August 17, 2018

VIA SEDAR

TO: Ontario Securities Commission

AND TO: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Nova Scotia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Office of the Superintendent of Securities (Prince Edward Island)
Office of the Superintendent of Securities Service Newfoundland and Labrador
Office of the Superintendent of Securities (Yukon Territory)
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office

Dear Sirs/Mesdames:

Re: AVESORO RESOURCES INC. (the "Company")

This cover letter explains the reason for the refiling today by the Company of:

1. The Company's Audited Annual Financial Statements for the year ended December 31, 2017.
2. The Company's Management Discussion and Analysis for the year ended December 31, 2017.
3. The Company's Unaudited Interim Financial Statements for the three months ended March 31, 2018.
4. The Company's Management Discussion and Analysis for the three months ended March 31, 2018.

In preparing the Company's unaudited interim financial statements for the three and six months ended June 30, 2018, Management identified an error in the calculation of the fair valuation of related party loans with Mapa Insaat ve Ticaret A.S. The error requires the restatement of the audited consolidated statement of financial position as at December 31, 2017 and the unaudited interim consolidated statement of financial position as at March 31, 2018.

The impact of the restatement on the audited annual consolidated statement of financial position as at December 31, 2017 is to increase the current portion of borrowings by $2.0 million, increase the non-current portion of borrowings by $3.2 million and reduce the capital contribution in equity by $5.2 million. The impact of the restatement of the audited annual consolidated statement of changes in equity as at December 31, 2017 is to reduce capital contribution by $5.2 million. The adjustment has no impact on profit nor cash flows for the year ended December 31, 2017. The repayment terms, rates and amounts payable pursuant to the loan agreements are unchanged.

The impact of the restatement of the unaudited interim consolidated statement of financial position as at March 31, 2018 is to increase the current portion of borrowings by US$2.8 million, increase the non-current portion of borrowings by US$4.9 million and reduce the capital contribution in equity by US$7.6 million. The impact of the restatement of the unaudited interim consolidated statement of changes in equity is to reduce capital contribution by $7.6 million. The adjustments have no impact on profit nor cash flows for the year ended December 31, 2017 nor for the three months ended March 31, 2018. The repayment terms, rates and amounts payable pursuant to the loan agreements are unchanged.

The Amended and Restated Management Discussion and Analysis for the year ended December 31, 2017 and for the interim three months ended March 31, 2018 which follow this cover letter have been corrected to include the effects of the above restatement.

Yours truly,

AVESORO RESOURCES INC.

"Geoffrey Eyre"

Geoffrey Eyre
Chief Financial Officer

AVESORO RESOURCES INC.

Management's Discussion and Analysis (Amended and Restated)
For the quarter ended March 31, 2018

Dated August 17, 2018

AVESORO RESOURCES INC.
Management's Discussion and Analysis (Amended and Restated)
For the quarter ended March 31, 2018
(stated in US dollars)

The following discussion is management's assessment and analysis of the operating results, financial condition and future prospects of Avesoro Resources Inc. (the "Company" or "Avesoro") prepared in accordance with the requirements of Canadian National Instrument 51-102. This Amended and Restated Management's Discussion and Analysis ("MD&A") should be read in conjunction with the accompanying amended and restated unaudited consolidated financial statements and related notes for the quarter ended March 31, 2018 and 2017 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 May 4, 2018. The information provided herein supplements and discusses, but does not form part of, the amended and restated unaudited consolidated financial statements for the quarter ended March 31, 2018 and 2017. Unless otherwise indicated all amounts are in US dollars. For details of the circumstances requiring the filing of this Amended and Restated MD&A, please refer to page 15.

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 and development company engaged in the exploration, development and operation of three gold mining assets across West Africa. The Company is listed on the Toronto Stock Exchange ("TSX") and the AIM market operated by the London Stock Exchange ("AIM") (Ticker ASO).

The Company's assets include the New Liberty gold mine located in Liberia (the "New Liberty") and the Youga ("Youga") and Balogo ("Balogo") gold mines, located in Burkina Faso.

(B) OVERALL PERFORMANCE OF THE BUSINESS

(C) VISION

The vision of the management of the Company ("Management") is to advance the Company into an African 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, Youga and Balogo gold mines and any other mines that are successfully developed by the Company;
- increasing the Company's mineral resources and reserves base and expanding the project pipeline; and
- strengthening and leveraging the 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.

(D) KEY STRENGTHS

Avesoro's key strengths are detailed as follows:

A Strong Portfolio of Assets

The completion of the acquisition of the Youga and Balogo gold mines in Burkina Faso on December 18, 2017 provides the Company with geographic diversity within West Africa and adds assets that are highly complementary to the existing New Liberty gold mine, significantly increasing Avesoro's annual gold production. Additionally, the acquisition adds high quality exploration upside that will provide for further future organic growth potential.

A promising portfolio of exploration stage gold projects in Liberia, Burkina Faso and Cameroon includes the Ndablama and Weaju Projects situated within close proximity to New Liberty on the same mining licence and the Ouaré Project located 36 kilometres to the north-east of Youga in Burkina Faso.

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.

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 $30 million to acquire a majority stake in the Company.

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

During the year ended December 31, 2017, the Company borrowed US$18.8 million from 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 aims to optimise New Liberty to deliver on its full potential. AJL has strong financial backing, operational experience and is an existing operator in Liberia. As of the date of this report, AJL held 72.9% of the outstanding shares in the Company.

(stated in US dollars)

2. OPERATIONS REVIEW

(A) CONSOLIDATED MINERAL RESERVES AND MINERAL RESOURCES

The Company released an updated Mineral Reserve and Mineral Resource statement for its New Liberty gold mine on October 11, 2017. The Company also acquired the Youga and Balogo gold mines on December 18, 2017. Information regarding the Mineral Resource and Mineral Reserves for these properties was published on June 19, 2017 and June 16, 2017, respectively.

The following table discloses the Mineral Resources and Mineral Reserves on the Company's projects using the standards prescribed by the CIM and disclosed in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects ("NI 43-101"):

Total Reserves by Project						
Project	**COG (g/t Au)**	**Category**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Gold (Koz Au)**	**Effective Date**
New Liberty	0.85	Proven & Probable	7.4	3.03	717	31 July 2017
Youga	0.7	Proven & Probable	6.4	1.42	293	28 February 2017
Ouare	0.82	Proven & Probable	2.6	1.67	141	28 February 2017
Balogo	1.2	Proven & Probable	0.3	8.81	78	28 February 2017
Total	**Proven & Probable**		**16.7**	**2.29**	**1,229**	

Total Resources by Project						
Project	**COG (g/t Au)**	**Category**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Gold (Koz Au)**	**Effective Date**
New Liberty	0.8	Measured & Indicated	9.6	3.20	985	31 July 2017
Ndablama	0.5	Measured & Indicated	9.6	1.58	386	01 December 2014
Weaju	1.0	Measured & Indicated	-	-	-	20 November 2013
Youga	0.6	Measured & Indicated	10.5	1.41	475	28 February 2017
Ouare	0.6	Measured & Indicated	5.1	1.39	228	28 February 2017
Balogo	0.6	Measured & Indicated	0.5	6.75	99	28 February 2017
New Liberty	0.8	Inferred	6.4	3.00	620	31 July 2017
Ndablama	0.5	Inferred	7.6	1.70	515	01 December 2014
Weaju	1.0	Inferred	2.7	2.80	178	20 November 2013
Youga	0.6	Inferred	5.7	1.27	233	28 February 2017
Ouare	0.6	Inferred	7.2	1.75	406	28 February 2017
Balogo	0.6	Inferred	0.1	3.97	15	28 February 2017
Total	**Measured & Indicated**		**35.2**	**1.92**	**2,173**	
Total	**Inferred**		**29.7**	**2.06**	**1,967**	

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Amounts may not add due to rounding.

(stated in US dollars)

(B) MINE OPERATING ACTIVITIES

NEW LIBERTY GOLD MINE, LIBERIA

Introduction

The New Liberty gold mine 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 (the "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 km^2 area which encompasses the New Liberty gold mine. The GoL holds a 10% free carry interest in the Bea Mining Licence.

New Liberty operational review for the quarter ended March 31, 2018 ("Q1 2018")

Operating data	Unit	Three months ended March 31, 2018	Three months ended March 31, 2017
Ore mined	Kt	**359**	351
Waste mined	Kt	**4,677**	3,944
Total mined	Kt	**5,036**	4,295
Strip ratio	waste:ore	**13.0**	11.2
Ore milled	Kt	**344**	280
Feed grade	g/t Au	**2.91**	1.97
Recovery	%	**87**	90
Gold ounces produced	oz	**27,870**	14,906
Gold ounces sold	oz	**28,098**	16,008
Average realised price	US$/oz	**1,328**	1,231
Operating cash cost *	US$/oz sold	**846**	1,051
All-in-sustaining cash cost *	US$/oz sold	**1,095**	1,488

Note

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

The Company has included certain non-IFRS financial measures in this MD&A, including operating cash costs and all-in sustaining costs ("AISC") 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 AISC 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. AISC include operating cash costs, net-smelter royalty, corporate costs, sustaining capital expenditure, sustaining exploration expenditure and capitalised stripping costs.*

Q1 2018 Highlights:

- New Liberty achieved a record quarterly gold production for the second consecutive quarter, with 27,870 ounces of gold produced, a 9% increase in gold production on that achieved during Q4 2017 and 87% higher than gold production in Q1 2017;
- Total material movement for the quarter increased to 5.0Mt, an 80% increase on that achieved during Q4 2017. This was primarily as a result of the commissioning of the additional mining equipment delivered to site during Q4 2017 and early Q1 2018;
- Waste mined at New Liberty increased to 4.7Mt during the quarter an increase of 91% on the previous quarter with the Company focusing upon stripping and opening access to ore within the pits in preparation for the wet season, with mining operations concentrated on all three pits: Larjor, Kinjor and Marvoe;
- The process plant remained stable throughout the quarter with plant throughput of 344kt, a 9% increase on the previous quarter and in line with the 2018 annual forecast and a direct result of the improvements made to the comminution circuit, including the commissioning of an additional crusher and upgrades to the ball mill liner and grate system, allowing an increase in plant throughput;
- Planned plant upgrades and optimisations continued to progress to schedule during the quarter, the installation of a second gravity concentrator was completed at the end of the quarter and this is expected to increase the recovery of gravity gold and reduce the level of reagent usage within the carbon in leach ("CIL") circuit; and
- Construction of Phase 2 of the tailings storage facility ("TSF") continued to schedule with the bulk of the main structures having been constructed, turning the dam into a 'containment structure' allowing controlled releases of water if required. The Phase 2 TSF will have a total capacity of approximately 9.35 Mt of tailings over a total operating life of 8.5 years.

Exploration at New Liberty

Q1 2018 Highlights:

- A 55 hole diamond resource conversion drilling programme amounting to 9,500 metres was completed. The programme targeted an area of the New Liberty resource model containing an Inferred Mineral Resource of some 3.5Mt with a mean grade of 2.8g/t Au and containing 315koz of gold. This Inferred material is located within and below the current pit design and is within the open pit reporting limits;

- Assay results received at the time of this document confirm the presence of gold mineralisation in the orebody below the current pit bottom with an increase in the width and grade of mineralisation from that previously modelled in some areas of the orebody; and

- The underground potential testing began with two out of seven 900m deep holes completed to test the underground potential of the high-grade plunging shoots containing 2.8Mt for 297koz grading 3.3g/t which may be exploited by underground mining.

YOUGA AND BALOGO GOLD MINES, BURKINA FASO

On December 18, 2017 the Company completed the acquisition of the Youga Gold Mine and Balogo Gold Mine in Burkina Faso (the "Youga and Balogo Gold Mines") through the acquisition of the entire issued share capital of MNG Gold Burkina SARL, Cayman Burkina Mines Ltd., MNG Gold Exploration Ltd., AAA Exploration Burkina Ltd. and Jersey Netiana Mining Ltd. and their subsidiaries from AJL for a total consideration of US$70.2 million which comprises of the issuance of US$51.5 million of new common shares in the Company and a cash component of US$18.7 million.

Introduction

The Youga Property consists of one Exploitation Permit (Youga), and two Exploration Permits (Songo and Zerbogo II).

The Balogo Project comprises of two contiguous Exploration Permits (Balogo and Dabinyan III), covering a total area of 360km^2 and one Exploitation Permit (Netiana) covering an area of 2km^2. These permits are in the Centre-Sud region of Burkina Faso, approximately 100 kilometres south of the capital, Ouagadougou and about 22 kilometres from the Nazinon River.

The Youga Exploitation Permit covers an area of 29 km^2 and was granted to Burkina Mining Company S.A. ("BMC") on April 8, 2003 and is valid for twenty years with five-year renewal periods afterwards. First commercial production was declared during 2008. The government of Burkina Faso holds a 10% interest in BMC.

At Balogo, an Exploitation Permit was granted to Netiana Mining Company on January 23, 2017 and is valid for four years with five-year renewal periods afterwards. Mining commenced in March 2017 and ore is transported via 160 km road to the Youga processing plant where it is processed, with commercial production declared on June 15, 2017. The government of Burkina Faso holds a 10% interest in Netiana Mining Company S.A.

The Balogo Permits were acquired from Golden Rim Resources Ltd. in April 2015 by AJL and the Youga and Ouaré properties were acquired from Endeavour Mining Corporation ("Endeavour") in February 2016 by AJL. All properties were subsequently acquired by the Company on December 18, 2017.

(stated in US dollars)

Youga and Balogo operational review for the quarter ended March 31, 2018 ("Q1 2018")

Operating data	Unit	Three months ended March 31, 2018	Three months ended March 31, 2017 (**)
Ore mined	kt	233	281
Waste mined	kt	2,633	1,883
Total mined	kt	2,866	2,164
Strip ratio	waste: ore	11.3	6.7
Ore milled	kt	306	318
Feed grade	g/t Au	4.53	1.84
Recovery	%	90%	90%
Gold ounces produced	oz	40,218	16,900
Gold ounces sold	oz	40,455	14,618
Average realised price	US$/oz	1,336	1,222
Operating cash cost (*)	US$/oz sold	470	791
All in sustaining cash cost (*)	US$/oz sold	750	1,127

(*) Operating cash cost and all-in sustaining cash cost are non-GAAP financial performance mesures.
(**) operations started in March 2017 in Balogo

The Company has included certain non-IFRS financial measures in this management discussion and analysis, including operating cash costs and AISC 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 IFRS. Operating cash costs and AISC 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. AISC include operating cash costs, net-smelter royalty, corporate costs, sustaining capital expenditure, sustaining exploration expenditure and capitalised stripping costs.

Q1 2018 Highlights:

- Youga and Balogo achieved record quarterly gold production of 40,218 ounces in the quarter. This was an increase of 39% on the previous quarter and also represents the highest quarterly production achieved by the Youga process plant since it was commissioned in February 2008;
- Total material movement was 2.87Mt (a 33% increase vs Q4 2017), including 232kt of ore (10% increase vs Q4 2017), split between 198kt of ore from Youga and 35kt ore from Balogo;
- The increase in tonnage and ore mined volume is the result of the increase to the fleet capacity made during the Quarter with 6 additional HD745 Articulated Dump Trucks ("ADT") and additional excavators delivered to site. In addition, mining commenced at the Gassore pit which lies within 2 kilometres of the Youga process plant;
- At Balogo, as expected, tonnage and ore decreased as the final pit cut back commenced in Q1 2018;
- Process plant throughput for the Quarter remained stable at 306kt and in line with the 2018 annual forecast, resulting in gold production of 40,218 ounces, a 29% increase versus Q4 2017 thanks to a higher feed grade of 4.53g/t Au and 1% more recovery, however the Company experienced instability

with the grid electricity supply, which slightly impacted the cost basis (use of fuel power plant back up) but did not adversely impact production;
- At the Youga Process Plant a PSA Oxygen Plant was delivered during Q1 2018 with aims to improve plant recovery levels and allow for an increased plant feed grade. This will be commissioned and operational during Q2 2018. Moreover, an emergency feed chute installation will be completed during Q2 2018 with the aim to stabilize tonnage in the mill and decreasing the effect of feeder blockage during the wet season; and
- In order to increase the capacity of the TSF, retrofitting works commenced on the embankment walls during in Q1 2018 and is planned to finish in Q2 2018.

Exploration

- During the period, exploration at Youga continued to focus on a 34,500 metre diamond drilling programme at the Gassore prospect, located along strike from the Youga processing plant. Drilling has intersected high grade mineralisation at an average grade of 8.40g/t Au over a strike length of 650 metres along a 2.6 kilometre long mineralised trend;
- Additional trenching and drilling activities on the Songo and Zerbogo tenements, adjacent to the Youga exploitation permit, commenced with aims to increase confidence of mineralised zones;
- Across the Balogo licence a 6,600 metre 45-hold diamond drilling programme was completed, focused on the following targets: Balogo Hill, Panga, Cobra Hill, Balogo North, Balogo Northwest, Balogo Southeast and Balogo Down Dip Extension; and
- At Balogo Down Dip extension, drilling successfully extended the mineralisation by an additional 140 metres below the planned final pit floor, intersecting an average width and grade of 3.51 metres grading 36.34g/t Au, with mineralisation remaining open at depth. At Panga, mineralisation was intersected over a 200 metre strike length with an average width of 3.33 metres grading 11.59g/t Au to a depth of 96 metres below surface. The mineralisation remains open to the north-northeast and south-southwest, whilst at Balogo Hill results delivered to date have intersected mineralisation with average width of 2.14 metres grading 15.40g/t Au, with mineralisation also remaining open both along strike and at depth.

(C) NON-OPERATING PROJECTS

NDABLAMA GOLD PROJECT, LIBERIA

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 2 km gold in soil anomaly which trends in a north-south direction.

- During Q1 2018 an infill drilling programme of 15,000 metre targeted at resource conversion commenced with 5,770 metres completed at the end of the quarter.

- Phase 2 metallurgical sampling on previous drill cuttings has been completed and samples have been shipped for testing.

WEAJU GOLD PROJECT, LIBERIA

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 Q1 2018, systematic rock chip sampling began on occurrences of hard rock artisanal mining on the 800 metre additional strike length to the south west of the Weaju orebody that have been outlined for detail mapping of lithology and regolith.

(D) EXPLORATION ACTIVITIES

LEOPARD ROCK, LIBERIA

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.

- In Q1 2018, metallurgical sampling of previous drilling cuttings were completed and samples have been shipped for test work.

GONDOJA, LIBERIA

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.

- In Q1 2018, planned drilling to test the strike extension of the previously mineralized intercepts encountered in historical scout drilling and pitting activities was placed on hold in order to focus resources on ongoing Ndablama resource conversion drilling.

KOINJA, GBALIDEE, MUSA AND WELINKUA, LIBERIA

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.

- During Q1 2018, drilling programme to test the strike length of mineralized trend outline from integration of all previous data sets have been reviewed and finalised but placed on hold in order to focus resources on Ndablama resource conversion drilling.

SILVER HILLS, LIBERIA

The Silver Hills targets ("Silver Hills") are situated approximately 13 km north-east of the New Libert 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 Q1 2018, access road, drill site preparation and camping upgrade began for a 7,000m drilling programme to test the 1km mineralisation encountered on the Belgium target and along strike.

MATAMBO CORRIDOR, LIBERIA

During 2016, the Company acquired Sarama Investments Liberia Limited ("Sarama") which held three Liberian exploration licences. These licences, referred as to Cape Mount West (116.6 km^2), Cape Mount (96.6 km^2) and Cape Mount East (67.7 km^2), are contiguous to the Bea Mining Licence and are located close to the New Liberty gold mine.

Cape Mount and Cape Mount East licences host a 15km gold in soil anomaly. Prior to entering into the agreement with the Company, Sarama conducted a $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.

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.

- In Q1 2018, drilling programme to test the most prospective parts of the Matambo corridor was finalised and budget submitted and approved with drilling tentatively expected to start by the beginning of Q4 2018 at the latest.

YAMBESEI, ARCHEAN WEST, MABONG, MAFA WEST, LIBERIA

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. Over 80 km of north-east to south-west trending structural zones referred to as the Yambesei, Lofa and Mafa shear corridors, now locate within the licence portfolios and host multiple gold targets including the New Liberty gold mine, Weaju and Ndablama. These major structures can be traced for over 250 km within Liberia.

In Q1 2018, exploration activities on the licenses can be summarized as follows:

- On the West Mafa licence, systematic auger drill testing program have been planned and budget approved for testing a 900m anomalous strike length outlined from integrating pit samples assay and mapping data. In addition, the data was used to recommend the relinquishment of 50% of the license area.

- On the Yambesei licence, systematic auger and pitting program have been planned to test anomalous areas on other targets based on geochemical and geophysical data sets. 50% of the tenement area was recommended for relinquishing and follow up process with the Ministry of Mines in underway.

- On the Archaen West licence, soil sampling on anomalous highland catchment area identified from BLEG assay results is 70% completed with preliminary regolith and fact geological map completed.

- On the Mabong licence, a pitting and auger testing program has been planned to test anomalous soil trend outlined from previous infill soil drilling program. Follow up work is underway with the Ministry of Mines to finalize tenement update as 50% of the license area was recommended for relinquishment.

OUARE, BURKINA FASO

The Ouaré Project was acquired by the Company on December 18, 2017 and is comprised of four Exploration Permits (Bitou 2 (101 km2), Bitou Sud (44 km2), Bitou Nord (40 km2) and Bitou Est (34 km2)), all situated in the province of Boulgou, Burkina Faso, West Africa, approximately 200 km southeast of the capital city Ouagadougou. Ouaré is located within a Birimian package of volcanogenic schists. Extensive exploration was undertaken across the licences by the previous owners, with drilling occurring sporadically from 1999 through to 2017, resulting in the delineation of an Indicated Mineral Resource of 5.10Mt containing 228.3koz of gold grading 1.39 g/t Au and an Inferred Mineral Resource of 7.2Mt containing 406koz of gold grading 1.80 g/t Au and a Probable Mineral Reserve of 9.0Mt containing 141.4koz gold grading 1.67 g/t Au.

- During Q1 2018, the Company continued construction of an exploration camp at Ouaré, located within the Bitou 2 permit, located 36 kilometres north-east of the Youga processing plant and commenced trenching at several gold-in-soil and gold-in-auger anomalies; and
- A number of existing drill ready targets will be drilled during H1 2018 and trenching will continue to target existing gold-in-soil and gold-in-auger anomalies to increase technical knowledge of the mineralisation trends before drill testing.

CAMEROON

The Batouri licence (168 km^2) 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.

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.

4. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US$'000 except loss per Common Share	**Quarter ended March 31, 2018**	**Quarter ended December 31, 2017**	**Quarter ended September 30, 2017**	**Quarter ended June 30, 2017**
Revenue - Gold sales	91,370	33,322	25,452	19,313
Net profit/(loss) for the quarter	9,847	(3,723)	(4,651)	(9,478)
Profit/(Loss) per Common Share, basic and diluted	0.10	(0.07)	(0.09)	(0.18)
Total comprehensive income/(loss) for the quarter	9,841	(3,712)	(4,566)	(9,708)
Total assets	345,189	337,038	222,988	222,958
US$'000 except loss per Common Share	**Quarter ended March 31, 2017**	**Quarter ended December 31, 2016**	**Quarter ended September 30, 2016**	**Quarter ended June 30, 2016**
Revenue - Gold sales	19,699	21,825	18,839	14,695
Net profit/(loss) for the quarter	(9,555)	(73,636)	(22,878)	(9,740)
Loss per Common Share, basic and diluted	(0.18)	(3.59)	(2.07)	(1.78)
Total comprehensive income/(loss) for the quarter	(9,521)	(73,406)	(22,956)	(9,873)
Total assets	221,092	227,243	249,388	251,270

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

(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Q1 2018 as compared to quarter ended March 31, 2017 ("Q1 2017")

Net profit after tax for Q1 2018 was US$9.8 million and comprises mainly of gross profit from Burkina mining operations of US$26.0 million, gross loss from New Liberty mining operations of US$0.2 million, exploration costs of US$2.0 million, corporate, administrative and professional expenses of US$1.6 million, foreign exchange loss of US$1.1 million and interest charge of US$4.3 million. This compares to a loss of US$9.6 million in Q1 2017 which comprises mainly of the operating loss from the New Liberty mine of US$4.5 million, exploration costs of US$0.5 million, corporate, administrative and professional expenses of US$1.6 million and interest charge of US$2.8 million.

The comprehensive income for Q1 2018 amounted to US$9.8 million. The improvement from a loss of US$9.5 million in Q1 2017 is explained through the succeeding paragraphs.

Revenues of US$91.4 million (Q1 2017: US$19.7 million) was generated from the sale of 68,553 ounces of gold. The significant increase compared to last year's comparative period is attributable to sales generated by the Youga and Balogo gold mines in Burkina Faso of 40,455 ounces, record quarterly sales at New Liberty gold mine of 28,098 ounces (76% higher than Q1 2017) and an 8% increase in average realised price to US$1,333 per ounce.

Cost of sales of US$65.6 million (Q1 2017: US$24.2 million) relating to production costs of US$49.0 million (Q1 2017: US$17.5 million) and mine depreciation of US$16.6 million (Q1 2017: US$6.8 million) have been recognised in the income statement during Q1 2018. Production costs include costs associated with mining, processing and mine administration of US$39.5 million, royalties, freight and refining of US$4.5 million and decrease in inventories of US$5.0 million. Operating cash cost (equal to production cost less royalties, freight and refining) is US$846 per ounce sold at New Liberty (Q1 2017: US$1,051) and US$470 per ounce sold for Youga and Balogo combined. Depreciation amounted to US$16.6 million or US$244 per ounce produced.

Administrative and other expenses of US$1.6 million are in line with Q1 2017. Salaries increased due to additional corporate staff but off-set by a decline in legal costs.

Exploration and evaluation costs increased to US$2.0 million (Q1 2017: US$0.5 million) due to the commencement of an 8,800 metre drill programme at the Gassore West target, a 29,500 metre trenching programme at Zerbogo and Songo permits and the drilling programme within the Balogo exploration licence, all in Burkina Faso.

Loss on lease termination of US$0.6 million (Q1 2017: US$nil) is with respect to termination of the power generation contract at New Liberty which was replaced with newly acquired generators financed by Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related company.

The derivative liability gain of US$0.1 million (Q1 2017: loss of US$0.2 million) relates to the increase in fair value of the warrants mainly due to decreased volatility in the Company share price.

A foreign exchange loss of US$1.1 million is due to the strengthening of the Euro against the US dollar with an adverse effect on the Euro-denominated loans payable to Mapa and trade payables denominated in Euros and Central African Franc, which is also pegged to the Euro.

Interest expense of US$4.3 million (Q1 2017: US$2.8 million) relates mainly to the effective interest on the project finance facilities, the working capital facility with AJL, equipment loans with Mapa and finance lease liabilities. The working capital facility with AJL and equipment loans with Mapa were not available in Q1 2017.

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by impairment charges, acquisition of the Youga and Balogo gold mines in December 2017, financing charges from the available borrowing facilities, professional fees related to the arbitration with the Company's earthworks and civils contractor and fees related to the change in ultimate control of the Company. All other items of profit and loss are relatively consistent.

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

Restatement of Consolidated Statement of Financial Position as at December 31, 2017 and March 31, 2018

In preparing the Company's unaudited interim financial statements for the period ended June 30, 2018, Management identified an error in the calculation of the fair valuation of related party loans with Mapa Insaat ve Ticaret A.S. The error requires the restatement of the audited consolidated statement of financial position as at December 31, 2017 and unaudited interim consolidated statement of financial position as at March 31, 2018.

The impact of the restatement of the audited consolidated statement of financial position as at December 31, 2017 is to increase the current portion of borrowings by US$2.0 million, increase the non-current portion of borrowings by US$3.2 million and reduce the capital contribution in equity by US$5.2 million. The impact of the restatement of the audited consolidated statement of changes in equity is to reduce capital contribution by $5.2 million.

	As previously stated at December 31, 2017	Increase/ (Decrease)	As restated at December 31, 2017
	$'000	$'000	$'000
Liabilities			
Borrowings, current portion	35,999	1,965	37,964
Borrowings, non-current portion	98,092	3,243	101,335
Equity			
Capital contribution	59,230	(5,208)	54,022

The impact of the restatement of the unaudited interim consolidated statement of financial position as at March 31, 2018 is to increase the current portion of borrowings by US$2.8 million, increase the non-current portion of borrowings by US$4.9 million and reduce the capital contribution in equity by US$7.6 million. The impact of the restatement of the unaudited interim consolidated statement of changes in equity is to reduce capital contribution by $7.6 million.

	As previously stated at March 31, 2018	Increase/ (Decrease)	As restated at March 31, 2018
	$'000	$'000	$'000
Liabilities			
Borrowings, current portion	24,157	2,770	26,927
Borrowings, non-current portion	103,018	4,879	107,897
Equity			
Capital contribution	60,852	(7,649)	53,203

The adjustments have no impact on profit nor cash flows for the year ended December 31, 2017 nor for the three months ended March 31, 2018. The repayment terms, rates and amounts payable pursuant to the loan agreements are unchanged.

Statement of financial position at March 31, 2018 vs. December 31, 2017

Trade and other receivables increased from US$25.3 million as at December 31, 2017 to US$31.3 million as at March 31, 2018 predominantly due to increases in VAT receivable from the Burkina Faso Government, prepayments and amounts due from related parties.

Inventories of US$31.0 million at March 31, 2018 (December 31, 2017: US$36.9 million) comprises of gold in circuit (US$3.4 million), ore stockpiles (US$4.8 million) and consumables (US$22.8 million).

Intangible assets of US$1.8 million (December 31, 2017: US$nil) relate to capitalised exploration costs at Gassore East, a new minable mineralisation located 2 kilometres from the Youga processing plant, and Ouaré, which is the subject of an infill drilling campaign to upgrade the confidence level and classification of the existing mineral resource.

Property, plant and equipment of US$252.8 million as at March 31, 2018 is US$3.3 million higher than the balance as at December 31, 2017. It comprises predominantly the mining assets at New Liberty, Youga and Balogo of US$148.2 million, deferred stripping costs at New Liberty of US$16.3 million in relation to the Kinjor cutback and opening of the Marvoe pit, mining and other equipment of US$79.8 million, assets held as finance leases of US$3.4 million, mine closure and rehabilitation costs of US$3.4 million and vehicles of US$1.6 million. An additional US$25.4 million was capitalised in Q1 2018 which mainly includes new equipment financed by Mapa of US$10.3 million, capitalised stripping cost of US$3.9 million, new heavy mining equipment at Burkina Faso to enhance the existing fleet capacity of US$6.6 million and new drill rigs in Burkina Faso for the exploration programme of US$0.5 million. The carrying value of the leased generators of US$5.5 million was derecognised during Q1 2018 following termination of the power generation contract at New Liberty.

Current liabilities of US$89.2 million as at March 31, 2018 (December 31, 2017: US$93.9 million) includes trade and other payables of US$43.4 million (December 31, 2017: US$41 million) arising mainly from mining and plant operations, current portion of borrowings of US$26.9 million (December 31, 2017: US$38.0 million), income tax payable in Burkina Faso of US$16.8 million (December 31, 2017: US$12.4 million) finance lease liabilities of US$0.4 million (December 31, 2017: US$1.9 million) and short-term provisions of US$1.6 million (December 31, 2017: US$0.5 million).

Non-current liabilities of US$121.7 million (December 31, 2017: US$114.9 million) includes borrowings of US$107.9 million (December 31, 2017: US$101.3 million), trade payables of US$0.5 million (December 31, 2017: US$nil), finance lease liability of US$2.0 million (December 31, 2017: US$5.9 million) and provisions of US$11.3

million (December 31, 2017: US$10.4 million). The remaining finance lease liability relates to the fuel storage facility at New Liberty following the termination of the lease arrangement on the generators at nil consideration.

Borrowings include a Senior Facility of US$75.6 million, a Subordinated Facility of US$12 million, a working capital facility with AJL of US$13.7 million and equipment financing with Mapa of US$33.6 million. The movement in current and non-current borrowings in Q1 2018 is mainly due to the payments of bank loans and related interest (US$10.9 million) and to AJL (US$9.1 million) partly off-set by new equipment loans from Mapa (US$9.8 million) and an effective interest charge (US$3.7 million).

Liquidity, Capital Resources and Financial Instruments

As at March 31, 2018, the Company had cash and cash equivalents of US$23.0 million and a net current liabilities of US$2.1 million.

The cash generation capacity of the Company significantly increased due to the acquisition of the Youga and Balogo Gold Mines and the continuing improvement of operations at New Liberty. As a result, the Company expects to generate sufficient cash from operating activities to cover forecast expenditures in the foreseeable future. In addition, the Company has an undrawn facility of US$21.3 million with AJL as at March 31, 2018 which it can call upon for general working capital purposes.

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, 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.95%) 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 and financial institutions that are regulated by the Central Bank of the West African States (BCEAO).

Cash Flows for the quarter ended March 31, 2018 vs. March 31, 2017

The cash generation capacity of the Company significantly increased due to the acquisition of the Youga and Balogo gold mines in December 2017 and the turnaround of operations at New Liberty. As a result, net cash generated during Q1 2018 from cash inflows from the Group's mining operations less exploration costs, corporate expenses and movements in operating working capital increased to US$39.4 million (Q1 2017: US$1.8 million).

Net cash used in investing activities in Q1 2018 was US$13.6 million (Q1 2017: US$5.3 million) and relates mainly to payments for capitalised stripping cost at New Liberty and new heavy mining equipment acquired in Burkina Faso to enhance the current fleet.

Net cash used in financing activities in Q1 2018 of US$20.5 million (Q1 2017: US$3.3 million) relates to a scheduled bank loan payment of US$10.0 million, payment to AJL of US$9.2 million and payments of interest and other financing charges of US$1.3 million.

(stated in US dollars)

(D) OTHER INFORMATION

(ii) Outstanding Share Data

The Company's issued share capital, stock options and warrants are retrospectively presented to reflect a 100:1 share consolidation which became effective on January 16, 2018.

As at the date of this report, the Company had an unlimited number of common shares authorised for issuance with 81,575,260 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	2,743,594	GBP£1.575 to CAD$63	Sep 2018 – Jan 2023
Warrants	315,245	GBP£7	Apr 2019

(ii) Going concern

The amended and restated condensed interim consolidated financial statements have been prepared on a going concern basis. As at March 31, 2018, the Company has net current liabilities of US$2.1 million and has approximately US$24.2 million of debt repayments due in the next twelve months.

The cash generation of the Company significantly improved following the acquisition of the Youga and Balogo gold mines in December 2017 and the continuing improvement of operations at New Liberty. In addition, the Company has an undrawn facility of US$21.3 million with AJL as at March 31, 2018 which it can call upon for general working capital purposes.

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.

(iii) Subsequent events

On June 19, 2018 the Company announce the following results of an updated Mineral Resource and Mineral Reserve Estimate for Youga Gold Mine.

Total Reserves by Project						
Project	**COG (g/t Au)**	**Category**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Gold (Koz Au)**	**Effective Date**
Youga	0.7	Proven & Probable	8.4	1.58	428	31 December 2017
Ouare	0.82	Proven & Probable	2.6	1.69	141	31 December 2017
Balogo	1.2	Proven & Probable	0.4	6.04	91	31 December 2017
Total	**Proven & Probable**		**11.2**	**1.84**	**660**	

(stated in US dollars)

Total Resources by Project						
Project	**COG (g/t Au)**	**Category**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Gold (Koz Au)**	**Effective Date**
Youga	0.6	Measured & Indicated	11.2	1.69	610	31 December 2017
Ouare	0.6	Measured & Indicated	5.1	1.39	228	31 December 2017
Balogo	0.6	Measured & Indicated	0.3	8.36	86	31 December 2017
Youga	0.6	Inferred	5.8	1.49	278	31 December 2017
Ouare	0.6	Inferred	7.2	1.80	406	31 December 2017
Balogo	0.6	Inferred	-	2.20	2	31 December 2017
Total	**Measured & Indicated**		**16.6**	**1.73**	**924**	
Total	**Inferred**		**13.0**	**1.70**	**685**	

Note: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Amounts may not add due to rounding.

(iv) Related party transactions

(a) Borrowings

Shareholder loan

Principal repayments of the current shareholder loan to AJL amounted to $4.1 million in Q1 2018 (Q1 2017: US$nil). Principal repayments of the non-current shareholder loan to AJL totalling $5.1 million were made in Q1 2018 (Q1 2017: US$nil) of which US$3.9 million was allocated as a reduction to the loan payable and US$1.2 million as a reduction to capital contribution.

Interest expense on the non-current loan payable to AJL for Q1 2018 was US$0.3 million (Q1 2017: US$nil).

Related party loan

In Q1 2018, the Company entered into equipment and finance facility agreements with Mapa amounting to $10.3 million (Q1 2017: US$nil). Similar to the loans entered into in 2017, these loans were initially recognised at fair value calculated as its present value at a market rate of interest and subsequently measured at amortised cost. The difference of $0.5 million between the loan amount of $10.3 million and fair value of $9.8 million has been credited to equity as a capital contribution from a related party.

Interest expense on the related party loan to Mapa for Q1 2018 was US$1.2 million (Q1 2017: US$nil). Interest repayment was $0.1 million during Q1 2018 (Q1 2017: US$nil).

(b) Acquisition of heavy mining equipment

In addition to the heavy mining equipment financed by Mapa, the Company also acquired five mining trucks from Mapa for US$0.4 million during the three months ended March 31, 2018 to supplement the hauling capacity at Balogo.
(c) Provision/(purchases) of goods and services

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

	Three months ended March 31, 2018 US$'000	Three months ended March 31, 2017 US$'000
Technical and managerial services provided to: Avesoro Services (Jersey) Limited, a subsidiary of Company's parent company	**-**	105
Drilling services provided to the Company by: Zwedru Mining Inc., a subsidiary of Company's parent company	**(887)**	(143)
Drilling services provided to the Company by: Faso Drilling Company SA., a subsidiary of Company's parent company	**(1,450)**	-
Charter plane services provided to the Company by: MNG Gold Liberia Inc., a subsidiary of Company's parent company	**(90)**	-
Travel services provided to the Company by: MNG Turizm ve Ticaret A.S., an entity controlled by the Company's Chairman	**-**	(8)

Included in trade and other receivables is a receivable from related parties of US$2.2 million as at March 31, 2018 (December 31, 2017: US$1 million).

Included in trade and other payables is US$2.1 million payable to related parties as at March 31, 2018 (December 31, 2017: US$0.5 million).

(v) Off balance sheet arrangements

The Government of Liberia holds a 10% free carry interest in the Bea Mining Licence.

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 ("NSR") from the Cape Mount permit.

A 1.8% (minus withholding tax of 6.25%) NSR is payable to Endeavour Mining Corporation on revenues derived from mining at Youga and Ouaré. Burkina Mining Company, has the right to a buyback option and may exercise this right at an applicable price.

Other than the NPI interests disclosed above the Company does not have any off-balance sheet arrangements and does not contemplate having any in the foreseeable future.

(vi) Operating segments

The Company is engaged in the exploration, development and operation of gold projects in the West African countries of Liberia, Burkina Faso 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;
- Burkina operations which include the Youga and Balogo gold mines;
- Exploration; and
- Corporate.

Following is an analysis of the Group's profit/(loss), assets and liabilities by reportable segment for the three months ended March 31, 2018:

	New Liberty operations	**Burkina operations**	**Exploration**	**Corporate**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Profit/(Loss) for the period	(6,036)	18,280	(1,037)	(1,360)	**9,847**
Gold sales	37,323	54,047	-	-	**91,370**
Production costs					
- Mine operating costs	(23,261)	(20,687)	-	-	**(43,948)**
- Change in inventories	(1,752)	(3,286)	-	-	**(5,038)**
	(25,013)	(23,973)	-	-	**(48,986)**
Depreciation	(12,546)	(4,064)	(52)	(1)	**(16,663)**
Segment assets	237,445	99,346	4,000	4,398	**345,189**
Segment liabilities	(156,097)	(49,004)	(4,049)	(1,659)	**(210,811)**
Capital additions					
- property, plant and equipment	16,448	8,911	40	-	**25,399**
- intangible assets	1,760	-	-	-	**1,760**

Following is an analysis of the Group's profit/(loss), assets and liabilities by reportable segment for the three months ended March 31, 2017:

	New Liberty operations $'000	Liberia exploration $'000	Cameroon exploration $'000	Corporate $'000	Total $'000
Loss for the period	(7,631)	(517)	(63)	(1,344)	**(9,555)**
Gold sales	19,699	-	-	-	**19,699**
Production costs					
- Mine operating costs	(16,145)	-	-	-	**(16,145)**
- Change in inventories	(1,350)	-	-	-	**(1,350)**
	(17,495)	-	-	-	**(17,495)**
Depreciation	(6,751)	(80)	(3)	(6)	**(6,840)**
Segment assets	215,629	246	70	5,147	**221,092**
Segment liabilities	(125,043)	(95)	-	(223)	**(125,361)**
Capital additions – property, plant and equipment	7,180	-	-	27	**7,207**

(vii) Non-IFRS financial measures

The Company has included certain non-IFRS financial measures in this MD&A, including operating cash costs and all-in sustaining costs ("AISC") 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 IFRS. Operating cash costs and AISC 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. AISC include operating cash costs, net-smelter royalty, corporate costs, sustaining capital expenditure, sustaining exploration expenditure and capitalised stripping costs.

Cash Costs

Operating cash costs and AISC 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.

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

In US$'000 except per ounce figures	**Quarter ended March 31, 2018**	**Quarter ended December 31, 2017**	**Quarter ended September 30, 2017**	**Quarter ended June 30, 2017**	**Quarter ended March 31, 2017**
Gold ounces sold	**68,553**	26,209	19,797	15,382	16,008
Mine operating costs excluding royalty, freight and refining	**39,472**	24,430	14,460	16,038	15,480
(Reversal)/Impairment of ore stockpile	**-**	(3,319)	3,319	-	-
Change in inventories, excluding depreciation	**3,299**	(931)	(424)	(121)	1,350
Total operating cash costs	**42,771**	20,180	17,355	15,917	16,830
Total operating cash costs per ounce sold	**624**	770	877	1,035	1,051
Total production cash costs	**42,771**	20,180	17,355	15,917	16,830
Royalty, freight and refining	**4,476**	1,065	833	649	665
Corporate administrative costs *	**1,255**	540	1,045	1,010	929
Share based compensation	**296**	179	301	314	276
Capitalised stripping and sustaining capital	**11,646**	9,510	8,965	6,588	4,992
Sustaining exploration	**1,760**	25	48	27	29
Accretion and depreciation on reclamation provision	**467**	121	93	101	96
Total all-in sustaining costs	**62,671**	31,620	28,640	24,606	23,817
Total all-in sustaining costs per ounce sold	**914**	1,206	1,447	1,600	1,488

* 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 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.

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.

The previous quarters in the following table have been restated to exclude foreign exchange loss/(gains) in EBITDA and adjusted EBITDA, treating the revaluation of financial assets and liabilities as financing items rather than operational items. As a result, the EBITDA and adjusted EBITDA for the quarter ended December 31, 2017 decreased by US$0.1 million, increase by US$0.2 million for the quarter ended June 30, 2017 and nil effect on the quarters ended September 30, 2017 and March 31, 2017.

In US$'000	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended March 31, 2017
Net profit/(loss) after tax	**9,846**	(3,723)	(4,651)	(9,478)	(9,555)
Finance costs	**4,341**	3,463	2,726	2,853	2,770
Derivative liability loss/(gain)	**(104)**	(173)	(3)	13	163
Foreign exchange loss/(gain)	**1,095**	(101)	16	167	(4)
Income tax	**6,589**	143	-	-	-
Depreciation	**16,663**	11,392	7,033	7,500	6,840
Depreciation included in change in inventories	**1,739**	-	-	-	-
EBITDA	**40,169**	11,001	5,121	1,055	214
Transaction fees related to the acquisition of Youga and Balogo Gold Mines	**-**	344	342	-	-
Professional fees related to the arbitration with ICE	**-**	-	-	-	292
Loss/(Gain) on lease termination	**566**	(3,988)	-	-	-
Impairment of assets	**-**	2,877	-	-	-
Adjusted EBITDA	**40,735**	10,234	5,463	1,055	506

(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 amended and restated unaudited interim consolidated financial statements:

Carrying value of cash generating units

The ability of the Company to realise the carrying values of the cash generating units is contingent upon future profitable production or proceeds from New Liberty, Youga and Balogo Gold Mines 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 amended and restated consolidated financial statements for the year ended December 31, 2017 outlines the significant inputs used when performing impairment test on the New Liberty and Burkina Faso cash generating units.

Reserve estimates

The Group estimates its ore reserves and mineral resources in accordance with the NI 43-101 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 and Burkina Faso cash generating units 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.

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 amended and restated consolidated financial statements of future periods could be significant.

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 NI 43-101 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, Youga and Balogo gold mine sites 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 Mineral Reserve and Mineral Resource estimates and additional information in connection with the New Liberty gold mine is set out in an NI 43-101 compliant Technical Report dated November 1, 2017 and entitled "New Liberty Gold Mine, Bea Mountain Mining Licence Southern Block, Liberia, West Africa" and is available on SEDAR at www.sedar.com.

The Mineral Reserve and Mineral Resource estimates and additional information in connection with the Youga and Balogo gold mines is set out in two NI 43-101 compliant Technical Reports, dated June 16, 2017 entitled "Mineral Resource and Mineral Reserve Update for the Balogo Project" and dated June 19, 2017 and entitled "Mineral Resource and Mineral Reserve Update for the Youga and Ouaré Projects" and are available on SEDAR at www.sedar.com.

5. FORWARD-LOOKING STATEMENTS

Certain information contained in this MD&A constitutes forward looking information or forward looking statements with the meaning of applicable securities laws. This information or statements may relate to future events, facts, or circumstances or the Company's future financial or operating performance or other future events or circumstances. All information other than historical fact is forward looking information and involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results, performance, events or circumstances expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe", "target", "predict" and "potential". 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 and statements speaks only as of the date of this MD&A.

Forward looking statements or information in this MD&A include, among other things, statements of annual gold production guidance at New Liberty of between 110,000 and 120,000 ounces during 2018 and at Youga and Balogo of between 110,000 and 120,000 ounces during 2018; statements regarding AISC at New Liberty of between $1,020 and $1,060 per ounce in 2018 and operating cash costs of between $630 and $670 per ounce in 2018; statements regarding AISC at Youga and Balogo of between $805 and $845 per ounce during 2018 and operating cash costs of between $540 to $580 per ounce during 2018; and statements regarding the expected operational and financial performance of each of the foregoing for the Company's New Liberty, Youga and Balogo mines.

In making the forward looking information or statements contained in this MD&A, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; the continuing accuracy of Mineral Resource and Reserve estimates; geological and metallurgical conditions (including with respect to the size, grade and recoverability of Mineral Resources and Reserves) and cost estimates on which the Mineral Resource and Reserve estimates are based; 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 and that unforeseen events do not impact the ability of the Company to use existing funds to fund future plans and projects as currently contemplated; the stability and predictability of the political environments and legal and regulatory frameworks including 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; that contractual counterparties perform as agreed; 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.

Actual results could differ materially from those anticipated in the forward looking information or statements contained in this MD&A as a result of risks and uncertainties (both foreseen and unforeseen), and should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. These risks and uncertainties include the risks normally incidental to exploration and development of mineral projects and the conduct of mining operations (including exploration failure, cost overruns or increases, and operational difficulties resulting from plant or equipment failure, among others); the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all; risks related to operating in West Africa, including potentially more limited infrastructure and/or less developed legal and regulatory regimes; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; the risk of adverse changes in commodity prices; the risk that the Company's exploration for and development of mineral deposits may not be successful; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory frameworks in jurisdictions where the Company operates, including adverse or arbitrary changes in applicable laws or regulations or in their enforcement; competitive conditions in the mineral exploration and mining industry; risks related to obtaining insurance or adequate levels of insurance for the Company's operations; that Mineral Resource and Reserve estimates are only estimates and actual metal produced may be less than estimated in a Mineral Resource or Reserve estimate; the risk that the Company will be unable to delineate additional Mineral Resources; risks related to environmental regulations and cost of compliance, as well as costs associated with possible breaches of such regulations; uncertainties in the interpretation of results from drilling; risks related to the tax residency of the Company; the possibility that future exploration, development or mining results will not be consistent with expectations; the risk of delays in construction resulting from, among others, the failure to obtain materials in a timely manner or on a delayed schedule; inflation pressures which may increase the cost of production or of consumables beyond what is estimated in studies and forecasts; changes in exchange and interest rates; risks related to the activities of artisanal miners, whose activities could delay or hinder exploration or mining operations; the risk that third parties to contracts may not perform as contracted or may breach their agreements; the risk that plant, equipment or labour may not be available at a reasonable cost or at all, or cease to be available, or in the case of labour, may undertake strike or other labour actions; the inability to attract and retain key management and personnel; and the risk of political uncertainty, terrorism, civil strife, or war in the jurisdictions in which the Company operates, or in neighbouring jurisdictions which could impact on the Company's exploration, development and operating activities.

This MD&A also contains Mineral Resource and Mineral Reserve estimates. Information relating to Mineral Resource and Mineral Reserve contained in this MD&A is considered forward looking information in nature, as such estimates are estimates only, and that involve the implied assessment of the amount of minerals that may be economically extracted in a given area based on certain judgments and assumptions made by qualified persons, including the future economic viability of the deposit based on, among other things, future estimates of commodity prices. Such estimates are expressions of judgment and opinion based on the knowledge, mining experience, analysis of drilling results and industry practices of the qualified persons making the estimate. Valid estimates made at a given time may significantly change when new information becomes available, and may have to change as a result of numerous factors, including changes in the prevailing price of gold. By their nature, Mineral Resource and Mineral Reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such Mineral Resource and Mineral Reserve estimates are inaccurate or are reduced in the future (including through changes in grade or tonnage), this could have a material adverse impact on the Company and its operating and financial performance. 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.

Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, the Company cannot provide assurance that actual results or performance will be consistent with these forward-looking statements. The forward looking information and statements included in this MD&A are expressly qualified by this cautionary statement and are made only 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.

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

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting ("ICFR" as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52- 109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures ("DC&P" as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers.

The Company's CEO and CFO have each evaluated the design and operating effectiveness of the Company's DC&P and ICFR as of March 31, 2018, and, in accordance with the requirements established under NI 52-109, the CEO and CFO have each concluded that these controls and procedures have been designed and operate to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

Based upon the results of that evaluation, the CEO and CFO have concluded that as of the end of the period covered by this MD&A, the Company's disclosure controls and procedures were effective.

The Company's CEO and CFO have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the design and operation of the Company's ICFR as of March 31, 2018 and have concluded that these controls and procedures have been designed and operated effectively to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the quarter ended March 31, 2018, 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

The Company remains on track to achieve the 2018 gold production and cost guidance.

The Company looks forward to updating the market on the exciting near mine exploration campaign which aims to increase the Company's Mineral Resource base and subsequently extending the mine lives at its existing operations through the conversion of Mineral Reserves.