

AVESORO RESOURCES INC.

**Management's Discussion and Analysis
For the quarter ended September 30, 2019**

Dated November 13, 2019

AVESORO RESOURCES INC.
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(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 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 September 30, 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 November 13, 2019. The information provided herein supplements and discusses, but does not form part of, the unaudited consolidated financial statements for the quarters ended September 30, 2019 and 2018. 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.

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(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.

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 and Burkina Faso 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.

Majority Shareholder

Avesoro Jersey Limited ("AJL") invested a total of \$90 million in 2016 to become the Company's majority shareholder. AJL has strong financial backing, operational experience and is an existing mine operator in Liberia. As at September 30, 2019, AJL held 72.9% of the outstanding shares in the Company.

On October 17, 2019 AJL formally commenced an insider bid to acquire all of the issued and outstanding shares of the Company, other than shares owned by AJL, at a price of £1.00 per share (the "Offer"). A take-over circular containing additional information about the Offer is available at www.sedar.com.

On October 21, 2019 the board of directors of the Company filed a directors' circular that recommends the minority shareholders of the Company accept the Offer before it expires on November 22, 2019 and deposit their common shares in the Company to the Offer. A copy of the directors' circular is available at www.sedar.com and on the Company's website.

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.

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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. A Technical Report summarising the Mineral Resource and Mineral Reserve estimate, effective as of January 1, 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.

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 2018
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.

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(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, the capital city of Liberia, 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 September 30, 2019 ("Q3 2019")

The following table summarises the operating results of the New Liberty Gold Mine for the three months ended September 30, 2019 and 2018.

		Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Operating data	Unit				
Ore mined	kt	107	396	681	1,130
Waste mined	kt	6,766	5,237	22,478	15,226
Total mined	kt	6,873	5,633	23,159	16,356
Strip ratio	waste: ore	63.4	13.2	33.0	13.5
Ore milled	kt	106	354	681	1,050
Feed grade	g/t Au	2.51	2.82	2.67	2.83
Recovery	%	93%	90%	91%	88%
Gold ounces produced	oz	8,059	27,456	53,428	85,134
Gold ounces sold	oz	7,235	27,997	52,550	84,658
Average realised price	US\$/oz	1,447	1,212	1,329	1,281
Operating cash cost	US\$/oz sold	1,284	849	998	825
All in sustaining cash cost	US\$/oz sold	2,677	1,113	1,456	1,082

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. For a reconciliation of AISC to the most directly comparable IFRS measure see "Non-IFRS financial measures" below.

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Q3 2019 Highlights:

- Heavy rainfall in late July and August resulted in the flooding of the main pit at New Liberty. As a consequence, ore mining operations were suspended for most of August and September, with the mining fleet focusing on waste stripping during this time;
- With mining productivity hampered, total ore mined during the Quarter decreased to 107kt, a reduction of 58% compared to Q2 2019 and 73% compared to Q3 2018. Total material movement ("TMM") during the Quarter reduced by 12% to 6.87Mt versus Q2 2019 but higher by 22% versus Q3 2018. Strip ratio increased to 63.4:1, almost five times than Q3 2018; and
- The shortfall in ore led to the suspension of milling operations for much of August and September. Plant throughput reduced by 60% to 106kt yielding gold production of 8,059 ounces, a 57% decrease on production achieved during Q2 2019 and 70% less than Q3 2018.

Outlook:

- In October 2019, New Liberty experienced a pit wall and ramp failure in the north side of the Kinjor-east pit. Mining operations continue at the Marvoe and Kinjor-south pits but ore production volume will be reduced and unit cost underperformance is expected in Q4 2019 as a result;
- Higher waste stripping in the short-term is expected as access to the Kinjor pit remains restricted and to complete the final open pit pushback; and
- Following completion of the Underground PFS, the Company continues to work on the Definitive Feasibility Study for the transition of New Liberty towards underground operations.

Exploration

- Exploration at New Liberty focused on eastern and western extensions of the resource model;
- 4 diamond holes for a total of 995-metres were drilled during Q3. Early results show the continuity of current mineralisation; and
- Further detailed geological work and drilling is planned for Q4 2019.

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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 km² and one Exploitation Permit (Netiana) covering an area of 2km². 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 km² 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.

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Operational review for the quarter ended September 30, 2019

		Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Operating data	Unit				
Ore mined	kt	333	233	839	686
Waste mined	kt	3,367	3,909	12,064	10,474
Total mined	kt	3,701	4,142	12,904	11,160
Strip ratio	waste: ore	10.1	16.8	14.4	15.3
Ore milled	kt	310	279	962	892
Feed grade	g/t Au	1.61	2.44	1.76	3.50
Recovery	%	91%	90%	91%	90%
Gold ounces produced	oz	14,619	19,721	49,378	90,362
Gold ounces sold	oz	14,011	20,977	50,328	90,154
Average realised price	US\$/oz	1,473	1,207	1,352	1,295
Operating cash cost	US\$/oz sold	1,335	958	1,149	630
All in sustaining cash cost	US\$/oz sold	1,475	1,113	1,271	848

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. For a reconciliation of AISC to the most directly comparable IFRS measure see "Non-IFRS financial measures" below.

Q3 2019 Highlights:

- In July 2019, the Company entered into an open pit mining contract with Orkun Group Sarl (the "Mining Contractor") at Youga. The mining programme under the contract is based on the excavation of between 800,000 to 900,000 bank cubic metres ("BCM") of material per month, including a minimum of 120,000 tonnes of ore delivered to the ROM pad, per month. Over the life of mine, the contract is based on the excavation of a minimum of 42 million BCM ("Minimum TMM") of material over the life of mine which can be increased, at the Company's option, to 60 million BCM on the same terms;
- The operational transition to contractor mining resulted in disruption to mining activities and reduced gold production;
- On August 8, 2019 Youga experienced a security breach resulting in severe damage to camp infrastructure, a number of haul trucks, excavators and auxiliary equipment within the Heavy Mining Equipment ("HME") fleet and the temporary suspension of both mining and processing activities. Unrepairable, total loss HME with a carrying value of \$3.9 million was written-off. Insurance recovery is expected in Q4;
- Due to the security breach, the HME fleet capacity was reduced for much of the Quarter, resulting in TMM of 3.7Mt, a reduction of 17% on the previous Quarter and 11% versus Q3 2018. Waste mined decreased by 20% to 3.37Mt compared to Q2 2019 whilst ore mined increased by 56% to 333kt compared to Q2 2019 resulting in a waste to ore stripping ratio of 10:1. Ore mined increased by 43% compared to Q3 2018 as production for the Quarter was supplemented by higher volume from low grade low-strip sections of the Zergore pit; and
- Due to the fleet damage constraining mining activities, plant throughput reduced by 7% compared to Q3 2019 to 310kt during the Quarter, resulting in a gold production of 14,619 ounces. Despite higher throughput, lower feed grade resulted in a 26% reduction in gold production compared to Q3 2018.

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Outlook:

- Additional mining and auxiliary equipment brought by the mining contractor in October 2019 to replace damaged HME fleet should improve mining productivity in Q4 2019. However, gold production and unit cost performance will continue to include low grade ore from Zergore pit.

Exploration

- Exploration at Youga focused on the sterilization drilling for operational Zergore D pit and some follow up drilling & trenching around Zergore mineralisation.
- A 334-metre trenching was completed to the SW of the currently operational Zergore D pit;
- Total of 9 diamond holes (1,131-metres) of drilling was completed for sterilization of additional waste dump requirement for Zergore D Pit.
- 1,292-metre of 10 diamond holes have been drilled at Zergore area following up potential mineralised structures to extent resources.
- The mineralisation appears to be mainly lithologically controlled and intersected by series of faulting and folding events; and
- Ongoing follow up drilling and results to be updated for Q4 2019.

(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. The Company announced a maiden Mineral Reserves of 7.28 Mt containing 400,000 ounces of gold grading 1.71g/t during May 2019.

- 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. Meanwhile, room for expansion has been demonstrated south west of the current 178koz inferred mineral resource orebody.

- During Q3 2019, a 6,000-diamond drilling programme was prepared for review and adoption for 2020 budgeting. The drilling programme will focus on an additional 800-meter strike south west of the current orebody where mapping and near sub-surface investigation have outlined prospective ore hosting lithologies along the entire strike length.

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(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

- First phase reconnaissance diamond drilling showed narrow mineralization with widths and grades ranging between 1m at 9.3 g/t Au, 3m at 2.2 g/t Au and 4.5m at 3.7 g/t Au hosted in garnetiferous amphibolite with alteration characterized by silica flooding and tellurides.
- Infill drill testing on the areas with prior positive results, as well as two kilometres of untested gold-in-soil anomalous trend west of the Belgium target, has been planned.

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.

- Execution of the drilling programme planned to test strike extension to the north and south of the deposit is expected to commence in Q1 2020.

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 trenching 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.

- A drilling programme has been planned and is expected to commence in Q1 2020.

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.

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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.

- A diamond drilling program of approximately 14,000 meters has been planned for 2020 to delineate potential resource based on significant results encountered in previous pitting, rock chip sampling, trenching and scout drilling program on the 8km of prospective strike length from Gondoja to Welinkua.

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 km²), Cape Mount (96.6 km²) and Cape Mount East (67.7 km²), 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.

- A diamond drilling programme of 17,000 meters has been planned to delineate potential resource on the Matambo corridor. This program was designed based on the integration of all the previous data sets from previous sampling media which showed significant gold mineralization with potential for continuity.

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.

- During Q3 2019, all the licenses were taken through a process of 50% reduction and extended for another 2-year period in compliance with the mineral exploration regulations.
- All data sets were also reviewed, and targets highlighted to test saprolite by means of mechanical auger drilling within the deep weathering profile with the objective of developing drilling targets.

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OUIRE, BURKINA FASO

The Ouaré Project was acquired by the Company on December 18, 2017 and is comprised of one Exploration Permit (Bitou 2, 101 km²), situated in the province of Boulgou, Burkina Faso, 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.

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.

- Development of Ouaré, located 44km to the east of the Youga processing plant, is expected to commence with construction of the haul road scheduled for either Q4 2019 or Q1 2020 with production expected to commence in Q2 2020 and continue through to early 2024 based on current known Mineral Reserves; and
- An ESIA study has been submitted to the Government and is on the last stage of approval which to be followed by the granting of an exploitation permit expected in Q4 2019.

ZERBOGO, BURKINA FASO

The Zerbogo licence (39.44 km²) 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 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.
- A drilling permit for the planned drilling programme is currently pending from the forestry department. Drilling is expected to commence once this has been received.

BITOU WEST, BURKINA FASO

The Bitou West Exploration Permit covers 154.86 km² area and was granted to MNG Gold Burkina SARL, a subsidiary of Avesoro Resources in January 2019. The permit is situated in Boulgou Province, south-eastern Burkina Faso, approximately 250 km from Ouagadougou and only 14km northeast of Youga Gold Mine.

Bitou West is located along the NE-SW trending Youga greenstone belt (known as the Bole- Navrongo belt in Ghana) along the regional Bole-Bolgatenga shear zone, a regional northeast-trending high strain zone. This belt trends from Bole in western Ghana to Bittou in southern Burkina Faso, for an overall length of about 400 kilometres. The Bole-Bolgatenga shear crosses the permit area 4 km west of Bitou town and can be traced for more than 14 km within the permit. A major fault (11 km trend), subparallel to Bole-Bolgatenga shear zone has also been identified in the eastern part of the permit. Active artisanal workings were

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identified during field work conducted in the quarter.

- Historic geochemistry data outlined a 3.3km long gold-in-soil anomalous corridor coinciding with regional geophysical features on the western zone;
- A desktop study on historic aeromagnetic imagery and interpretation of structural framework highlighted an area of interest in the eastern zone;
- Field work has been planned consisting of geological mapping on both prospects, soil sampling on eastern and trenching on western prospects in the permit area;
- A total of 1,318 soil samples have been collected based on 400x50m spaced grid on the structurally potential area at the eastern prospect;
- Results of the soil sampling revealed 4 stacked enechelon type gold-in-soil anomalous zones, 3.4km long (total combined) coinciding with structural patterns interpreted from regional geophysical imagery;
- An artisanal mining area was identified during geological mapping to the north of the eastern prospects and rock samples collected from this area returned up to 6.8g/t Au;
- Several sub-parallel quartz veining identified within sheared felsic rock;
- Trenching started in Q3 2019 and 3 trenches with 1,763-metres of excavation has been done;
- A ground mag survey was also initiated in Q3 2019 and 504km/line mag data has been collected; and
- Mapping and trenching will continue with results to be updated in Q4 2019.

SONGO, BURKINA FASO

The Songo exploration permit covers 57.68 km² area and is located between the Youga Gold Mine (to the east) and Zerbogo exploration permit (to the west) in Burkina Faso. The permit covers the strike continuation of a shear corridor with favourable greenstone belt found in the Zerbogo permit to the east and some other northerly structures with similar implications of mineralisation identified in Youga Gold Mine area to the north.

Endeavour previously explored the area with regional soil sampling, trenching and drilling. Former trenching and drilling consisted of 4 trenches totalling 803m and 19 RC drill holes totalling 1,577 metres. Trenching and drilling were designed to test some gold-in-soil anomalism. Selected intercepts include: SONRC-12-009 8m @ 1.2g/t Au from 10m and 4m @3.33g/t Au from 24m, SONRC-12-010 3m @ 1.7g/t Au from 30m.

In 2018, the Company conducted a soil geochemistry survey at the northern part of the permit to test the possible continuity of structures running from the Youga Gold Mine in the south and a possible pressure shadow area northwest of the Gassore trend. Results of the soil samples returned elevated gold values and revealed at least three northeast-southwest striking parallel mineralised trends with a total length of 1.8km coinciding with the interpreted structural pattern from regional geophysical imagery.

- Trenching was completed in Q3 2019 with an additional 300 metres of excavation;
- ASO_SON_T002 returned with best intercept of 1.3m @ 10.9g/t Au, ASO_SON_T003 1.9m @ 3.11g/t Au and ASO_SON_T004 12.2m @ 0.5g/t Au confirming presence of gold mineralisation on expected gold-in-soil anomaly; and
- A first-pass drill programme to be planned in Q4 2019 to commence in 2020.

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BALOGO, BURKINA FASO

The Balogo property currently comprises two contiguous Exploration Permits covering a total area of 360 km². These permits are in the Centre-Sud region of Burkina Faso, approximately 100 km south of the capital, Ouagadougou. Between 2010 and 2016 geochemical sampling, geological mapping, trenching, geophysical surveying and completed multiple reverse circulation (RC) and diamond drilling programs conducted that led to the delineation of the Netiana and adjacent gold deposits. Avesoro Resources acquired the project and open pit mining commenced in May 2017 until February 2019. Mining activities are currently paused at Balogo open pit and are currently scheduled to re-start in late 2019 after an evaluation of the feasibility of underground mining.

The Balogo project covers part of Lower Proterozoic Birimian greenstone belt and is traversed for 25 km by a significant NE trending fault splay which is connected to the major Markoye Fault System which hosts several deposits like including Taparka/Bouroum, Kiaka, Bombore and Essakane. Most of the mineralisation identified to date occurs near the contact between metasediments and dioritic rocks. Mineralisation is typically associated with networks of quartz mineralisation or associated with disseminated sulphides within strongly deformed alteration zones of diorite and along the contact with chlorite schist.

- After the security incident at Youga in August 2019, the prefabricated blocks from Balogo were transferred to Youga; and
- No exploration work is currently planned for Balogo.

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4. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US\$'000 except loss per Common Share	Quarter ended September 30, 2019	Quarter ended June 30, 2019	Quarter ended March 31, 2019	Quarter ended December 31, 2018
Revenues	31,240	48,008	59,876	57,651
Net loss for the quarter	(16,335)	(18,800)	(11,836)	(17,700)
Loss per Common Share, basic and diluted	(0.20)	(0.23)	(0.15)	(0.22)
Net loss attributable to Owners of the Company	(16,614)	(18,511)	(11,938)	(17,900)
Total assets	275,103	285,750	299,357	310,088

US\$'000 except loss per Common Share	Quarter ended September 30, 2018	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended December 31, 2017
Revenues	59,247	74,530	91,370	33,322
Net (loss)/profit for the quarter	(16,119)	(2,889)	9,847	(3,723)
(Loss)/earnings per Common Share, basic and diluted	(0.19)	(0.05)	0.10	(0.07)
Net (loss)/income attributable to Owners of the Company	(15,807)	(4,172)	8,019	(3,790)
Total assets	329,945	337,399	345,189	337,038

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

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(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Q3 2019 as compared to quarter ended September 30, 2018 ("Q3 2018")

Net loss after tax for Q3 2019 was US\$16.3 million (Q3 2018: US\$16.1 million loss) and comprises mainly of gross loss from mining operations of US\$7.0 million (Q3 2018: US\$8.3 million), exploration costs of US\$0.9 million (Q3 2018: US\$2.5 million), corporate, administrative and professional expenses of US\$1.9 million (Q3 2018: US\$3 million), interest charge of US\$3.3 million (Q3 2018: US\$3.2 million) and a write-off of property, plant and equipment of US\$3.9 million (Q3 2018: US\$nil).

The comprehensive loss for Q3 2019 amounted to US\$16.3 million, an increase of US\$0.1 million compared to Q3 2018 and is explained through the succeeding paragraphs.

Revenues of US\$31.2 million (Q3 2018: US\$59.2 million) were generated from the sale of 21,246 ounces (Q3 2018: 48,974 ounces) of gold at an average realised price of US\$1,464 per ounce (Q3 2018: US\$1,210 per ounce). The significant decrease in revenues is attributable to reduced gold production as a result of the flooding of the main pit of New Liberty, reduced feed grade at Youga and to a lesser extent, the reduced mining fleet at Youga as a result of the security incident in August 2019.

Cost of sales of US\$38.3 million (Q3 2018: US\$67.6 million) relating to production costs of US\$29.6 million (Q3 2018: US\$45.6 million) and mine depreciation of US\$8.7 million (Q3 2018: US\$21.9 million) have been recognised in the income statement during Q3 2019. Production costs included costs associated with mining, processing and mine administration of US\$29.1 million, royalties, freight and refining of US\$1.6 million and an increase in inventories (credit to cost) of US\$1.1 million. Operating cash cost has risen to US\$1,284 per ounce sold at New Liberty (Q3 2018: US\$849) and US\$1,335 per ounce sold for Youga (Q3 2018: US\$958) due to lower gold production. Depreciation amounted to US\$8.7 million or US\$381 per ounce produced.

Administrative and other expenses of US\$1.9 million are US\$1.1 million lower than Q3 2018 mainly due to withholding taxes paid on subsidiary dividends in Q3 2018.

Exploration and evaluation costs decreased from US\$2.5 million in Q3 2018 to US\$0.9 million in Q3 2019 following completion of the prior year drilling programme at Ndablama, Gassore and Balogo.

The Company wrote off US\$3.9 million of mining equipment which were damaged beyond repair from the security incident at Youga in Q3 2019. Insurance recovery is expected in Q4 2019.

A gain on modification of loans of \$0.3 million is due to the deferral to October 31, 2020 of payment obligations under the Working Capital Facility to AJL and under the equipment finance loans to Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a company controlled by Mehmet Nazif Günal, Non-Executive Chairman of the Company, which were overdue and would have fallen due for payment before October 31, 2020.

Interest expense of US\$3.3 million (Q3 2018: US\$3.2 million) includes the effective interest on the Senior Facility, the Subordinated Facility, the loans payable to AJL and Mapa, lease liabilities and the unwinding of the discount on the mine closure provision.

Nine months ended September 30, 2019 ("YTD 2019") as compared to Nine months ended September 30, 2018 ("YTD 2018")

Net loss after tax for YTD 2019 amounted to US\$47 million compared with a net loss after tax of US\$9.2 million for YTD 2018 and is attributable to lower gold production as a result of the adverse impact by the flooding of the Kinjor pit at New Liberty, a write-off of damaged mining equipment at Youga, a reduction of

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feed grade at Youga due to unplanned ore dilution from Gassore and temporary halt in production from the high-grade Balogo satellite deposit in 2019, but partly off-set by consequent reduction in income tax and lower exploration costs.

The comprehensive loss for YTD 2019 amounted to US\$46.9 million compared with a loss of US\$9.2 million in YTD 2018.

Revenues of US\$139.1 million for YTD 2019 (YTD 2018: US\$225.1 million) includes shipments of 50,328 ounces of gold from Youga amounting to US\$68 million (YTD 2018: US\$116.7 million) and 54,019 ounces from New Liberty amounting to US\$70.7 million (YTD 2018: US\$108.4 million).

Cost of sales of US\$160.9 million for YTD 2019 (YTD 2018: US\$196.8 million) includes production costs of US\$117 million (YTD 2018: US\$137.8 million) and mine depreciation of US\$43.9 million (YTD 2018: US\$58.9 million). As a result mainly of lower quantities of gold recovered, cash costs per ounce sold increased from US\$719 in YTD 2018 to US\$1,061 in YTD 2019.

Administrative and other expenses of US\$7 million for YTD 2019 are in line with the comparative period in the prior year with the royalty payable to AJL of US\$1.7 million for YTD 2019 (YTD 2018: US\$nil) off-setting the tax on subsidiary dividends of US\$1.8 million paid in YTD 2018.

Exploration and evaluation costs decreased from US\$9 million in YTD 2018 to US\$4.9 million in YTD 2019 due to the completion of the Ndablama and Gassore West drilling programme in the previous year.

A foreign exchange gain of US\$0.9 million (YTD 2018: loss of US\$1.3 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.

Finance costs of US\$10.3 million is comparable to previous year (YTD 2018: US\$10.4 million) as average borrowings remained on similar levels.

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by operational issues at the mines, acquisition of the Youga Gold Mine in December 2017, financing charges from the available borrowing facilities, timing of exploration programme and non-recurring charges such as legal and professional fees on M&A projects and taxes on overseas operations' remittances. All other items of profit and loss are relatively consistent.

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

Statement of financial position at September 30, 2019 vs. December 31, 2018

Trade and other receivables decreased from US\$23.8 million as at December 31, 2018 to US\$16 million as at September 30, 2019 mainly from the receipt of the factored VAT from the Burkina Faso Government and reduction in supplier prepayments.

Inventories of US\$38.5 million at September 30, 2019 (December 31, 2018: US\$45.9 million) comprised of gold doré (US\$2.1 million), gold in circuit (US\$2.7 million), ore stockpiles (US\$3.6 million) and mining and plant consumables and spares (US\$30 million). Decline in inventory levels was mainly driven by the drawdown of mining consumables by the mining contractors.

Property, plant and equipment of US\$200 million as at September 30, 2019 (December 31, 2018: US\$225 million) are mostly comprised of mining assets of US\$102.2 million, heavy mining equipment of US\$60.7 million, capitalised stripping costs of US\$30 million, finance lease assets of US\$2.9 million and mine closure

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and rehabilitation costs of US\$3.1 million. Asset additions of US\$24 million during YTD 2019 include capitalised stripping at New Liberty (US\$19.8 million) and tailings storage facility ("TSF") improvements at Youga (US\$1.2 million) and New Liberty (US\$0.4 million), infill drilling at New Liberty (US\$0.4 million) and equipment of US\$0.9 million. Depreciation for YTD 2019 amounted to US\$44 million compared to the previous year of US\$59.1 million due to lower gold production. Mining equipment with carrying value of \$3.9 million had been written off after being damaged beyond repair during a security breach at Youga in August 2019.

Intangible assets of US\$8.3 million as at September 30, 2019 includes capitalised exploration costs on Ouare of US\$7.9 million (December 31, 2018: US\$6.5 million) and Ndablama of US\$0.4 million (December 31, 2018: US\$nil).

Other current and non-current assets of US\$3.2 million as at September 30, 2019 (December 31, 2018: US\$3 million) include a supplier's deposit of US\$1.3 million, escrowed deposit for asset retirement obligation in Burkina Faso of US\$0.7 million and other deposits of US\$1.1 million.

Current liabilities of US\$81.9 million as at September 30, 2019 (December 31, 2018: US\$92.2 million) includes trade and other payables of US\$63.5 million (December 31, 2018: US\$65.9 million) arising mainly from mining and plant operations, current portion of borrowings of US\$14.4 million (December 31, 2018: US\$17.7 million), income tax payable of US\$0.1 million (December 31, 2018: US\$4.3 million), lease liabilities of US\$0.9 million (December 31, 2018: US\$1.0 million) and current legal and other provisions of US\$3.1 million (December 31, 2018: US\$3.3 million).

Non-current liabilities of US\$140.2 million (December 31, 2018: US\$119.3 million) includes borrowings of US\$128.1 million (December 31, 2018: US\$106.1 million), lease liabilities of US\$1.4 million (December 31, 2018: US\$2.3 million) and provisions of US\$10.7 million (December 31, 2017: US\$10.9 million).

Borrowings (at gross, contractual and undiscounted amounts) include a Senior Facility of US\$59.6 million (December 31, 2018: US\$59.6 million), a Subordinated Facility of US\$12 million (December 31, 2018: US\$12 million), loans payable to AJL of US\$42.2 million (December 31, 2018: US\$27.0 million) and loans payable to Mapa İnşaat ve Ticaret A.Ş. ("Mapa"), a related party, of US\$27.8 million (December 31, 2018: US\$28.3 million). Total borrowings increased mainly due to additional drawdown from the Working Capital Facility with AJL (gross of US\$15.3 million and fair value of US\$14.9 million) and effective interest on the borrowings. Loans payable to Mapa are in respect of equipment and finance facility agreements to facilitate the purchase of heavy mining equipment at New Liberty.

During Q3 2019, principal repayments and associated interest payments on the loans payable to AJL and the equipment finance loans to Mapa, which were overdue and would have fallen due for payment before October 31, 2020, have been deferred to October 31, 2020.

Liquidity, Capital Resources and Financial Instruments

As at September 30, 2019, the Company had cash and cash equivalents of US\$6.3 million and net current liabilities of US\$19.4 million including debt repayments of US\$14.9 million in the next twelve months.

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

At September 30, 2019	Less than one year \$'000	Between one and five years \$'000	Over five years \$'000	Total \$'000
Trade and other payables	63,452	-	-	63,452
Income tax payable	127	-	-	127
Finance lease liabilities	1,099	1,522	-	2,621
Borrowings principal	14,900	130,691	-	145,591
Operating and capital commitments	325	221	-	546
	79,903	132,434	-	212,337

The operational transition to contractor mining at both mines earlier in the year, the security incident at Youga in August 2019 and heavy rainfall at New Liberty leading to the flooding of the Kinjor pit have resulted in disruption to mining activities and reduced gold production.

AJL, the major shareholder, has reiterated its commitment to continue to support the financial needs of the Company whilst the production guidance is under review and the Offer to take the Company private remains open for acceptance by minority shareholders. AJL and Mapa, a company controlled by the Company's Chairman, has deferred all principal repayments and associated interest payments on the AJL Working Capital Facility and Mapa equipment loans that are overdue and would have fallen due for payment before October 31, 2020 to October 31, 2020. AJL provided \$15 million of additional loans up to September 30, 2019 and a further \$5 million loan was agreed in October 2019 of which \$3.5 million has been drawn to date to satisfy the Company's near-term cash flow needs and working capital shortfall.

The Company continues to review other options to further reduce any funding gap, including potential reductions in capital expenditure requirements that may be realised once the mining contract at New Liberty is signed.

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 (46%), a bank that is regulated by the Central Bank of Liberia (6%) and financial institutions that are regulated by the Central Bank of the West African States (BCEAO) (45%). The operating subsidiaries in Burkina Faso are restricted from holding their cash accounts outside of Burkina Faso. 45% of the Company's cash and cash equivalents as at September 30, 2019 are denominated in West African Francs.

Cash Flows for the nine months ended September 30, 2019 vs. September 30, 2018

Net cash generated from the Group's operating activities during YTD 2019 amounted to US\$15.8 million, net of income taxes paid of US\$5.1 million (YTD 2018: US\$13.6 million). This compares with net cash generated during YTD 2018 of US\$62.4 million which included gold production from the high-grade Balogo deposit.

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Net cash used in investing activities during YTD 2019 was US\$21.6 million (YTD 2018: US\$34.8 million) and includes deferred stripping spend at New Liberty, TSF improvements and capitalised exploration costs on Ouare and Ndablama projects.

Net cash from financing activities for YTD 2019 of US\$8.6 million (YTD 2018: net cash used of US\$36.5 million) consists of the proceeds from the Working Capital Facility with AJL of US\$15.3 million less finance costs and lease payments of US\$6.6 million.

(D) OTHER INFORMATION

(ii) Outstanding Share Data

As at date of this report, 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	3,978,671	C\$2.60-C\$35.00	Nov 2019 – Dec 2023

(ii) Going concern

In July 2019, Avesoro Holdings Limited ("AHL") which is the Company's ultimate parent company and controlled by Mr. Murathan Doruk Günal, the eldest son of the Company's Chairman, reported that it had breached two undertakings contained in the parent company guarantee that AHL has provided to the Company's lenders Nedbank Limited and FirstRand Bank Limited (collectively the "Lenders") in respect of the Company's bank borrowings.

The technical breaches for the late submission of audited accounts of AHL to the Lenders and AHL's total equity financial covenant at December 31, 2018 being lower than the required level represent events of default by the Company under the cross default provisions of the loan documents and allow the Lenders to accelerate repayment of the bank borrowings before their final maturity date.

In September 2019, the Lenders agreed to waive the events of default.

The operational transition to contractor mining at both mines earlier in the year, the security incident at Youga in August 2019 and heavy rainfall at New Liberty leading to the flooding of the Kinjor pit have resulted in disruption to mining activities and reduced gold production year to date.

AJL, the Company's major shareholder, has reiterated its commitment to continue to support the financial needs of the Company whilst the production guidance is under review and the Offer to take the Company private remains open for acceptance by minority shareholders. AJL and Mapa, a company controlled by the Company's Chairman, have deferred all principal repayments and associated interest payments on the AJL Working Capital Facility and Mapa equipment loans that are overdue and would have fallen due for payment before October 31, 2020 to October 31, 2020. AJL provided \$15 million of additional loans up to September 30, 2019 and a further \$5 million loan was agreed in October 2019 of which \$3.5 million has been drawn to date to satisfy the Company's near term cash flow needs and working capital shortfall.

The Company has received confirmation that Mr. Murathan Doruk Günal intends to support the Group for at least one year from the date of the interim financial statements. On this basis, the Directors and Management continue to adopt the going concern basis of accounting in preparing the interim financial statements.

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(iii) Subsequent events

On October 1, 2019 a pit wall and ramp failure occurred in the north side of the Kinjor-east pit at New Liberty. There were no injuries or equipment damage, however, mining activities within the Kinjor-East pit have been suspended. Mining is continuing at the Marvoe and Kinjor-South pits at New Liberty.

On October 17, 2019 AJL formally commenced an insider bid to acquire all of the issued and outstanding shares of the Company, other than shares owned by AJL, at a price of £1.00 per share. A take-over circular containing additional information about the Offer is available at www.sedar.com.

On October 21, 2019 the board of directors of the Company filed a directors' circular that recommends the minority shareholders of the Company accept the Offer and deposit their common shares in the Company to the Offer. A copy of the directors' circular is available at www.sedar.com and on the Company's website.

On October 21, 2019 the Company entered into a loan agreement in connection with an additional working capital facility of up to US\$5 million with AJL ("New Facility") to assist with satisfying the Company's near term cashflow needs. The Company has drawn a first tranche of US\$3.5 million with the second tranche of up to US\$1.5 million drawable until December 31, 2019, at the mutual agreement of both parties. This New Facility is unsecured and is subordinated to the Company's existing facilities. Interest is charged on the drawn amount at a fixed rate of 3.0 per cent per annum. The tranches of the New Facility are due to be repaid in full no later than 12 months following drawdown of the relevant tranche.

(iv) Related party transactions

(a) Working Capital Facility with AJL

Gross proceeds of new tranches during the period ended September 30, 2019 was US\$15.3 million (year ended December 31, 2018: US\$21.9 million) of which US\$0.4 million (year ended December 31, 2018: US\$3.9 million) has been credited to capital contribution. Gross repayments during the period ended September 30, 2019 amounted to US\$nil (year ended December 31, 2018: US\$13.7 million) of which US\$nil (year ended December 31, 2018: US\$2.9 million) has been charged to capital contribution.

In August 2019, principal repayments and associated interest on the loans payable to AJL, which were overdue and would have fallen due for payment before October 31, 2020, have been deferred to October 31, 2020.

(b) Loans payable to Mapa

Gross proceeds of new loans during the period ended September 30, 2019 was US\$nil (year ended December 31, 2018: US\$10.3 million) of which US\$nil (year ended December 31, 2018: US\$0.4 million) has been credited to capital contribution. Principal repayments during the period ended September 30, 2019 amounted to US\$nil (year ended December 31, 2018: US\$4.8 million) and interest repayments during the period ended September 30, 2019 amounted to US\$0.4 million (year ended December 31, 2018: US\$1.7 million).

In August 2019, principal repayments and associated interest on the equipment finance loans to Mapa, which were overdue and would have fallen due for payment before October 31, 2020, have been deferred to October 31, 2020.

(c) Royalty payable to AJL

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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 US\$1.7 million for the nine months ended September 30, 2019 in respect of a net smelter return on the Youga Gold Mine.

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

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<i>Technical and support staff services provided by the Company to:</i>				
MNG Gold Liberia Inc., a subsidiary of Company's parent company	-	170	304	316
<i>Sale of consumables* by the Company to:</i>				
MNG Gold Liberia Inc., a subsidiary of Company's parent company	140	1,068	304	1,606
<i>Sale of consumables and catering services by the Company to:</i>				
Faso Drilling Inc., a subsidiary of Company's parent company	-	336	-	336
<i>Drilling services provided to the Company by:</i>				
Zwedru Mining Inc., a subsidiary of Company's parent company	(10)	(357)	(709)	(2,211)
<i>Drilling services provided to the Company by:</i>				
Faso Drilling Company SA., a subsidiary of Company's parent company	(423)	(1,761)	(1,378)	(5,608)
<i>Charter plane services provided to the Company by:</i>				
MNG Gold Liberia Inc., a subsidiary of Company's parent company	(90)	(90)	(270)	(270)
<i>Travel services provided to the Company by:</i>				
MNG Turizm ve Ticaret A.S., an entity controlled by the Company's Chairman	-	(14)	-	(20)

* 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 US\$2.9 million as at September 30, 2019 (December 31, 2018: US\$3.4 million).

Included in trade and other payables is US\$4.5 million payable to related parties as at September 30, 2019 (December 31, 2018: US\$3.3 million).

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(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 and Burkina Faso. 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 profit/(loss), assets and liabilities by reportable segment for the three months ended September 30, 2019:

	New Liberty operations	Burkina operations	Exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) for the period	(11,454)	(4,289)	(1,152)	560	(16,335)
Revenues	10,466	20,644	-	130	31,240
Production costs					
- Mine operating costs	(11,062)	(19,657)	-	21	(30,698)
- Change in inventories	1,400	(290)	-	-	1,110
	(9,662)	(19,947)	-	21	(29,588)
Depreciation	(7,181)	(1,486)	-	(28)	(8,695)
Capital additions					
-property, plant and equipment	8,599	2,361	-	-	10,960
-intangible assets	-	-	-	-	-

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Following is an analysis of the Group's results, assets and liabilities by reportable segment for the nine months ended September 30, 2019:

	New Liberty operations	Burkina operations	Exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	(34,294)	(2,084)	(5,243)	(5,351)	(46,972)
Revenues	70,699	68,024	-	401	139,124
Production costs					
- Mine operating costs	(55,369)	(59,900)	-	193	(115,076)
- Change in inventories	(127)	(1,798)	-	-	(1,925)
	(55,496)	(61,698)	-	193	(117,001)
Depreciation	(38,721)	(5,164)	-	(83)	(43,968)
Segment assets	193,558	63,159	12,828	5,558	275,103
Segment liabilities	(136,403)	(35,026)	(1,097)	(49,593)	(222,119)
Capital additions					
- property, plant and equipment	19,763	4,188	-	-	23,951
- intangible assets	-	-	1,865	-	1,865

(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.

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

In US\$'000 except per ounce figures	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gold ounces sold	21,246	36,467	45,810	46,186	48,974
Production costs	29,588	43,240	44,173	47,436	45,646
Royalty, freight and refining	(1,620)	(2,081)	(2,562)	(2,301)	(2,514)
Depreciation absorbed in change in inventories	(38)	(102)	140	232	(187)
Total operating cash costs	27,930	41,057	41,751	45,367	42,945
Total operating cash costs per ounce sold	1,315	1,125	911	982	877
Total operating cash costs	27,930	41,057	41,751	45,367	42,945
Royalty, freight and refining	1,620	2,081	2,562	2,301	2,514
Corporate administrative costs *	1,665	1,860	2,508	1,548	2,654
Share based compensation	225	224	424	293	288
Capitalised stripping and sustaining capital	10,323	8,200	5,129	6,998	8,248
Accretion and depreciation on reclamation provision	104	201	275	118	(103)
Total all-in sustaining costs	41,867	53,623	52,649	56,625	56,546
Total all-in sustaining costs per ounce sold	1,971	1,469	1,149	1,226	1,155

* 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.

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In US\$'000	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net loss after tax	(16,335)	(18,800)	(11,836)	(17,700)	(16,119)
Finance costs	3,251	3,468	3,628	5,154	3,177
Foreign exchange (gain)/loss	(268)	122	(788)	840	(644)
Income tax charge/(credit)	46	130	414	796	(219)
Depreciation	8,695	16,983	18,290	15,667	21,976
Depreciation included in change in inventories	(38)	178	(140)	(90)	44
EBITDA	(4,649)	2,081	9,568	4,667	8,215
Write-off of damaged mining equipment	3,815	-	-	-	-
Restructuring costs	160	2,695	635	-	-
Gain on modification of loans	(275)	-	-	-	-
Back pay provision	-	-	-	-	157
Adjusted EBITDA	(949)	4,776	10,203	4,667	8,372

The decline in EBITDA in Q3 2019 is attributable to lower gold production due to pit flooding at New Liberty and the security breach at Youga. The decline in EBITDA from Q3 2018 to Q4 2018 is predominantly due to reduced feed grades at Youga.

(ix) Critical accounting estimates

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

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

The following critical IFRS accounting policies and estimates are relevant to the presentation of the Company's 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. The operational issues at both mines during the nine months ended September 30, 2019 are not considered as indicators of impairment.

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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, the recognition of deferred tax assets, 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.

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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.

Right to use mining contractor's assets

Management exercised significant judgement and considerable analysis in determining that the critical terms and conditions that indicate the right to direct the use of the additional equipment brought by the Mining Contractor lies with the Mining Contractor. Accordingly, Management concluded that the mining contract does not contain a lease.

Taxes

Management is required to make estimations regarding tax basis of assets and liabilities and related income tax assets and liabilities and the measurement of income tax expense. This requires Management to make estimates of future taxable profit or loss, and if actual results are significantly different than its estimates, the ability to realise any deferred tax assets or discharge deferred tax liabilities could be impacted.

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

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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 was prepared in accordance with the requirements of the National instrument 43-101 titled "NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update for the Youga Gold Mine, Burkina Faso", with an effective date of January 1, 2019, and is available on SEDAR at www.sedar.com and on the Company's corporate website.

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: the Company expecting to benefit from various operational and cost improvements following the operational transition to contractor mining at both New Liberty and Youga; a temporary increase in AISC as the Company undertakes higher waste stripping at New Liberty during 2019; the improvement in mining productivity arising from additional mining and auxiliary equipment brought by the mining contractor at Youga, the granting of an exploitation permit at Ouare expected in Q4 2019; and the continued support of Mr. Murathan Doruk Günal for at least one year.

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.

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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.

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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 nine months ended September 30, 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 Company has significant near term operational and re-financing risks ahead of it resulting in part from limited access to external, non-related party financing and operating cash flow to meet near-term liquidity requirements related to maturities of bank, shareholder and related party loans and capital costs.

In addition, the Company has experienced operational challenges, interruptions and delays at New Liberty and Youga over the past year, with the risks of continued under-performance, interruptions and delays, particularly in light of the recent pit wall failure at New Liberty, the planned transition from open pit mining to underground mining at New Liberty and the permits and infrastructure required to transition at the Youga Mine to the Ouaré and Balogo underground deposits.

The board of directors of the Company considered the foregoing, amongst other reasons set out in the directors' circular issued on October 18, 2019 in recommending to the minority shareholders of the Company to accept the cash Offer of £1.00 per share before it expires on November 22, 2019 and deposit their common shares in the Company to the Offer. Minority shareholders are encouraged to review the directors' circular and the offer to purchase and circular filed by AJL in connection with the Offer for further information, a copy of which is available at www.sedar.com and on the Company's website. The Offer represents an opportunity for minority shareholders to realize certainty of value and immediate liquidity for their shares in the Company.