

Condensed Interim Consolidated Financial Statements (Unaudited)

Avesoro Resources Inc.

For the Three and Nine Months Ended September 30, 2017 and 2016
(stated in thousands of US dollars)

Registered office: 200 Bay Street
Suite 3800
Royal Bank Plaza
South Tower
Toronto
Ontario M5J 2Z4

Company registration number: 776831-1

Company incorporated on: 1 February 2011

Avesoro Resources Inc.**Interim Consolidated Statements of Income and Comprehensive Income**

(stated in thousands of US dollars)

Unaudited

	Three months ended September 30, 2017 \$'000	Three months ended September 30, 2016 \$'000 (Restated)	Nine months ended September 30, 2017 \$'000	Nine months ended September 30, 2016 \$'000 (Restated)
Gold sales (Note 2)	25,452	18,839	64,464	41,786
Cost of sales				
- Production costs (Note 2)	(18,187)	(28,514)	(52,250)	(51,268)
- Depreciation (Note 2)	(6,924)	(5,146)	(21,103)	(9,272)
- Costs during temporary plant shutdown	-	-	-	(4,383)
Gross income (loss)	341	(14,821)	(8,889)	(23,137)
Expenses				
Administrative and other expenses (Note 3)	(1,812)	(5,244)	(4,955)	(8,764)
Exploration and evaluation costs	(466)	(696)	(1,333)	(2,307)
Loss from operations	(1,937)	(20,761)	(15,177)	(34,208)
Derivative liability (loss)/gain (Note 10)	3	494	(173)	842
Finance costs	(2,726)	(2,612)	(8,349)	(5,992)
Finance income	9	1	15	3
Loss for the period	(4,651)	(22,878)	(23,684)	(39,355)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale investments	(24)	10	(28)	(25)
Currency translation differences	109	(88)	(83)	(123)
Total comprehensive loss for the period	(4,566)	(22,956)	(23,795)	(39,503)
Loss per share, basic and diluted (US\$)	(0.001)	(0.021)	(0.004)	(0.054)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Avesoro Resources Inc.

Interim Consolidated Statements of Financial Position

(stated in thousands of US dollars)

Unaudited

	September 30, 2017 \$'000	December 31, 2016 \$'000
Assets		
Current assets		
Cash and cash equivalents	1,997	13,429
Trade and other receivables (Note 4)	15,663	5,775
Inventories (Note 5)	12,940	16,351
Other assets	1,062	516
	31,662	36,071
Non-current assets		
Property, plant and equipment (Note 6)	191,300	191,117
Available-for-sale investments	26	55
	191,326	191,172
Total assets	222,988	227,243
Liabilities		
Current liabilities		
Borrowings (Note 8)	9,619	20,312
Trade and other payables	13,773	14,227
Finance lease liability (Note 9)	3,812	2,370
Derivative liability (Note 10)	278	105
	27,482	37,014
Non-current liabilities		
Borrowings (Note 8)	98,263	73,159
Finance lease liability (Note 9)	8,259	9,790
Provision for mine closure and rehabilitation	2,389	2,304
	108,911	85,253
	136,393	122,267
Equity		
Share capital (Note 11)	283,506	283,506
Capital contribution (Note 8)	52,759	48,235
Share based payment reserve	7,660	6,770
Available-for-sale investment reserve	(481)	(453)
Cumulative translation reserve	(483)	(400)
Deficit	(256,366)	(232,682)
Total equity	86,595	104,976
Total liabilities and equity	222,988	227,243

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Avesoro Resources Inc.**Interim Consolidated Statements of Cash Flows**

(stated in thousands of US dollars)

Unaudited

	Nine months ended September 30, 2017 \$'000	Nine months ended September 30, 2016 \$'000 (Restated)
Operating activities		
Loss for the period	(23,684)	(39,355)
Items not affecting cash:		
Share-based payments (Note 3)	890	437
Depreciation (Note 6)	21,372	9,586
Unrealized foreign exchange gain	(127)	(185)
Derivative liability loss/(gain) (Note 10)	173	(842)
Interest expense	8,229	5,992
Impairment of inventories	3,319	4,933
Exploration acquisition costs settled through issuance of shares	-	531
Changes in non-cash working capital		
Increase in trade and other receivables	(9,889)	(4,963)
Increase/(decrease) in trade and other payables	(3,628)	24,325
(Increase)/decrease in inventories	92	(7,116)
Cash flows used in operating activities	(3,253)	(6,657)
Investing activities		
Payments to acquire property, plant and equipment	(19,473)	(37,108)
(Increase)/decrease in other assets	(545)	254
Proceeds from pre-production gold sales	-	14,793
Finance charges	-	(153)
Cash flows used in investing activities	(20,018)	(22,214)
Financing activities		
Borrowings (Note 8)	18,800	-
Finance charges	(6,996)	(2,083)
Net proceeds from issue of common shares	-	29,765
Cash flows from financing activities	11,804	27,682
Impact of foreign exchange on cash balance	35	(51)
Net decrease in cash and cash equivalents	(11,432)	(1,240)
Cash and cash equivalents at beginning of period	13,429	7,128
Cash and cash equivalents at end of period	1,997	5,888

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Avesoro Resources Inc.**Interim Consolidated Statements of Changes in Equity**

(stated in thousands of US dollars)

Unaudited

	Share capital	Capital contribution	Share-based payment reserve	Available-for-sale investment reserve	Cumulative translation reserve	Deficit	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2016 (restated)	177,877	48,235	6,002	(425)	(510)	(119,692)	111,487
Loss for the period (restated)	-	-	-	-	-	(39,355)	(39,355)
Other comprehensive loss for the period	-	-	-	(25)	(123)	-	(148)
Total comprehensive loss for the period	-	-	-	(25)	(123)	(39,355)	(39,503)
Share-based payments	-	-	437	-	-	-	437
Issue of common shares (net of costs)	30,296	-	-	-	-	-	30,296
Balance at September 30, 2016 (restated)	208,173	48,235	6,439	(450)	(633)	(159,047)	102,717
Balance at January 1, 2017	283,506	48,235	6,770	(453)	(400)	(232,682)	104,976
Loss for the period	-	-	-	-	-	(23,684)	(23,684)
Other comprehensive loss for the period	-	-	-	(28)	(83)	-	(111)
Total comprehensive loss for the period	-	-	-	(28)	(83)	(23,684)	(23,795)
Related party loan (Note 8)	-	4,524	-	-	-	-	4,524
Share-based payments	-	-	890	-	-	-	890
Balance at September 30, 2017	283,506	52,759	7,660	(481)	(483)	(256,366)	86,595

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

1 Nature of operations and basis of preparation

Avesoro Resources Inc. ("Avesoro" or the "Company") was incorporated under the Canada Business Corporations Act on February 1, 2011. The focus of Avesoro's business is the exploration, development and operation of gold assets in West Africa, specifically the New Liberty Gold Mine in Liberia.

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", they do not include all disclosures that would otherwise be required in a complete set of financial statements. They follow accounting policies and methods of their application consistent with the audited consolidated financial statements for the year ended December 31, 2016. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016.

During the year ended December 31, 2016, the Company changed its accounting policy with respect to exploration and evaluation costs and now charges exploration and evaluation costs to the consolidated statement of income until a decision is taken that a mining property is economically feasible, after which subsequent expenditures are capitalised as intangible assets. Once a feasibility study is completed the intangible assets are re-classified to property, plant and equipment as mining and development assets. The impact of this voluntary change in accounting policy on the comparative figures on these interim financial statements is to charge previous period's intangible assets to the statement of income.

These interim financial statements were authorised by the Board of Directors on November 10, 2017.

Going concern

The condensed 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 its majority shareholder, Avesoro Jersey Limited ("AJL"), of which \$16.2 million is undrawn as at September 30, 2017.

The Company's forecasts and projections 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.

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

2 Segment information

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 (Note 5)	(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

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

2 Segment information (continued)

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 (Note 5)	(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

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three months ended September 30, 2016:

	New Liberty operations	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period (restated)	(18,488)	(710)	(96)	(3,584)	(22,878)
Gold sales	18,839	-	-	-	18,839
Production costs					
- Mine operating costs	(25,218)	-	-	-	(25,218)
- Change in inventories	1,637	-	-	-	1,637
- Impairment of ore stockpiles	(4,933)	-	-	-	(4,933)
	(28,514)	-	-	-	(28,514)
Depreciation	(5,146)	(108)	(2)	(4)	(5,260)
Segment assets (restated)	245,296	593	73	3,424	249,388
Segment liabilities	(144,186)	(99)	-	(2,383)	(146,668)
Capital additions - property, plant and equipment	756	-	-	-	756

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

2 Segment information (continued)

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the nine months ended September 30, 2016:

	New Liberty operations	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period (restated)	(30,737)	(2,426)	(181)	(6,011)	(39,355)
Gold sales	41,786	-	-	-	41,786
Production costs					
- Mine operating costs	(51,009)	-	-	-	(51,009)
- Change in inventories	4,674	-	-	-	4,674
- Impairment of ore stockpiles	(4,933)	-	-	-	(4,933)
	(51,268)	-	-	-	(51,268)
Depreciation	(9,272)	(286)	(13)	(15)	(9,586)
Plant shutdown costs	(4,383)	-	-	-	(4,383)
Capital additions					
- property, plant and equipment	7,998	15	-	-	8,013

3 Administrative and other expenses

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	445	2,382	1,197	3,465
Legal and professional	606	2,154	1,282	3,685
Depreciation	109	114	269	314
Share based payments	301	138	890	437
Foreign exchange	16	188	179	30
Other expenses	335	268	1,138	833
	1,812	5,244	4,955	8,764

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

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4 Trade and other receivables

	September 30, 2017	December 31, 2016
	\$'000	\$'000
Trade receivable	2,741	760
Other receivable	1,577	1,940
Due from related parties (Note 12)	2,541	122
Pre-payments	8,804	2,953
	15,663	5,775

5 Inventories

	September 30, 2017	December 31, 2016
	\$'000	\$'000
Gold doré	992	1,720
Gold in circuit	1,642	1,492
Ore stockpiles	191	3,737
Consumables	10,115	9,402
	12,940	16,351

An impairment of \$3.3 million with respect to a low grade stockpile which is not currently planned to be fed through the processing plant has been recognised in the income statement.

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

6. Property, plant and equipment

	Development assets \$'000	Mining assets \$'000	Capitalised stripping costs \$'000	Mine closure and rehabilitation \$'000	Assets held under finance lease \$'000	Machinery and equipment \$'000	Vehicles \$'000	Leasehold improvement \$'000	Total \$'000
Cost									
At January 1, 2016 (restated)	221,275	-	-	-	-	1,645	1,233	94	224,247
Transfers	(221,275)	210,746	-	1,369	9,160	-	-	-	-
Additions	-	7,017	-	854	4,469	30	-	-	12,370
Acquired from a related party	-	-	-	-	-	14,717	657	-	15,374
Impairment	-	(42,473)	-	-	-	-	-	-	(42,473)
Foreign exchange	-	-	-	-	-	-	(6)	(11)	(17)
At December 31, 2016	-	175,290	-	2,223	13,629	16,392	1,884	83	209,501
Additions	-	6,013	14,186	-	-	576	770	-	21,545
Foreign exchange	-	-	-	-	-	10	8	2	20
At September 30, 2017	-	181,303	14,186	2,223	13,629	16,978	2,662	85	231,066
Accumulated depreciation									
At January 1, 2016	-	-	-	-	-	1,120	876	62	2,058
Charge for the period	-	14,909	-	116	651	518	148	17	16,359
Foreign exchange	-	-	-	-	-	(16)	(4)	(13)	(33)
At December 31, 2016	-	14,909	-	116	651	1,622	1,020	66	18,384
Charge for the period	-	16,050	576	204	1,853	2,412	259	18	21,372
Foreign exchange	-	-	-	-	-	5	4	1	10
At September 30, 2017	-	30,959	576	320	2,504	4,039	1,283	85	39,766
Net book value									
At December 31, 2016	-	160,381	-	2,107	12,978	14,770	864	17	191,117
At September 30, 2017	-	150,344	13,610	1,903	11,125	12,939	1,379	-	191,300

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

7 Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, available-for-sale investments, borrowings, trade payables and accruals, and a warrant derivative liability. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification.

8 Borrowings

	September 30, 2017 \$'000	December 31, 2016 \$'000
Current		
Bank loan - Senior Facility Tranche A	-	11,222
Bank loan - Subordinated Facility	-	-
Bank loan - Senior Facility Tranche B	9,619	9,090
	9,619	20,312
Non-current		
Bank loan - Senior Facility Tranche A	73,169	62,636
Bank loan - Subordinated Facility	10,480	10,523
Related party loan (Note 12a)	14,614	-
	98,263	73,159

On December 17, 2013 the Company entered into an agreement for an \$88 million project finance loan facility (the "Senior Facility") with the Nedbank Limited and FirstRand Bank Limited (collectively the "Lenders"), and also entered into a subordinated loan facility agreement for \$12 million with RMB Resources (the "Subordinated Facility"). On December 9, 2015 the Company entered into an agreement for an additional \$10 million Tranche B Senior Facility ("Tranche B Facility", together with the Senior Facility and the Subordinated Facility the "Loan Facilities") provided by the Lenders. These Loan Facilities, which have been fully drawn, financed the development of the Company's New Liberty Gold Mine. \$12.4 million of the Senior Facility has been repaid to date.

On March 31, 2017, the Company finalised an amendment to its Loan Facilities. The revisions include improved conditions and rescheduled repayment terms of the Loan Facilities in exchange for the provision of a personal guarantee from Mehmet Nazif Gnal, Non-Executive Chairman of the Company, and corporate guarantees from the Avesoro Holdings Limited group, the beneficial owner of 73.5% of the Company's issued equity.

The rescheduled repayment structure provides no further capital repayments until March 31, 2018 and the Senior Facility loan tenor has been extended by two years until January 31, 2022, and the tenor on the Subordinated Facility has been extended to the earlier of 12 months following the repayment of the senior facility or January 31, 2023. The Senior Facility interest rate remains at LIBOR plus 1.8% until 2020, following which it will increase to LIBOR plus 4.3% and the Subordinated Facility interest rate remains the same at LIBOR plus 7.5%.

The Senior Facility is secured by charges over the assets of Bea Mountain and charges over the shares in Bea Mountain.

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

8 Borrowings (continued)

During the period ended September 30, 2017, the Company borrowed \$18.8 million 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.

The loan is unsecured, ranks subordinated to the Company's existing facilities. Interest is charged on the loan at a fixed rate of 3.75 per cent. per annum. 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.

9 Finance lease liability

The finance lease liability relates to mining equipment, diesel-powered generators and related equipment and the fuel storage facility at the New Liberty Gold Mine.

	September 30, 2017	December 31, 2016
	\$'000	\$'000
Gross finance lease liability		
- Within one year	4,320	3,902
- Between two and five years	10,566	11,842
- After five years	-	420
	14,886	16,164
Future finance cost	(2,815)	(4,004)
Present value of lease liability	12,071	12,160
Current portion	3,812	2,370
Non-current portion	8,259	9,790

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

10 Warrant derivative liability

	September 30, 2017 \$'000	December 31, 2016 \$'000
Beginning of the period	105	1,159
Change in fair value	173	(1,054)
End of the period	278	105

The changes in fair value at each reporting date are taken directly to the statement of comprehensive income. The following assumptions were used at each date.

	September 30, 2017	December 31, 2016
Exercise price	GBP0.07-0.378	GBP0.07-0.378
Dividend yield	0%	0%
Risk free interest rate	0.78%	0.55%
Expected life	0.1-1.6 years	0.8-2.3 years
Expected volatility (based on historical volatility)	48-120%	92-115%

The weighted average exercise price of all warrants which are accounted for as derivative liability as at September 30, 2017 is GBP0.18 (December 31, 2016: GBP0.22).

11 Equity

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued

	Shares	\$'000
Balance at January 1, 2016	536,168,262	177,877
Shares issued to Sarama Investments Liberia Limited (i)	5,648,310	531
Equity financing with AJL (ii)	390,644,883	17,462
Conversion of Promissory Note (ii)	271,577,546	12,303
Other equity financing (iii)	4,110,000,000	75,132
Share subscription (iv)	5,300,000	101
Shares issued for services to the Company (iv)	5,420,000	100
Balance at December 31, 2016 and September 30, 2017	5,324,759,001	283,506

- (i) On January 6, 2016, the Company completed the acquisition of Sarama Investments Liberia Limited which holds the Cape Mount, Cape Mount East and Cape Mount West licences, for a total consideration of 5,648,310 shares at a price of 6.38p per share (\$0.094).

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11 Equity (continued)

- (ii) The Company issued an aggregate of 662,222,429 shares at a price of \$0.045302 per share to AJL pursuant to the two tranches of the equity financing and conversion of a promissory note.
- (iii) On December 6, 2016, the Company issued 4,110,000,000 shares at a price of £0.015 per share raising net proceeds of \$75 million, with AJL subscribing for \$60 million of new shares, via an equity fundraising to finance the Company's transition to an owner-operator mining model, repay amounts due to the Lenders and to strengthen its balance sheet.
- (iv) Serhan Umurhan, the Company's Chief Executive Officer, subscribed for 5,300,000 shares at a price of 1.5 pence per share. Serhan Umurhan and Geoff Eyre, the Company's Chief Financial Officer, have been issued 2,710,000 shares each at a price of £0.015 per share in consideration for an aggregate of \$100,000 for services rendered to the Company.

(c) Stock options

Information relating to stock options outstanding at September 30, 2017 is as follows:

	Nine months ended September 30, 2017		Year ended December 31, 2016	
	Number of options	Weighted average exercise price per share Cdn\$	Number of options	Weighted average exercise price per share Cdn\$
Beginning of the period	124,269,550	0.09	18,096,864	0.54
Options granted	12,500,000	0.04	113,046,000	0.04
Options expired	(557,000)	1.05	(6,592,187)	0.39
Options cancelled	(12,928,285)	0.18	(281,127)	0.35
End of the period	123,284,265	0.07	124,269,550	0.09

12 Related party transactions

(a) AJL loan facility

As discussed in Note 8, the Company has borrowed US\$18.8 million from its majority shareholder, AJL. Interest charged on the loan for the three and nine months ended September 30, 2017 amounted to US\$0.3 million.

(b) Guarantee on the Loan Facilities

In exchange for the revised and improved conditions and rescheduled repayment terms of the Loan Facilities (see Note 8) 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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12 Related party transactions (continued)

(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	September 30, 2016	September 30, 2017	September 30, 2016
	\$'000	\$'000	\$'000	\$'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.

Avesoro Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended September 30, 2017 and 2016

(in thousands of US dollars unless otherwise stated)

13 Subsequent events

On October 16, 2017 the Company entered into equipment and finance facility agreements with Mapa İnşaat ve Ticaret A.Ş., a related party of the Company, to facilitate the purchase of heavy mining equipment 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 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 Avesoro Jersey Limited, 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.