or at all.

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Avesoro is also exposed to a number of potential risks due to the nature of the mining and exploration business in which it is engaged, the countries in which it operates, adverse movements in gold prices and foreign exchange and liquidity risk. Readers are referred to the Company's Annual Information Form, located on SEDAR at www.sedar.com, for a full list of applicable risk factors.

7. INTERNAL CONTROL OVER FINANCIAL REPORTING

During the quarter ended September 30, 2017, there were no changes in the Company's disclosure controls and procedures or internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

8. OUTLOOK

Gold production for the full year 2017 is expected to be between 70,000 to 80,000 ounces at an operating cash cost of US\$ 900 to 950 per ounce.

Further to the Company's announcement of October 16, 2017, the Company has now taken delivery of two Sandvik 1500i drill rigs, one Komatsu PC1250 excavator and four Komatsu HD785 haul trucks which are now operational on site. Additional HME is expected to be ordered later in the year with delivery to site scheduled for early 2018 to enable the increase in mining rates scheduled within the updated Life of Mine schedule.

The acquisition of the Youga Gold Mine and Balogo Gold Mine in Burkina Faso from AJL, as announced on October 31, 2017, is anticipated to complete on December 18, 2017. The acquisition will increase proforma 2017 combined gold production to 180,000 to 190,000 ounces and increase forecast gold production for 2018 by approximately 60% to 230,000 ounces.