AVESORO RESOURCES INC.

Management's Discussion and Analysis
For the quarter ended March 31, 2019

May 14, 2019

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 Management's Discussion and Analysis ("MD&A") should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes for the quarters ended March 31, 2019 and 2018 which have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". This MD&A has been prepared based on information available to the Company as at May 10, 2019. The information provided herein supplements and discusses, but does not form part of, the unaudited consolidated financial statements for the quarters ended March 31, 2019. Unless otherwise indicated all amounts are in US dollars.

Additional information relating to the Company is available, including a copy of the Company's annual information form, 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 two principal 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 ("New Liberty") and the Youga Gold Mine ("Youga"), located in Burkina Faso.

(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 and Youga Gold Mines and any other mines that are successfully developed;
- increasing the Company's resources, reserves and expanding project pipeline; and
- strengthening and leveraging the exploration, development and production teams.

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

(C) KEY STRENGTHS

Avesoro's key strengths are detailed as follows:

A Strong Portfolio of Assets

Avesoro produces gold from two mines, the New Liberty Gold Mine in Liberia and Youga Gold Mine in Burkina Faso, producing 220,458 ounces in 2018.

The completion of the acquisition of Youga and the Balogo satellite deposit in Burkina Faso on December 18, 2017 provided the Company with geographic diversity within West Africa and the assets are highly complementary to the New Liberty Gold Mine in Liberia. The Youga Gold Mine and the Balogo satellite deposit significantly increased Avesoro's gold production, in addition to adding high quality exploration upside that will provide the opportunity 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 44 kilometres to the 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

Avesoro Jersey Limited ("AJL") invested a total of $90 million in 2016 to become the Company's major shareholder.

AJL becoming the major shareholder provides Avesoro with an exciting future as it continues to optimise New Liberty to deliver on its full potential. AJL has strong financial backing, operational experience and is an existing mine operator in Liberia. As at March 31, 2019, AJL held 72.9% of the outstanding shares in the Company.

2. OPERATIONS REVIEW

(A) CONSOLIDATED MINERAL RESERVES AND MINERAL RESOURCES

In March 2019, the Company announced positive results from the Pre-Feasibility Study ("PFS") for New Liberty, including an updated Mineral Resource and Mineral Reserve Estimate, maiden Mineral Reserves at the Ndablama satellite deposit and an updated Life of Mine ("LOM") plan, incorporating the transition to underground mining operations. A Technical Report summarising the PFS, effective as of January 31, 2019 and prepared in accordance with the requirements of National Instrument 43-101 ("NI 43-101") is available at www.sedar.com and on the Company's website.

On May 8, 2019, the Company announced the results of an upgraded Mineral Resource and Mineral Reserve Estimate, and an updated LOM plan, for its Youga Gold Mine.

(stated in US dollars)

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 Deposit

Deposit	COG (g/t Au)	Category	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Koz Au)	Effective Date
New Liberty Open Pit	0.80	Proven & Probable	4.9	3.12	494	31 December 2018
New Liberty Underground	2.00	Proven & Probable	4.7	3.08	461	31 December 2018
Ndablama	1.00	Proven & Probable	7.3	1.71	400	31 December 2018
Youga	0.70	Proven & Probable	7.8	1.48	372	31 December 2018
Ouare	0.82	Proven & Probable	6.7	1.86	403	31 December 2018
Balogo	1.20	Proven & Probable	0.2	5.66	40	31 December 2018
Total	**Proven & Probable**		**31.6**	**2.14**	**2,169**	

Total Resources by Deposit

Deposit	COG (g/t Au)	Category	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Koz Au)	Effective Date
New Liberty Open Pit	0.80	Measured & Indicated	4.7	3.42	514	31 December 2018
New Liberty Underground	1.90	Measured & Indicated	6.1	3.30	646	31 December 2018
Ndablama	0.85	Measured & Indicated	9.7	1.88	588	31 December 2018
Youga	0.55	Measured & Indicated	21.3	1.50	557	31 December 2018
Ouare	0.55	Measured & Indicated	11.1	1.66	595	31 December 2018
Balogo	0.55	Measured & Indicated	0.2	6.92	37	31 December 2018
New Liberty Open Pit	0.80	Inferred	0.0	1.69	2	31 December 2018
New Liberty Underground	1.90	Inferred	2.7	2.95	253	31 December 2018
Ndablama	0.85	Inferred	0.3	1.60	16	31 December 2018
Weaju	1.00	Inferred	2.7	2.80	178	20 November 2013
Youga	0.55	Inferred	5.8	1.47	277	31 December 2018
Ouare	0.55	Inferred	1.7	1.76	99	31 December 2018
Balogo	0.55	Inferred	-	1.76	1	31 December 2018
Total	**Measured & Indicated**		**53.1**	**1.72**	**2,937**	
Total	**Inferred**		**13.3**	**1.93**	**825**	

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

(stated in US dollars)

(B) MINE OPERATING ACTIVITIES

NEW LIBERTY GOLD MINE, LIBERIA

Introduction

The New Liberty Gold Mine declared commercial production on March 1, 2016. New Liberty is easily accessible from Monrovia, Liberia's capital city, which is also home to Liberia's main commercial port facility.

The Company holds its interests in the New Liberty Gold Mine through its subsidiary Bea Mountain Mining Corporation ("Bea") which includes the New Liberty Gold Mine, along with the Ndablama satellite deposit, the Weaju Project (as defined below), Silver Hills, Gondoja, and Leopard Rock exploration targets.

The Government of Liberia holds a 10% free carry interest in a Class A Mining Licence (the "Bea Mining Licence") within the Bea Mountain Mineral Development Agreement property.

Operational review for the quarter ended March 31, 2019 ("Q1 2019")

The following table summarises the operating results of the New Liberty Gold Mine for the three months ended March 31, 2019 and 2018.

Operating data	Unit	Three months ended March 31, 2019	Three months ended March 31, 2018
Ore mined	kt	317	359
Waste mined	kt	8,120	4,677
Total mined	kt	8,437	5,036
Strip ratio	waste: ore	25.6	13.0
Ore milled	kt	308	344
Feed grade	g/t Au	3.00	2.91
Recovery	%	90%	87%
Gold ounces produced	oz	25,855	27,870
Gold ounces sold	oz	26,323	28,098
Average realised price	US$/oz	1,303	1,328
Operating cash cost	US$/oz sold	831	846
All in sustaining cash cost	US$/oz sold	1,031	1,095

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

Q1 2019 Highlights:

- Total material movement for Q1 2019 increased to 8.4Mt, a 24% increase on that achieved during Q4 2018 and 68% higher than Q1 2018, primarily due to further improvements in mining fleet availability and in-pit efficiencies at the cutback;
- Strong focus on waste stripping within Q1 2019, with the waste to ore strip ratio increasing by 37% compared to Q4 2018 and almost double Q1 2018 to 25.6:1;
- Increase in waste stripping (+26% on Q4 2018 and +74% on Q1 2018) resulted in a 9% decrease in ore mined compared with Q4 2018 (12% decrease vs Q1 2018), however this was partly offset by an increase in the mined grade of ore to 3.26 g/t Au, an 18% increase on the previous quarter's and an 8% increase in the comparable quarter from 2018's mined grade as the ore grade improved with depth;
- Process plant throughput reduced by 15% compared to Q4 2018 to 308kt, (-10% vs Q1 2018) due to a shortfall in accessible ore faces within the pit, resulting in gold production of 25,855 ounces, a 5% increase on production achieved (-7% on Q1 2018); and
- Completion in March 2019 of the PFS underground study for New Liberty and an updated LOM plan, incorporating the transition to underground mining operations.

Outlook:

- As part of the PFS, the Company has revised the life of mine scheduling at New Liberty to take into account the transition from a solely open-pit operation to a combined open-pit and underground mining operation, which will be supplemented by ore from the Ndablama deposit from 2022;
- The Company expects New Liberty to have a continued period of higher waste stripping to complete the final open pit pushback and prepare the pit for the development of underground operations for rest of the year; and
- AISC for New Liberty will temporarily increase as the Company undertakes this waste stripping that will be completed during 2019.

Exploration

- Phase III infill drilling at New Liberty continued during Q1 2019, targeting an area within and below the current pit design of the resource model containing an Inferred Mineral Resource. There are also some additional holes that are intended to test the potential for underground mining. Seven holes totalling 3,527 metres have been drilled during Q1 2019 with the programme expected to be completed in Q2 2019.

YOUGA GOLD MINE, BURKINA FASO

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

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

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

The Youga Exploitation Permit covers an area of 29 km^2 and was granted to Burkina Mining Company S.A. ("BMC") on April 8, 2003 and is valid for twenty years with five-year renewal periods thereafter. 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 160 km by road to the Youga processing plant where it is processed, with commercial production declared on June 15, 2017. The government of Burkina Faso holds a 10% interest in Netiana Mining Company S.A.

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

(stated in US dollars)

Operational review for the quarter ended March 31, 2019

Operating data	Unit	Three months ended March 31, 2019	Three months ended March 31, 2018
Ore mined	kt	292	233
Waste mined	kt	4,472	2,633
Total mined	kt	4,764	2,866
Strip ratio	waste: ore	15.3	11.3
Ore milled	kt	320	306
Feed grade	g/t Au	2.07	4.53
Recovery	%	90%	90%
Gold ounces produced	oz	19,243	40,218
Gold ounces sold	oz	19,487	40,455
Average realised price	US$/oz	1,305	1,336
Operating cash cost	US$/oz sold	1,017	470
All in sustaining cash cost	US$/oz sold	1,156	750

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

Q1 2019 Highlights:

- Total material movement for Q1 2019 was 4,764kt, an increase of 11% on the previous quarter and an increase of 66% on Q1 2018, with waste mined increasing by 12% to 4,472t (+70% on Q1 2018) and ore mined increasing by 4% to 292kt, a 25% increase on Q1 2018;
- Whilst mining continued to focus on the Gassore Pit adjacent to the Youga process plant, plant feed grades continued to be adversely impacted by mining of additional ore with lower grades, which was identified during grade control drilling and unplanned ore dilution. In order to lower this dilution, and rectify this issue, Management has reduced the mining rate within the Gassore pit by utilising smaller excavators and supplemented plant feed with existing ROM stocks;
- As a result of this, and despite the small increase in ore mined, the level of ore processed during the Quarter reduced by 7% to 320kt, although this was a 5% increase on ore processed during the comparable quarter of Q1 2018. This resulted in gold production of 19,243 ounces, a 6% reduction on Q4 2018 levels and a reduction of 52% from Q1 2018. Management has upgraded the haulage capacity of the existing haul trucks in order to allow additional ore tonnage to be mined and transported to the ROM pad for processing; and
- Operations at the Balogo satellite deposit were temporarily stopped in February 2019 prior to cut-back of the main pit. Remnant ore recovery is being assessed for possible underground mining as compared to high-strip open pit mining.
- On May 8, 2019, the Company announced the results of an upgraded Mineral Resource and Mineral Reserve Estimate, and an updated LOM plan, for its Youga Gold Mine.

Outlook:

- Mining activities will continue at Youga for the rest of 2019 with operations at the Balogo satellite pit recommencing in December 2019.

Exploration

- Exploration at Youga continued in Q1 2019 with a 4,214-metre trenching programme at the WP5, Volta Road and WP5W prospects, located within close proximity of the Youga processing plant. Trenching has confirmed and intersected mineralisation at surface which is to be drill tested during Q2 2019;
- A 12,150-metre drilling programme commenced testing possible strike extensions of the East Pit, WP4/5, Workshop Area, parallel mineralisation of WP3 and new mineralised zones identified during the 2018 trenching programme at WDE and WDES targets; and
- Across the Balogo licence, a follow up auger programme was undertaken at the Bouya and Smyrna targets which are located only 9km southeast and 5.5km south of the Balogo open pit respectively. Auger sampling in 2019, confirmed gold mineralisation of 2018 gold-in-soil anomalies at average depth of 12metres below surface with the presence of extensive oxidation. A shallow drilling programme for 1,000 metres is planned in H1 2019 at Bouya target to test possible mineralisation at depth.

(C) NON-OPERATING PROJECTS

NDABLAMA SATELLITE DEPOSIT, LIBERIA

The Ndablama satellite deposit 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 satellite deposit 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.

- Following completion of the infill drilling campaign at Ndablama in Q4 2018, the Company announced maiden Mineral Reserves of 7.28 Mt containing 400,000 ounces of gold grading 1.71g/t;
- Hydrological test work was also carried out in Q4 2018 on the Ndablama orebody to evaluate ground water parameters in anticipation of planned mining;
- An Environmental Social Impact Assessment was carried out to address social and environmental issues around the potential to transport the ore over a 43-kilometre distance to the New Liberty processing plant; and
- The potential for a heap leach operation at Ndablama with a view to further optimising the value of the asset is currently being assessed.

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.

- During Q1 2019, planned pitting to test saprolite mineralization for an 800-meter strike southwest of the orebody was completed. Assay results showed gold mineralization associated with prospective host rock units and alteration features associated with gold mineralization for the entire 800-meter strike length; and

- The results have provided a high-ranking drill target with the potential to significantly increase the Weaju mineral resource inventory.

(D) EXPLORATION ACTIVITIES

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. Historical channel samples such as 2.27m at 7.9g/t (SHC001) and 4.3m at 3.2g/t (SHC008) highlighted the potential for high grade zones, associated with intense silicification along strike of the sampled areas.

- The 7,000-metre reconnaissance diamond drilling programme was completed during Q4 2018. The programme was designed to test the 1km long Belgium target and its extent along strike;

- Assay results received show narrowed (<5m) mineralization contained within amphibolite with high grade zones (between 5 to 10 g/t) and allows the identification of areas for follow up drilling for preliminary resource delineation; and

- Silver Hills have another two kilometres of anomalous trend west of the Belgium target that have not yet been tested by drilling.

LEOPARD ROCK, LIBERIA

As announced on May 11, 2015 the Bea Mining Licence was enlarged to include the Leopard Rock gold target ("Leopard Rock") located immediately south of the Bea Mining Licence and host to the south eastern extension to the gold bearing rocks associated with the Ndablama Project. The shear structure hosting the Leopard Rock target can be traced in the north-west to the Ndablama Project over a distance of 3 kilometres. To date, 4,294 metres of diamond drilling has been completed and results from 27 diamond drill holes are available on the Company's website. Leopard Rock South is a continuation of the Leopard Rock projection and is identified by a series of gold anomalies to the south and west of Leopard Rock.

- In Q1 2019, a drilling programme with the objective of increasing mineral reserves and resources inventory along strike of the Ndablama orebody was completed. The results are being processed for the programme which covered prospective ground north and south of the Ndablama orebody where previous reconnaissance drilling and mapping have highlighted significant gold mineralization.

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 trenched and mapped in detail as part of a campaign to map the Yambesei shear zone. Seven trenches for 577m and 13 holes for 2,699m were completed. Trenching and drill results are available on the Company's website.

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.

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 and 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 Q1 2019, planned drill collars on the Cape Mount licence were determined to plan access road and logistics arrangement for the drilling scheduled for 2019.

- In addition, geological and regolith mapping was completed on the Cape Mount West licence. The interpreted regolith map put the subtle gold in soil into context and highlighted targets for near sub-surface testing in the form of pitting. In addition, lithological mapping carried out simultaneously during the regolith mapping encountered prospective rock units associated with gold mineralization within the Bea Mountain district.

YAMBESEI, ARCHEAN WEST, MABONG, MAFA WEST, LIBERIA

The licence portfolio hosts multiple greenstone belts and associated shear structures, which to date have been the principal hosts to the Archean gold mineralisation systems discovered in Liberia. Over 80 km of north-east to south-west trending structural zones referred to as the Yambesei, Lofa and Mafa shear corridors, now locate within the licence portfolios and host multiple gold targets including the New Liberty Gold Mine, Weaju and Ndablama. These major structures can be traced for over 250 km within Liberia.

- In Q1 2019, a comprehensive desktop study was completed on all the targets within the Yambesei licence with the objective of determining the most innovative approach in investigating the subtle gold in soil anomalies that have been encountered on the licence. The study took into account the regolith geochemistry, issues regarding particle size and homogeneity in addition to tools for near sub-surface probing;
- Pitting continued on the Archean West licence to test anomalous gold in soil trend coincident with geophysical lineament and rheological contrast; and
- Mabong pitting assay results were reviewed within the context of the contrasting lithology and magnetic intensities leading to the conclusion to find other means of probing the subtle anomalism deeper given the experience of other targets where subtle gold tenor were probed deeper than 5 meters and returned ore grade results.

OUARE, BURKINA FASO

The Ouaré Project was acquired by the Company on December 18, 2017 and is comprised of one Exploration Permit (Bitou 2, 101 km^2), 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 2013, resulting in the delineation of an Indicated Mineral Resource of 5.10Mt containing 228.3koz of gold grading 1.39 g/t Au and an Inferred Mineral Resource of 7.2Mt containing 406koz of gold grading 1.80 g/t Au and a Probable Mineral Reserve of 9.0Mt containing 141.4koz gold grading 1.67 g/t Au. Bitou2 licence has expired in 2018 and exploitation application was made, approval is pending.

- On May 8, 2019, the Company announced the results of an upgraded Mineral Resource and Mineral Reserve Estimate, and an updated LOM plan, for its Youga Gold Mine which includes Mineral Reserves from Ouaré of 7.8Mt containing 372,200 ounces of gold grading 1.5g/t; and
- Development of Ouaré, located 44km to the east of the Youga processing plant, commences with construction of the haul road in Q4 2019/Q1 2020 with production commencing in Q2 2020 and continuing through to early 2024.

ZERBOGO, BURKINA FASO

The Zerbogo licence (39.44 km^2) is located only 13km south west of the Youga Gold Mine in Burkina Faso. The permit covers 14km strike of a shear corridor with favourable greenstone belt rocks found in the region. Endeavour Mining previously explored the area by regional soil sampling, trenching and drilling. Former work outlined two mineralised zones each 1km in length at the southwest and northeast portion of the permit presenting economic width and grades. Some selected drill intercepts include: RCZ-96-05 2m @ 5.27g/t AU from 22m, RCZ-96-12 2m @ 4.65mg/t Au from 20m, ZERRC-12-45 3m @ 2.8g/t from 40m, ZERBRC-12-54 3m @ 3.78g/t Au from 87m and ZERBRC-12-61 4m @ 3.77g/t AU from 2m.

- Following successful trenching and field sampling programmes conducted in 2018, a 4.2km total strike of mineralisation has been confirmed for drill testing.

- A 15,000-metre drilling programme has been prepared based on most promising targets in two major priority classifications. A first phase of 8,900m is to be conducted initially and a second phase of 6,100m is planned after the results of first phase are received.

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. The auriferous zones within the granite are considered to be controlled by the shear zone.

The Batouri project is defined by three prospects; i) Kambele (3.5 km long), ii) Dimako-Mongonam (3.5 km long) and iii) Amndobi (5 km long). No exploration activities are currently ongoing.

3. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US$'000 except loss per Common Share	Quarter ended March 31, 2019	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended June 30, 2018
Revenues	59,876	57,651	59,247	74,530
Net loss for the quarter	(11,836)	(17,700)	(16,119)	(2,889)
(Loss)/Earnings per Common Share, basic and diluted	(0.15)	(0.22)	(0.19)	(0.05)
Net loss attributable to Owners of the Company	(11,938)	(17,900)	(15,807)	(4,172)
Total assets	299,357	310,088	329,945	337,399
US$'000 except loss per Common Share	**Quarter ended March 31, 2018**	**Quarter ended December 31, 2017**	**Quarter ended September 30, 2017**	**Quarter ended June 30, 2017**
Revenues	91,370	33,322	25,452	19,313
Net profit/(loss) for the quarter	9,847	(3,723)	(4,651)	(9,478)
Earnings/(Loss) per Common Share, basic and diluted	0.10	(0.07)	(0.09)	(0.18)
Net income/(loss) attributable to Owners of the Company	8,019	(3,790)	(4,651)	(9,478)
Total assets	345,189	337,038	222,988	222,958

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

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by the acquisition of the Youga Gold Mine and Balogo satellite deposit in December 2017, non-recurring gains or losses from termination of lease contracts, timing of exploration programme and foreign currency fluctuations. All other items of profit and loss are relatively consistent to the periods prior to these acquisitions.

(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended March 31, 2019 ("Q1 2019") as compared to quarter ended March 31, 2018 ("Q1 2018")

The net loss for Q1 2019 was $11.8 million and comprises mainly of gross loss from mining operations of $2.6 million, exploration and evaluation costs of $3.1 million, corporate and administrative expenses of $3.0 million, finance costs of $3.6 million and an income tax charge of $0.4 million. The loss was partly off-set by a foreign exchange gain of $0.8 million. The movement from a net income of $9.8 million for Q1 2018 to the net loss of $11.8 million for Q1 2019 is mainly attributable to the performance of Youga in Q1 2018 which produced more than double in the comparative period due to the contribution of the high-grade Balogo satellite deposit. Operations at Balogo temporarily stopped in February 2019 while remnant ore recovery is being assessed for possible underground mining as compared to high-strip open pit mining. Open-pit operations are currently planned to resume at Balogo in Q4 2019.

The comprehensive loss for Q1 2019 amounted to $11.9 million (Q1 2018: $9.8 million).

Revenues of $59.9 million (Q1 2018: $91.4 million) was generated from the sale of 26,323 ounces of gold from New Liberty (Q1 2018: 28,098 ounces) and 19,487 ounces from Youga (Q1 2018: 40,455 ounces). Average realised price amounted to $1,304 per ounce (Q1 2018: $1,333 per ounce).

Cost of sales of $62.5 million (Q1 2018: $65.6 million) relating to production costs and mine depreciation were recognised in the income statement during the quarter. Production costs include costs associated with mining, processing and mine administration of $41.3 million (Q1 2018: $39.5 million), royalties, freight and refining of $2.6 million (Q1 2018: $4.5 million) and increase in inventories of $0.3 million (Q1 2018: decrease of $5.0 million). Depreciation amounted to $18.3 million (Q1 2018: $16.6 million) or $406 (Q1 2018: $244) per ounce produced.

Administrative and other expenses increased by $1.4 million to $3.0 million in Q1 2019 mainly due to accrued royalties payable to AJL of $1.0 million pursuant to the share purchase agreement between the Company and AJL on the acquisition of the Youga Gold Mine in December 2017, and an increase in professional fees and value of vested share options.

Exploration costs increased from $2.0 million in Q1 2018 to $3.1 million in Q1 2019 and is attributable to the Ndablama infill drilling programme which resulted in a maiden Mineral Reserves for the deposit and the trenching programme at the WDES prospect and East Pit strike extensions nearby the Youga processing plant.

Interest expense of $3.6 million (Q1 2018: $4.3 million) represents mainly 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"), a company controlled by Mehmet Nazif Gűnal, Non-Executive Chairman of the Company, lease liabilities and the unwinding of the discount on the mine closure provision. Decrease in interest compared to Q1 2018 is mainly due to repayments of bank borrowings.

Foreign exchange gain of $0.8 million is due to favourable currency exchange rate fluctuations on the related party loans and trade creditors that are denominated in Euros and West African Francs against the US dollar, the reporting currency.

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

Statement of financial position at March 31, 2019 vs. December 31, 2018

Trade and other receivables decreased from $23.8 million as at December 31, 2018 to $22.2 million as at March 31, 2019 mainly from the receipt of the factored VAT from the Burkina Faso Government and reduction in supplier prepayments.

Inventories of $43.2 million at March 31, 2019 (December 31, 2018: $45.9 million) comprises of gold doré ($2.1 million), gold in circuit ($2.9 million), ore stockpiles ($4.9 million) and mining and plant consumables and spares ($33.3 million). Decline in inventory levels was mainly driven by the plans to engage mining contractors who will manage stocks and consumables.

Property, plant and equipment of $211.9 million as at March 31, 2019 (December 31, 2018: $225.0 million) are mostly comprised of mining assets of $115.8 million, heavy mining equipment of $72.9 million, capitalised stripping costs of $14.9 million, assets held as finance leases of $3.3 million and mine closure and rehabilitation costs of $3.4 million. Asset additions of $5.2 million during Q1 2019 include TSF improvement in Youga ($1.2 million), capitalised stripping at New Liberty ($3.4 million) and equipment ($0.3 million). Depreciation for Q1 2019 amounted to $18.3 million compared to previous year of $16.7 million.

Other current and non-current assets of $2.8 million as at March 31, 2019 (December 31, 2018: $3.0 million) include a supplier's deposit of $1.2 million, escrowed deposit for the Youga asset retirement obligation of $0.5 million and other deposits of $1.0 million.

Current liabilities of $91.7 million as at March 31, 2019 (December 31, 2018: $92.2 million) includes trade and other payables of $57.4 million (December 31, 2018: $65.9 million) arising mainly from mining and plant operations, current portion of borrowings of $28.2 million (December 31, 2018: $17.7 million), income tax payable in Burkina Faso of $1.6 million (December 31, 2018: $4.3 million), lease liabilities of $1.2 million (December 31, 2018: $1.0 million) and current legal and other provisions of $3.4 million (December 31, 2018: $3.3 million). The decrease of trade and other payables of $8.5 million was made possible by utilizing the proceeds from the additional drawdown from the Working Capital Facility with AJL. Prepayments on the 2018 income tax in Burkina Faso reduced the income tax payable.

Non-current liabilities of $120.4 million (December 31, 2018: $119.3 million) includes borrowings of $107.4 million (December 31, 2018: $106.1 million), lease liabilities of $2.0 million (December 31, 2018: $2.3 million) and provisions of $11.0 million (December 31, 2017: $10.9 million).

Borrowings (at gross, contractual and undiscounted amounts) include a Senior Facility of $59.6 million (December 31, 2018: $59.6 million), a Subordinated Facility of $12 million (December 31, 2018: $12 million), loans payable to AJL of $37.2 million (December 31, 2018: $27.0 million) and loans payable to Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related party, of $28.3 million (December 31, 2018: $28.3 million). Total borrowings increased mainly due to additional drawdown from the Working Capital Facility with AJL (gross of $10.2 million and fair value of $10.1 million) and effective interest on the loans. Loans payable to Mapa are in respect of equipment and finance facility agreements to facilitate the purchase of heavy mining equipment at New Liberty.

(stated in US dollars)

Liquidity, Capital Resources and Financial Instruments

As at March 31, 2019, the Company had cash and cash equivalents of $9.3 million, net current liabilities of $15.5 million including debt repayments of $29.3 million in the next twelve months.

There are no significant capital commitments as at March 31, 2019.

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, borrowings, trade payables and accruals and finance lease 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 Company's cash and cash equivalents are invested with a leading multi-national bank with a Standard & Poor's A- long-term credit rating (81%), a bank that is regulated by the Central Bank of Liberia (11%) and financial institutions that are regulated by the Central Bank of the West African States (BCEAO) (3%). The operating subsidiaries in Burkina Faso are restricted from holding their cash accounts outside of Burkina Faso. 3% of the Company's cash and cash equivalents as at March 31, 2019 are denominated in West African Francs.

Cash Flows for the quarter ended March 31, 2019 vs. March 31, 2018

Net cash generated from the Group's operating activities during Q1 2019 amounted to $5.1 million, net of income taxes paid of $3.1 million (Q1 2018: $nil). This compares with net cash generated Q1 2018 of $39.4 million which included the exceptional performance from the high-grade Balogo deposit.

Net cash used in investing activities during Q1 2019 was $7.7 million (Q1 2018: $13.6 million) and includes deferred stripping spend at New Liberty, improvements to the TSF at Youga and capitalised exploration costs on the Ouare project.

Net cash from financing activities for Q1 2019 of $8.5 million (Q1 2018: net cash used of $20.5 million) consists of the proceeds from the Working Capital Facility with AJL of $10.3 million less interest and lease payments of $1.8 million.

(D) OTHER INFORMATION

(i) Outstanding Share Data

As at May 10, 2019, the Company had an unlimited number of common shares authorized for issuance with 81,575,260 common shares issued and outstanding.

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

	Number	Exercise Price	Expiry Date
Stock Options	4,189,171	C$2.60-C$48.00	May 2019 – Dec 2023

(ii) Going concern

As at March 31, 2019, the Company had cash and cash equivalents of $9.3 million, net current liabilities of $15.5 million including debt repayments of $29.3 million in the next twelve months.

The Company's cash flow forecasts based on the recently announced Technical Reports prepared in accordance with the requirements of National Instrument 43-101 for New Liberty and Youga Gold Mines show that the Company will generate sufficient free cash to continue in operational existence for the foreseeable future. The Company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

(iii) Subsequent events

On May 8, 2019, the Company announced the results of an upgraded Mineral Resource and Mineral Reserve Estimate which are included in Section 2.(A) above, and an updated LOM plan, for its Youga Gold Mine.

(iv) Related party transactions

(a) Working Capital Facility with AJL

Gross proceeds of new tranches during the period ended March 31, 2019 was $10.3 million (year ended December 31, 2018: $21.9 million) of which $0.2 million (year ended December 31, 2018: $3.9 million) has been credited to capital contribution. Gross repayments during the period ended March 31, 2019 amounted to $nil (year ended December 31, 2018: $13.7 million) of which $nil (year ended December 31, 2018: $2.9 million) has been charged to capital contribution.

(b) Loans payable to Mapa

Gross proceeds of new loans during the period ended March 31, 2019 was $nil (year ended December 31, 2018: $10.3 million) of which $nil (year ended December 31, 2018: $0.4 million) has been credited to capital contribution. Principal repayments during the period ended March 31, 2019 amounted to $nil (year ended December 31, 2018: $4.8 million) and interest repayments during the period ended March 31, 2019 amounted to $0.4 million (year ended December 31, 2018: $1.7 million).

(c) Royalty payable to AJL

Pursuant to the share purchase agreement between the Company and AJL on the acquisition of the Youga Gold Mine in December 2017, the Company accrued a royalty payable to AJL of $1.0 million for the period ended March 31, 2019 in respect of a net smelter return on the Youga Gold Mine.

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

	Three months ended March 31, 2019 $'000	Three months ended March 31, 2018 $'000
Sale of consumables* by the Company to: MNG Gold Liberia Inc., a subsidiary of Company's parent company	167	-
Technical and support staff services provided to: MNG Gold Liberia Inc., a subsidiary of Company's parent company	90	-
Drilling services provided to the Company by: Zwedru Mining Inc., a subsidiary of Company's parent company	(413)	(887)
Drilling services provided to the Company by: Faso Drilling Company SA., a subsidiary of Company's parent company	(565)	(1,450)
Charter plane services provided to the Company by: MNG Gold Liberia Inc., a subsidiary of Company's parent company	(90)	(90)

** Company's gross billings as agents in the procurement, shipping and handling of consumables*

Included in trade and other receivables is a receivable from related parties of $3.9 million as at March 31, 2019 (December 31, 2018: $3.4 million).

Included in trade and other payables is $4.7 million payable to related parties as at March 31, 2019 (December 31, 2018: $3.3 million).

(v) Off balance sheet arrangements

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

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

As part of the agreement to acquire Sarama Investments Liberia Limited, a third party is entitled to receive a royalty equal to 1% net smelter returns 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 of mining operations. The reportable segments under IFRS 8 are as follows:

- New Liberty operations;
- Burkina operations which include the Youga gold mine and Balogo satellite deposit;
- Exploration; and
- Corporate.

.
Gold sales from New Liberty operations and Burkina operations are each sold to a single but different customer, both located in Switzerland.

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three months ended March 31, 2019:

	New Liberty operations	**Burkina operations**	**Exploration**	**Corporate**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
(Loss)/Profit for the period	(8,182)	2,197	(2,810)	(3,041)	**(11,836)**
Revenues	34,300	25,426	-	150	**59,876**
Production costs					
- Mine operating costs	(22,733)	(20,954)	-	(55)	**(43,742)**
- Change in inventories	(305)	(126)	-	-	**(431)**
	(23,038)	(21,080)	-	(55)	**(44,173)**
Depreciation	(16,151)	(2,139)	-	(28)	**(18,318)**
Segment assets	204,332	71,528	12,196	11,301	**299,357**
Segment liabilities	(129,757)	(41,230)	(2,499)	(38,618)	**(212,104)**
Capital additions					
- property, plant and equipment	3,704	1,538	-	-	**5,242**
- intangible assets	-	961	-	-	**961**

(vii) Non-IFRS financial measures

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

Cash Costs

Operating cash costs and AISC are common financial performance measures in the mining industry but have no standard definition under IFRS. The Company reports cash costs on a per ounce 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	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**
Gold ounces sold	**45,810**	46,186	48,974	57,285	68,553
Production costs	**44,173**	47,436	45,646	43,195	48,986
Royalty, freight and refining	**(2,562)**	(2,301)	(2,514)	(3,316)	(4,476)
Depreciation absorbed in change in inventories	**140**	232	(187)	125	(1,739)
Total operating cash costs	**41,751**	45,367	42,945	40,004	42,771
Total operating cash costs per ounce sold	**911**	982	877	698	624
Total operating cash costs	**41,751**	45,367	42,945	40,004	42,771
Royalty, freight and refining	**2,562**	2,301	2,514	3,316	4,476
Corporate administrative costs *	**2,508**	1,548	2,654	2,018	1,255
Share based compensation	**424**	293	288	270	296
Capitalised stripping and sustaining capital	**5,129**	6,998	8,248	10,230	11,646
Accretion and depreciation on reclamation provision	**275**	118	(103)	576	467
Total all-in sustaining costs	**52,649**	56,625	56,546	56,414	60,911
Total all-in sustaining costs per ounce sold	**1,149**	1,226	1,155	985	899

* Corporate administrative costs include salaries and wages, legal and professional fees, royalty payable to AJL and other administrative expenses.

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	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**
Net (loss)/profit after tax	**(11,836)**	(17,700)	(16,119)	(2,889)	9,846
Finance costs	**3,628**	5,154	3,177	2,832	4,341
Derivative liability gain	**-**	-	-	-	(104)
Foreign exchange (gain)/loss	**(788)**	840	(644)	817	1,095
Income tax charge/(credit)	**414**	796	(219)	3,267	6,589
Depreciation	**18,290**	15,667	21,976	20,507	16,663
Depreciation included in change in inventories	**(140)**	(90)	44	(125)	1,739
EBITDA	**9,568**	4,667	8,215	24,409	40,169
Loss on lease termination	**-**	-	-	-	566
Back pay provision	**-**	-	157	608	-
Restructuring costs	**635**	-	-	-	-
Adjusted EBITDA	**10,203**	4,667	8,372	25,017	40,735

The increase in EBITDA in Q1 2019 is attributable to higher gold price and increased mining productivity. The decline in EBITDA from Q2 2018 to Q4 2018 is predominantly due to reduced feed grades at Youga.

(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 unaudited interim consolidated financial statements:

Carrying value of cash generating units

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

Management makes the judgements necessary when considering impairment at least annually with reference to indicators in IAS 36. If an indication exists, an assessment is made of the recoverable amount. The recoverable amount is the higher of value in use (being the net present value of expected future cash flows) and fair value less costs to sell. Value in use is estimated based on operational forecasts with key inputs that include gold reserves, gold prices, production levels including grade and tonnes processed, production costs and capital expenditure. Because of the above-mentioned uncertainties, actual future cash flows could materially differ from those estimated. The consolidated financial statements for the year ended December 31, 2018 outlines the significant inputs used when performing the impairment test on the New Liberty cash generating unit.

Capitalisation of waste stripping

Capitalisation of waste stripping requires the Company to make judgments and rely on estimates in determining the amounts to be capitalised, which include the expected stripping ratio during the life of an ore body, the determination of the lowest level of components of an ore body and the expected number of ounces to be extracted from an ore body.

Reserve estimates

The Company 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 capitalised stripping costs, depreciation of mining assets, as well as the assessment of the carrying value of the 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.

Fair value measurement

A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the ‘fair value hierarchy’):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

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 recoverable, after which subsequent expenditures are capitalised as intangible assets. Management estimates the economic feasibility of a property using key inputs such as gold resources, future gold prices, production levels, production costs and capital expenditure.

Inventories

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

Share-based payments and warrants

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

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

4. NI 43-101 STATEMENT AND QUALIFIED PERSON

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

Assay and sampling information are taken from the Company's database as prepared on the New Liberty and 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 current Mineral Reserve and Mineral Resource estimates and additional information in connection with the New Liberty gold mine were announced in a press release dated March 6, 2019 and entitled "New Liberty Pre-Feasibility Underground Study & 2019 Production Guidance". A supporting Technical Report summarizing the PFS was prepared in accordance with the requirements of National Instrument 43-101 effective January 31, 2019 entitled "Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Libera" is available at www.sedar.com and on the Company's website.

The Mineral Reserve and Mineral Resource estimates and additional information in connection with the Youga Gold Mine were announced in a press release dated May 8, 2019 and entitled "Avesoro Reports A 23% Increase In Mineral Reserves At The Youga Gold Mine, Burkina Faso". A supporting Technical Report, prepared in accordance with the requirements of the National instrument 43-101 will be filed on SEDAR at www.sedar.com and on the Company's corporate website within 45 days of this announcement.

5. FORWARD-LOOKING STATEMENTS

Certain information contained in this MD&A constitutes forward looking information or forward-looking statements with the meaning of applicable securities laws. This information or statements may relate to future events, facts, or circumstances or the Company's future financial or operating performance or other future events or circumstances. All information other than historical fact is forward looking information and involves known and unknown risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results, performance, events or circumstances expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe", "target", "predict" and "potential". No assurance can be given that this information will prove to be correct and such forward looking information included in this MD&A should not be unduly relied upon. Forward looking information and statements speaks only as of the date of this MD&A.

Forward looking statements or information in this MD&A include, among other things, statements regarding an update during Q2 2019 with the results of the extensive exploration programme in Burkina Faso which aim to significantly add to the Mineral Reserves of the Youga Gold Mine; plans to update the current Mineral Resource and Mineral Reserve statements for both the Youga and Balogo Gold Mines during H1 2019; the transition of New Liberty from a solely open-pit operation to a combined open-pit and underground mining operation; the expectation that New Liberty enters a period of higher waste stripping to complete the final open pit pushback and prepare the pit for the development of underground operations; and an increase in AISC for New Liberty temporarily during 2019, and the expected operational and financial performance in 2019 for the Company's New Liberty and Youga 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

Avesoro is 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.

During the three months ended March 31, 2019, there were no changes in the Company's disclosure controls and procedures or internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

8. OUTLOOK

The recent announcements of updated Mineral Reserve and Mineral Resource estimates for New Liberty and Youga Gold Mines have substantially extended the lives of both mines which enables the Company to sustain annual group-level production above 200,000 ounces for each of the next four years.

The Company expects continued higher waste stripping at New Liberty for the remainder of the year, to complete the final open pit pushback, and prepare the pit for the development of underground operations.

Mining activities will continue at Youga for the rest of 2019 with operations at the Balogo satellite pit recommencing in December 2019.

The Company remains on track to deliver annual production and cost guidance for 2019. The focus remains firmly on delivering continued operational improvements to deliver on the recently released revised life of mine plans at our assets in Liberia and Burkina Faso.