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 and year ended December 31, 2017

Dated August 17, 2018

AVESORO RESOURCES INC.
Management's Discussion and Analysis (Amended and Restated)
For the year ended December 31, 2017
(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 audited consolidated financial statements and related notes for the years ended December 31, 2017 and 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A has been prepared based on information available to the Company as at March 15, 2018. The information provided herein supplements and discusses, but does not form part of, the amended and restated audited consolidated financial statements for the year ended December 31, 2017 and 2016. 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 20.

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 Gold Mine") and the Youga and Balogo Gold Mines, located in Burkina Faso.

(B) OVERALL PERFORMANCE OF THE BUSINESS

(B) VISION

The vision of 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;
- increasing our resources and expanding our project pipeline; and
- strengthening and leveraging our exploration, development and production teams.

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

(C) KEY STRENGTHS

Avesoro's key strengths are detailed as follows:

A Strong Portfolio of Assets

The 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 are highly complementary to the existing New Liberty Gold Mine, significantly increasing Avesoro's gold production, in addition to adding high quality exploration upside that will provide for further future organic growth.

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 $75 million through an equity financing, with AJL subscribing for $60 million of new shares increasing 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 $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 at December 31, 2017, 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 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	7.6	1.70	515	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	9.6	1.58	386	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**		**33.3**	**2.15**	**2,302**	
Total	**Inferred**		**31.7**	**1.80**	**1,838**	

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 key asset in Avesoro's portfolio is the New Liberty Gold Mine, which declared commercial production on March 1, 2016. New Liberty 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 targets.

On July 29, 2009 Bea was granted a Class A Mining Licence ("Bea Mining Licence") within the Bea Mountain Mineral Development Agreement property (the "Bea MDA Property") by the GoL. The Bea Mining Licence permits mining within the 478 km^2 area which encompasses the New Liberty Gold Mine. The GoL holds a 10% free carry interest in the Bea Mining Licence.

Operational review for the financial year and quarter ended December 31, 2017 ("Q4 2017")

The following table summarises the operating results of the New Liberty Gold Mine for the three months ended December 31, 2017 and 2016, and the full year ended December 31, 2017.

Operating data	Unit	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017
Ore mined	Kt	**354**	228	**1,166**
Waste mined	Kt	**2,445**	3,115	**12,935**
Total mined	Kt	**2,799**	3,343	**14,101**
Strip ratio	waste:ore	**6.9**	13.7	**11.1**
Ore milled	Kt	**315**	269	**1,144**
Feed grade	g/t Au	**2.97**	2.49	**2.39**
Recovery	%	**90**	88	**89**
Gold ounces produced	oz	**25,563**	18,872	**76,179**
Gold ounces sold	oz	**24,177**	17,781	**75,383**
Average realised price	US$/oz	**1,273**	1,227	**1,264**
Operating cash cost *	US$/oz sold	**790**	1,938	**918**
All-in-sustaining cash cost *	US$/oz sold	**1,262**	2,067	**1,427**

Note

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

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

Cash costs are presented post declaration of commercial production effective March 1, 2016.

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

Q4 2017 Highlights:

- New Liberty achieved a record quarterly gold production of 25,563 ounces, a 29% increase in gold production on that achieved during Q3 2017;
- Total material movement for Q4 2017 decreased to 2.8Mt, a 13% reduction on that achieved during Q3 2017, primarily due to a 18% reduction in waste mining rates caused by pit access restrictions during the tail end of the wet season restricting mining activities;
- Ore mined at New Liberty increased to 354kt, a 43% increase on that achieved during Q3 2017, with Mining operations concentrated on all three pits: Larjor, Kinjor and Marvoe;
- The process plant remained stable throughout Q4 2017 with plant utilisation of 85% in line with forecasts. Planned plant upgrades and optimisations continued to progress to schedule, with the conveyors for the additional crusher completed; and
- The increase in gold production was primarily due to a 24% increase in the level of ore processed from Q3 2017 to 315kt at an average feed grade of 2.97g/t, with recovery levels remaining stable at 90%.

Full Year 2017 Highlights:

- The strong performance in Q4 2017 contributed to a record full year production of 76,179 ounces of gold from New Liberty, towards the upper end of the Company's guidance range and representing a 20% increase on 2016 production levels;
- The Company announced the results of an updated Mineral Resource and Mineral Reserve estimate for New Liberty and an updated Life of Mine ("LOM") schedule. The updated Mineral Resource and Mineral Reserve estimates are as follows:
  - Proven and Probable Mineral Reserve of 7.4Mt containing 717,000 ounces of gold grading 3.03g/t Au;
  - Measured and Indicated Mineral Resource of 9.6Mt containing 985,000 ounces of gold grading 3.2g/t Au; and
  - Inferred Mineral Resource of 6.4Mt containing 620,000 ounces of gold grading 3.0g/t Au.
- The updated LOM schedule reflected an increase in process plant throughput to 140kt per month, and increased mining rates, which have reduced the LOM to 4.5 years based on existing Mineral Reserves.

2018 Outlook:

- After achieving a strong end to 2017, annual gold production is expected to increase to between 110,000 and 120,000 ounces during 2018;
- Operating cash costs are expected to decrease in 2018 to between $630 and $670 per ounce produced;
- All in sustaining cash costs ("AISC") for 2018 is expected to decrease to between $1,020 and $1,060 per ounce produced;
- Approximately $45 million to $50 million of sustaining capital expenditure is planned for 2018, including $33 million of waste stripping; and
- The Company expects to further update the Mineral Reserve statement for New Liberty upon conclusion of the on-going in-pit 46-hole, 14,000 metre in-fill drilling programme, targeting Inferred material located within and below the current New Liberty pit design and to subsequently add several years to the LOM.

Exploration

New Liberty

- Exploration activities during the first nine months of 2017 focussed upon detailed geological and regolith mapping alongside desktop activities focused upon developing drill ready targets with aims of discovering satellite pits within 5 to 10 kilometres of the New Liberty processing plant;
- During Q4 2017, a 46-hole 14,000 metre diamond core drilling campaign commenced, targeting 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; and
- A dedicated 7-hole deeper drilling programme consisting of 6,500 metres was also planned to test the underground potential of the plunging high-grade shoots containing 2.8Mt for 297koz grading 3.3g/t, which may be exploited by underground mining. This programme commenced in March 2018.

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 $70.2 million which comprises of the issuance of $51.5 million of new common shares in the Company and a cash component of $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 20 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.

Operational review for the financial year and quarter ended December 31, 2017 ("Q4 2017")

(stated in US dollars)

Operating data	Unit	Year ended December 31, 2017 ***	Three months ended December 31, 2017	Thirteen days ended December 31, 2017 *
Ore mined	kt	870	210	27
Waste mined	kt	8,645	1,951	261
Total mined	kt	9,515	2,161	288
Strip ratio	waste: ore	9.9	9.3	9.7
Ore milled	kt	1,200	306	43
Feed grade	g/t Au	3.34	3.30	2.37
Recovery	%	90%	89%	86%
Gold ounces produced	oz	115,893	28,845	2,845
Gold ounces sold	oz	111,693	26,875	2,013
Average realised price	US$/oz	1,266	1,277	1,262
Operating cash cost **	US$/oz sold	512	573	768
All in sustaining cash cost **	US$/oz sold	760	884	913

Note
** The Company acquired Youga and Balogo Gold Mines on December 18, 2017. The operations for the thirteen days ended December 31, 2017 are included in the Company's results.*
*** Operating cash cost and all-in sustaining cash cost are non-GAAP financial performance measures. Refer to the "non-IFRS Financial Measures" section for a reconciliation of these amounts.*
**** Operations started in Balogo in March 2017*

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

Q4 2017 Highlights:

- Total gold production of 28,845 ounces, including attributable production to the Company of 2,845 ounces of gold in the 13 days ended December 31, 2017, post the Company's acquisition of the assets on December 18, 2017;
- Total material movement of 2.16Mt, including 210kt of ore, split between 155kt of ore from Youga and 55kt of ore from Balogo;
- The mine benefitted from the continued high-grade nature of the ore from Balogo which represented 10% of the ore feed processed at Youga during Q4 2017, despite a reduction in feed grade from 4.79g/t Au in Q3 2017 to 3.30g/t Au within the quarter; and
- Following the mill relining operation in Q3 2017, plant utilisation remained stable at 98%, with gold recovery reducing to 89% for Q4 2017, predominantly due to an increase in sulphide ore from the A2NE pit.

Full Year 2017 Highlights:

- Record full year gold production of 115,893 ounces (2,845 ounces attributable to the Company in the 13 days ended December 31, 2017), comfortably exceeding the production guidance of 110,000 ounces given by Avesoro Holdings Limited, an improvement of 161% on 2016 production of 44,403 ounces;
- Full year operating cash costs of $512 per ounce sold and AISC of $760 per ounce sold;
- An updated Mineral Resource and Mineral Reserve estimates and Life of Mine ("LOM") schedule were released in June 2017. The updated Mineral Resource and Mineral Reserve estimates are as follows:
  - *Youga Gold Mine*:
    - Proven and Probable Mineral Reserve of 9.0Mt containing 434.4koz of gold grading 1.49g/t Au;
    - Indicated Mineral Resource of 15.6Mt containing 703koz of gold grading 1.40g/t Au; and
    - Inferred Mineral Resource of 12.9Mt containing 640koz of gold grading 1.57g/t Au.
  - *Balogo Gold Mine*:
    - Probable Mineral Reserve of 280kt containing 78.37koz of gold grading 8.81g/t Au;
    - Indicated Mineral Resource of 450kt containing 98.6koz of gold grading 6.75g/t Au; and
    - Inferred Mineral Resource of 100kt containing 15koz of gold grading 4.0/t Au.
- Mining commenced at Balogo in March 2017, with 170kt of ore mined at an average grade of 12.5g/t Au compared to 700kt mined from Youga at an average grade of 2.17g/t Au.

2018 Outlook:

- Gold production at Youga and Balogo is expected to remain stable for 2018 at between 110,000 and 120,000 ounces of production compared to the 115,893 ounces produced during 2017;
- Operating cash costs per ounce produced are expected to total between $540 to $580, with AISC expected to be between $805 to $845 per ounce produced;
- Budgeted sustaining capital expenditure of between $20 million and $25 million for 2018, including the planned addition of a PSA Oxygen Plant to the process plant, with aims to improve plant recovery levels and allow for an increased plant feed grade;
- Exploration activities throughout 2018 will focus primarily on drilling identified targets in close proximity to existing Mineral Resources, with a 54,000 metre drilling programme focused on nine targets at Youga and five targets at Balogo alongside an 85,000 metre regional drilling programme focused on priority targets within trucking distance of the Youga plant; and
- The Company plans to update the current Mineral Resource and Mineral Reserve statements with an effective date of February 28, 2017, for both the Youga and Balogo Gold Mines during H1 2018.

Exploration

- During the period, exploration at Youga predominantly focussed upon 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;
- 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;
- 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 both 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 Q4 2017 mapping of an area immediately west of the Ndablama deposit outlined ultramafic rock unit coincident with second order gold in soil anomalies as well as ferrigenous regolith regime which appears to be masking surface expression of possible parallel mineralized structures;
- It is planned that regolith mapping over the area will be completed to identify targets for drill testing during the upcoming resource conversion drill programme later in 2018; and
- Additional metallurgical test work is currently under way with sample collection completed and pending results.

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 Q4 2017, an 800 metre additional strike length to the south west of the Weaju orebody was outlined with occurrences of hard rock artisanal mining coincident with strike extension of previous mineralized drill intercepts and reconnaissance exploration pits with ore grade mineralization;
- Detailed mapping to trace prospective lithologies with the objective of developing drill targets and add to the Weaju mineral resource inventory commenced.

(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 Q4 of 2017, metallurgical test work commenced on drill cuttings from the Leopard rock target with sample collection completed and results pending.

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 Q4 2017, a drilling program was planned to test the strike extension of the previously mineralized intercepts encountered in historic scout drilling and pitting activities.

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.

- Throughput Q4 2017 a previously planned drill program to test continuity of mineralization encountered in historic scout drilling, trenching and pitting was reviewed and modified for budgeting purposes for possible drill testing in 2018.

SILVER HILLS, LIBERIA

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

- Throughout Q1 and Q2 of 2017, mapping along strike of the Belgium target continued with the aim of extending the strike length of mineralisation as well as examining other zones of mineralisation for future drill testing.
- In Q4 of 2017, drill targets for drill testing were extended as a result mapping and test pitting for at least 2km to east and west of the 1km long Belgium drill target.

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.

- During Q4 2016, pitting and infill mapping was completed southwest of Bangoma with further pitting and rock chip sampling carried out across Q1 and Q2 2017;
- In Q4 of 2017, the most prospective portion of the Matambo corridor was demarcated and submitted to the Ministry of Lands Mines and Energy for annexation to the Bea MDA; and
- The planned drilling program was reviewed and modified ready for execution during 2018.

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.

- Pitting is underway in the West Mafa licence, at the Goja target (located 9 km north-west of the New Liberty Gold Mine). Previous trench and pit results from the Goja target show broad mineralisation developed in close proximity to intrusive with better grades found at depth;
- In Q4 2017, correlation of data from the extensive pitting program outlined a 900m strike length of anomalous gold and few ore grade results coincident with rheological contrast from pit mapping.
- At the Yambesei Licence two soil grids and one pitting program were carried out on three BLEG targets. Data from extensive geochemical work on three BLEG targets provided the basis for relinquishing approximately 50% of the tenement and maintaining the most prospective areas of the license.
- BLEG results for drainage sampling on the Archaen West license identified a 7km structure associated with indications of gold mineralization. The structure is coincident with an ENE magnetic lineament on which outcrops

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 a 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 Q4 2017, the Company commenced construction of an exploration camp at Ouaré, located within the Bitou 2 permit, located 36 kilometers north-east of the Youga processing plant and commenced trenching at several gold-in-soil and gold-in-auger anomalies;

- 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.

An application for the renewal of the licence was made in November 2015 and is currently in progress If an application for renewal of a mining licence is not processed before its expiry date, title to the mining licence shall continue until otherwise notified.

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.

3. SUMMARY OF ANNUAL AND QUARTERLY PERFORMANCE

(A) SUMMARY OF SELECTED ANNUAL INFORMATION

US$'000 except loss per Common Share	Year ended December 31, 2017	Year ended December 31, 2016
Revenue - Gold sales	97,786	63,612
Net loss for the year	(27,407)	(112,990)
Loss per Common Share, basic and diluted (US$)	(0.51)	(9.97)
Total assets	337,038	227,243
Total non-current financial liabilities (as restated)	107,673	82,949
Dividends declared	-	-

(B) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US$'000 except loss per Common Share	Quarter ended December 31, 2017	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended March 31, 2017
Revenue - Gold sales	33,322	25,452	19,313	19,699
Net loss for the quarter	(3,723)	(4,651)	(9,478)	(9,555)
Loss per Common Share, basic and diluted	(0.07)	(0.09)	(0.18)	(0.18)
Total comprehensive income/(loss) for the quarter	(3,712)	(4,566)	(9,708)	(9,521)
Total assets	337,038	222,988	222,958	221,092

US$'000 except loss per Common Share	Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016
Revenue - Gold sales	21,825	18,839	14,695	8,253
Net loss for the quarter	(73,636)	(22,878)	(9,740)	(6,736)
Loss per Common Share, basic and diluted	(3.59)	(2.07)	(1.78)	(1.24)
Total comprehensive income/(loss) for the quarter	(73,406)	(22,956)	(9,873)	(6,673)
Total assets	227,243	249,388	251,270	244,097

The Company's performance may be affected by the impact of the wet season on mining operations, which generally falls from April to November in Liberia and June to September in Burkina Faso.

(C) RESULTS OF OPERATIONS

<u>Acquisition of Youga and Balogo Gold Mines</u>

On December 18, 2017 the Company completed the acquisition of the Youga and Balogo Gold Mines in Burkina Faso for a total consideration of $70.2 million which comprises of the issuance of $51.5 million of new common shares in the Company and a cash component of $18.7 million, in turn, fully funded by an equity financing. The results of Youga and Balogo Gold Mines from December 18 to 31, 2017 are included in the Company's consolidated statement income and comprehensive income, and form part of the consolidated statement of financial position as at December 31, 2017.

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended December 31, 2017 ("Q4 2017") as compared to quarter ended December 31, 2016 ("Q4 2016")

The loss for Q4 2017 was $3.7 million and comprises mainly of the impairment of assets held under finance leases of $2.9 million, corporate, administrative and professional expenses of $1.2 million, exploration costs of $1.1 million and interest charges of $3.5 million off-set by gross profit from mining operations of $0.9 million and gain on derecognition of finance leases of $4 million. The loss for Q4 2017 has reduced by $69.9 million from the loss for Q4 2016 of $73.6 million mainly due to the impairment of New Liberty of $42.5 million, a reduction in operating loss at New Liberty of $25 million and a reduction in corporate overheads by $2.1 million due to professional fees incurred in the previous period on the successful arbitration with the Company's earthworks and civils contractor.

The comprehensive loss for Q4 2017 amounted to $3.7 million (Q4 2016: $73.4 million).

Revenue of $33.3 million (Q4 2016: $21.8 million) was generated from the sale of 24,177 ounces of gold from New Liberty and 2,013 ounces from Balogo attributable to the Company for production between December 18, 2017 and December 31, 2017.

Cost of sales of $32.4 million (Q4 2016: $46.9 million) relating to production costs and mine depreciation have been recognised in the income statement during the quarter. Production costs include costs associated with mining, processing and mine administration of $24.4 million, royalties, freight and refining of $1.1 million, increase in inventories of $0.9 million and a credit for the reversal of ore stockpile impairment of $3.3 million. Depreciation amounted to $11.1 million or $392 per ounce produced.

Administrative and other expenses of $0.7 million, reduced by $2.6 million from Q4 2016 mainly due to lower professional fees by $1.5 million related to the successful arbitration with the Company's earthworks and civils contractor, reclassification to exploration costs of $0.5 million depreciation related to vehicles and equipment used in exploration works, a reduction in office costs of $0.2 million, and a foreign exchange gain of $0.1 million during Q4 2017 compared with a loss of $0.2 million in Q4 2016.

Exploration costs increased from $0.4 million in Q4 2016 to $1.6 million in Q4 2017 mainly due to the diamond drilling campaign on the Gassore prospect within the Youga licence permit and the reclassification of depreciation related to vehicles and equipment used in exploration works.

During Q4 2017, the Company agreed to cancel poor performing heavy mining equipment held as finance leases and fully acquire those with acceptable performance. The derecognition of the finance lease liabilities resulted in a gain of $4.0 million and an impairment of $2.9 million was recognised on those equipment with low availabilities.

The derivative liability gain of $0.2 million (Q4 2016: $0.2 million) relates to the decrease in fair value of the warrants mainly as a result of the decline in the Company share price.

Interest expense of $3.5 million (Q4 2016: $2.6 million) represents the effective interest on Tranches A and B of the Senior Facility, Subordinated Facility, loans payable to AJL and Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), company controlled by Mehmet Nazif Gűnal, Non-Executive Chairman of the Company, finance lease liabilities and the unwinding of the discount on the mine closure provision.

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by impairment charges, the declaration of commercial production on March 1, 2016 following which all revenues and costs of sales are recognised in the income statement rather than capitalised, acquisition of the Youga and Balogo Gold Mines in December 2017, 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.

Year ended December 31, 2017 vs year ended December 31, 2016

The loss for the year ended December 31, 2017 was $27.4 million (2016: $113.0 million).

Gross loss from mining operations of $8 million for the year ended December 31, 2017 includes loss from New Liberty of $9.4 million, reduced from $48.2 million in 2016, and profit from Youga and Balogo Gold Mines of $1.5 million from the date of acquisition on December 18, 2017.

Corporate and administrative expenses decreased by $6.4 million during the year ended December 31, 2017 to $5.7 million due to professional fees incurred on the successful arbitration with the earthworks and civils contractor, transaction fees related to the equity financing with Avesoro Jersey Limited and consequent change of control payments incurred in 2016.

Exploration costs of $3.0 million (2016: $2.7 million) includes $2.0 million incurred within the New Liberty MDA licence, $0.2 million incurred in Cameroon and $0.8 million incurred in Burkina, primarily on the Gassore prospect. The reduction of $0.5 million at New Liberty from the prior year is due to the deferral of the near-mine exploration to the latter part of 2017.

During the year ended December 31, 2017, the Company agreed to cancel poor performing heavy mining equipment held as finance leases and fully acquire those with acceptable performance. The derecognition of the finance lease liabilities resulted in a gain of $4.0 million and an impairment of $2.9 million was recognised on those equipment with low availabilities.

Mine operations falling below expectations during the year ended December 31, 2016 led to an impairment charge on New Liberty of $42.5 million.

The total comprehensive loss for the year ended December 31, 2017 was $27.5 million (2016: $112.9 million).

The variation in comprehensive loss presented above for the last three years is predominantly driven by impairment charges, the declaration of commercial production on March 1, 2016 following which all revenues and costs of sales are recognised in the income statement rather than capitalised, foreign exchange gains and losses, acquisition of the Youga and Balogo Gold Mines in December 2017, professional fees related to the arbitration with the Company's earthworks and civils contractor, stock based compensation charges and changes in the fair value of derivative liabilities. All other items of comprehensive loss are relatively consistent.

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

Acquisition of Youga and Balogo Gold Mines

On December 18, 2017 the Company completed the acquisition of the Youga and Balogo Gold Mines in Burkina Faso from AJL for a total consideration of $70.2 million which comprises of the issuance of $51.5 million of new common shares in the Company and a cash component of $18.7 million in turn, fully funded by an equity financing.

The following table summarises the carrying value of the assets acquired and liabilities assumed on the date of acquisition.

	$'000
Recognised amounts of identifiable assets and liabilities assumed	
Cash and cash equivalents	14,394
Trade and other receivables	20,166
Inventories	15,690
Property, plant and equipment	38,191
Deferred tax asset	4,554
Other assets	1,844
Trade and other payables	(25,742)
Loans payable to AJL	(8,106)
Income tax payable	(12,215)
Provisions	(8,000)
Total identifiable net assets	40,776
Non-controlling interest	(3,647)
Acquisition reserve	33,060
	70,189
Fair value of cash consideration	
Cash paid	**18,730**
Shares issued	**51,459**
	70,189

As this transaction is a common control business combination, the difference between the consideration given and the aggregate carrying value of the assets and liabilities of the Youga and Balogo Gold Mines as of the date of acquisition was included as acquisition reserve in equity. Please see Note 4 of the Company's amended and restated consolidated financial statements for the year ended December 31, 2017 for more details.

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

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. The impact of the restatement of the audited consolidated statement of financial position 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 consolidated statement of changes in equity 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.

	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

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

Trade and other receivables increased from $5.8 million as at December 31, 2016 to $25.3 million as at December 31, 2017 predominantly due to the receivables acquired from Youga and Balogo Gold Mines and increase in receivable from related parties.

Inventories of $36.9 million at December 31, 2017 (December 31, 2016: $16.4 million) comprised of 5,321 ounces of gold doré ($4.0 million), gold in circuit ($2.6 million), ore stockpile ($6.7 million) and consumables ($23.7 million). The Company has built up its consumable stocks at New Liberty after bringing procurement in-house.

Property, plant and equipment of $249.6 million as at December 31, 2017 (December 31, 2016: $191.1 million) relates predominantly to New Liberty Gold Mine assets of $144.9 million, heavy mining equipment of $38.9 million, capitalised stripping costs of $14.4 million, assets held as finance leases of $9.2 million and mine closure and rehabilitation cost of $2.4 million, all held at New Liberty. The assets acquired in Youga and Balogo Gold Mines of $38.2 million were mainly in relation to the Youga processing plant, heavy mining equipment and truck fleet. Excluding Youga and Balogo Gold Mines acquisition, an additional $55.9 million was capitalised in 2017 and includes heavy mining equipment acquired from Mapa ($23.6 million), capitalised stripping ($16.2 million), improvements to the plant, TSF, camp and office infrastructure ($8.3 million), assets held under finance leases ($2 million) and vehicles ($1 million).

Other current and non-current assets of $2.9 million as at December 31, 2017 (December 31, 2016: $0.5 million) includes a surety deposit of $0.4 million, a supplier's deposit of $0.7 million and an asset retirement obligation deposit of $0.5 million.

The Company's investment in Stellar Diamonds of 615,855 shares is carried in the statement of financial position at its fair value (derived from the prevailing market price) which was $21 thousand at December 31, 2017 (December 31, 2016: $55 thousand).

Current liabilities of $93.9 million as at December 31, 2017 (December 31, 2016: $37.0 million) includes trade and other payables of $41 million (December 31, 2016: $14.2 million) arising mainly from mining and plant operations, current portion of borrowings of $38 million (December 31, 2016: $20.3 million), income tax payable in Burkina Faso of $12.4 million (December 31, 2016: $nil), finance lease liabilities of $1.9 million (December 31, 2016: $2.4 million), derivative liability of $0.1 million (December 31, 2016: $0.1 million) being the fair value of the warrants issued and current legal and other provisions of $0.5 million (December 31, 2016: $nil). In addition to assumed liabilities from the acquisition of Youga and Balogo Gold Mines, the increase in current liabilities year-on-year is due to higher current portion of borrowings and increase in trade and other payables at New Liberty as a result of bringing stock procurement in-house.

Non-current liabilities of $118.1 million (December 31, 2016: $85.3 million) includes bank borrowings of $101.3 million (December 31, 2016: $73.2 million), trade payables of $0.5 million (December 31, 2016: $nil), finance lease liabilities of $5.9 million (December 31, 2016: $9.8 million) and provisions $10.4 million (December 31, 2016: $2.3 million). The finance lease liabilities are in respect of mining equipment, power generators and a fuel storage facility at New Liberty. Non-current provisions relate to mine closure and rehabilitation provision ($8.5 million) and provision for employee benefits ($1.9 million).

Principal borrowings include a Senior Facility of $85.6 million, a Subordinated Facility of $12 million, loans payable to AJL of $18.8 million, loans payable to Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related party, of $23.2 million and related interest. Loans payable to AJL and Mapa 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 between fair value and loans have been credited to equity as a capital contribution from these related parties. The loans payable to Mapa are in respect of equipment and finance facility agreements to facilitate the purchase of heavy mining equipment.

Liquidity, Capital Resources and Financial Instruments

As at December 31, 2017, the Company had cash and cash equivalents of $17.8 million and a working capital deficit of $12.1 million which is expected to be remedied through cash inflows from operations.

The cash generation capacity of the Company significantly increased as a result of the acquisition of the Youga and Balogo Gold Mines and the turnaround of operations at New Liberty. As a result, the Company expects to generate sufficient cash from operating activities to cover forecast expenditures in 2018. In addition, the Company has an undrawn facility of $16.2 million with AJL which it can call upon for general working capital purposes.

Future obligations and their maturities stated at their gross, contractual and undiscounted amounts, are given below:

At December 31, 2017	Less than one year $'000	Between one and five years $'000	Over five years $'000	Total $'000
Trade and other payables	41,003	463	-	41,466
Income tax payable	12,358	-	-	12,358
Finance lease liabilities	2,820	7,191	-	10,011
Borrowings principal	33,811	75,003	30,800	139,614
Operating and capital commitments	6,415	461	-	6,876
	96,407	83,118	30,800	210,325

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.94%) 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 year ended December 31, 2017 vs. December 31, 2016

Net cash generated from operations during the year amounted to $11 million (year ended December 31, 2016: $40.1 million used) and is due predominantly to cash inflows from the New Liberty operations off-set by exploration costs, corporate expenses and movements in operating working capital.

Net cash used in investing activities during the year ended December 31, 2017 was $34.9 million (year ended December 31, 2016: $39.2 million). Capital expenditure at New Liberty of $30.0 million includes payments on deferred stripping, construction of camp accommodation and offices and upgrade works on the plant and the TSF. Net cash used in the acquisition of Youga and Balogo Gold Mines amounted to $4.3 million.

Net cash inflows from financing activities during the year of $28.3 million (year ended December 31, 2016: $85.7 million) was generated from the net proceeds of the equity financing of $18.7 million, proceeds from the AJL loan of $18.8 million and financing charges of $9.0 million. Net cash raised from the equity financing was used to fund the cash portion of the acquisition of the Youga and Balogo Gold Mines and the proceeds from the AJL loan was used 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 at New Liberty.

(D) OTHER INFORMATION

(i) Outstanding Share Data

As at December 31, 2017, the Company had an unlimited number of common shares authorized for issuance with 8,156,075,823 common shares issued and outstanding.

(stated in US dollars)

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

	Number	Exercise Price	Expiry Date
Stock Options	282,942,854	C$0.03-C$1.05	Jan 2018 – Dec 2022
Warrants	31,524,528	GBP0.07	Apr 2019

As discussed in the Subsequent events section below, a 100:1 share consolidation became effective on January 16, 2018. Accordingly, the Company's issued and outstanding common shares was reduced to 81,560,260 of nil par value. The stock options and warrants were also reduced by a multiple of 100 with a consequent increase in exercise price by a multiple of 100.

(ii) Going concern

As at December 31, 2017, the Company had cash and cash equivalents of $17.8 million, net current liabilities of $12.1 million and debt and interest repayments of $39.5 million due within the next 12 months.

The cash generation capacity of the Company significantly increased as a result of the acquisition of the Youga and Balogo Gold Mines and the turnaround of operations at New Liberty. In addition, the Company has an undrawn facility of $16.2 million with AJL 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 January 16, 2018 a 100:1 share consolidation became effective and the Company's previously issued share capital of 8,156,075,823 common shares of nil par value was reduced to 81,560,260 new common shares of nil par value.

On February 21, 2018 the Company entered into further equipment and finance facility agreements with Mapa to facilitate the purchase of heavy mining equipment totaling approximately $10.3 million. The equipment finance loans are unsecured, with interest charged at 6.5% per annum and have similar terms as those entered into with Mapa during the year ended December 31, 2017. The loan principal of these agreements includes a mark-up of 2.5% over the cost incurred by Mapa in procuring the equipment.

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

Following are the Company's related party transactions in addition to the acquisition of Youga and Balogo Gold Mines as discussed in section 3(C)(ii).

(a) AJL loan facility

The Company borrowed $18.8 million from its majority shareholder, AJL, during the year ended December 31, 2017. Interest charged on the loan for the year ended December 31, 2017 amounted to $0.7 million.

(b) Loans payable to Mapa

The Company borrowed $23.2 million from Mapa during the year ended December 31, 2017. Interest charged on the loans for the year ended December 31, 2017 amounted to $0.4 million.

(c) Guarantee on the Loan Facilities

In exchange for the revised and improved conditions and rescheduled repayment terms of the Company's bank loans, a personal guarantee was provided by Mehmet Nazif Gűnal, Non-Executive Chairman of the Company and corporate guarantees were provided by the Avesoro Holdings Limited group, the beneficial owner of 72.9% of the Company's issued equity.

(d) Termination of mining services contract and acquisition of mining assets

On September 6, 2016 the mining services contract between Bea Mountain Mining Corporation ("BMMC"), the Company's wholly owned subsidiary, and MonuRent (Liberia) Limited ("MonuRent") together with all underlying supplier contracts was novated to Atmaca Services (Liberia) Inc. ("ASLI"), a Liberian company that is wholly owned by AJL. All terms of the Contract remained the same.

As part of the novation agreement with MonuRent, ASLI paid to MonuRent cash of $15.4 million to acquire the mining equipment leased to BMMC, $7.1 million cash for inventory, $9.7 million cash for invoiced receivables and $4.5 million cash as a contract novation fee.

On December 6, 2016 BMMC terminated the mining services contract with ASLI and completed the acquisition of mining equipment and inventory from ASLI in exchange for a payment of $36.7 million, equal to the amount paid by ASLI to MonuRent.

ASLI invoiced BMMC a total of $7.4 million for the lease and maintenance of mining equipment in accordance with the Contract from September 6 to December 6, 2016 of which $6.1 million was paid in 2016 leaving an outstanding payable as at December 31, 2016 of $1.3 million.

During the year ended December 31, 2017, BMMC charged $2 million for management, procurement and operational assistance provided to ASLI and an additional $0.3 million for payments made on behalf of ASLI. The outstanding receivable from ASLI as at December 31, 2017 is $1 million.

(e) Other provision/(purchases) of goods and services

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

	Year ended December 31, 2017 $'000	Year ended December 31, 2016 $'000
Technical and managerial services provided to: Avesoro Services (Jersey) Limited, a subsidiary of Company's parent company	**486**	122
Drilling services provided to the Company by: Zwedru Mining Inc., a subsidiary of Company's parent company	**(899)**	(66)
Drilling services provided to the Company by: Faso Drilling Company SA., a subsidiary of Company's parent company	**(742)**	-
Travel services provided to the Company by: MNG Turizm ve Ticaret A.S., an entity controlled by the Company's Chairman	**(38)**	(20)
Administration services provided to the Company by: Avesoro Services (Jersey) Limited, a subsidiary of Company's parent company	**(120)**	-
Charter plane services provided to the Company by: MNG Gold Liberia Inc., a subsidiary of Company's parent company	**(180)**	-
Technical and procurement services provided to the Company by: MNG Orko Madencilik A.S., an entity controlled by the Company's Chairman	**(350)**	-
Environmental services provided by: Digby Wells Environmental, an entity that shared a common director with the Company	**-**	(70)

Included in trade and other receivables is a receivable from a related party of $1 million as at December 31, 2017 (2016: $0.1 million) which represents management, procurement and operational assistance services.

Included in trade and other payables is $0.5 million payable to related parties as at December 31, 2017 (2016: $1.3 million) which represents mainly drilling and charter plane services.

(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 from the Cape Mount permit.

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.

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Following is an analysis of the Company's results, assets and liabilities by reportable segment for the year ended December 31, 2017:

	New Liberty operations $'000	Burkina operations $'000	Exploration $'000	Corporate $'000	Total $'000
Net income/(loss) for the year	(20,770)	1,319	(2,458)	(5,498)	**(27,407)**
Gold sales	95,246	2,540	-	-	**97,786**
Production costs					
- Mine operating costs	(70,433)	(3,187)	-	-	**(73,620)**
- Change in inventories	(1,983)	2,109	-	-	**126**
	(72,416)	(1,078)	-	-	**(73,494)**
Depreciation	(32,248)	-	(500)	(17)	**(32,765)**
Segment assets	241,451	90,818	4,197	572	**337,038**
Segment liabilities	(157,617)	(49,388)	(4,196)	(777)	**(211,978)**
Capital additions and acquisitions – property, plant and equipment	55,868	38,191	-	-	**94,059**

(vii) Non-IFRS financial measures

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

Cash Costs

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

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

In US$'000 except per ounce figures	**Year ended December 31, 2017**	**Quarter ended December 31, 2017**	**Quarter ended September 30, 2017**	**Quarter ended June 30, 2017**	**Quarter ended March 31, 2017**
Gold ounces sold	**77,396**	**26,209**	19,797	15,382	16,008
Mine operating costs excluding royalty, freight and refining	**70,408**	**24,430**	14,460	16,038	15,480
Impairment of ore stockpile	**-**	**(3,319)**	3,319	-	-
Change in inventories	**(126)**	**(931)**	(424)	(121)	1,350
Total operating cash costs	**70,282**	**20,180**	17,355	15,917	16,830
Total operating cash costs per ounce sold	**908**	**770**	877	1,035	1,051
Total production cash costs	**70,282**	**20,180**	17,355	15,917	16,830
Royalty, freight and refining	**3,212**	**1,065**	833	649	665
Corporate administrative costs *	**3,524**	**540**	1,045	1,010	929
Share based compensation	**1,070**	**179**	301	314	276
Capitalised stripping and sustaining capital	**30,055**	**9,510**	8,965	6,588	4,992
Sustaining exploration	**129**	**25**	48	27	29
Accretion and depreciation on reclamation provision	**411**	**121**	93	101	96
Total all-in sustaining costs	**108,683**	**31,620**	28,640	24,606	23,817
Total all-in sustaining costs per ounce sold	**1,404**	**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 proposed acquisition of Youga and Balogo assets.

EBITDA and Adjusted EBITDA

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

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

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

In US$'000	**Year ended December 31, 2017**	**Quarter ended December 31, 2017**	**Quarter ended September 30, 2017**	**Quarter ended June 30, 2017**	**Quarter ended March 31, 2017**
Net loss after tax	**(27,407)**	**(3,723)**	(4,651)	(9,478)	(9,555)
Finance costs	**11,812**	**3,463**	2,726	2,853	2,770
Derivative liability loss/(gain)	**-**	**(173)**	(3)	13	163
Income tax	**143**	**143**	-	-	-
Depreciation	**32,765**	**11,392**	7,033	7,500	6,840
EBITDA	**17,313**	**11,102**	5,105	888	218
Transaction fees related to the acquisition of Youga and Balogo Gold Mines	**686**	**344**	342	-	-
Professional fees related to the arbitration with ICE	**292**	**-**	-	-	292
Gain on lease settlement	**(3,988)**	**(3,988)**	-	-	-
Impairment of assets	**2,877**	**2,877**	-	-	-
Adjusted EBITDA	**17,180**	**10,335**	5,447	888	510

The increase in EBITDA and adjusted EBITDA in the quarters ended September 30 and December 31, 2017 is mainly due to the improvement in operating cash costs and an increase in realised gold prices.

(viii) 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 audited consolidated financial statements for the year ended December 31, 2017:

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 National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators. Reserves determined in this way are used in the calculation of depreciation of mining assets, as well as the assessment of the carrying value of the New Liberty 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.

Declaration of commercial production

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

Provisions for mine closure and rehabilitation costs

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

Capitalisation of exploration and evaluation costs

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

Inventories

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

Share-based payments and warrants

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

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the 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 National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators. Mr. Pryor has reviewed and approved the scientific and technical information contained in this MD&A, and consents to the inclusion in this MD&A of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Assay and sampling information are taken from the Company's database as prepared on the New Liberty, 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 Management's Discussion and Analysis ("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 Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have each evaluated the design and operating effectiveness of the Company's DC&P and ICFR as of December 31, 2017 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 Chief Executive Officer and Chief Financial Officer 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 December 31, 2017 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 year ended December 31, 2017, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

8. OUTLOOK

The Company expects further improvements at New Liberty throughout 2018 as mining and processing rates are increased throughout the first half of the year.

The acquisition of the Youga and Balogo Gold Mines significantly increases the Company's revenue and cash flow generation and positions the Company strongly for further growth towards the long-term gold production target of 500koz per year.