

15 May 2019

Avesoro Resources Inc.

TSX: ASO

AIM: ASO

FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2019

Avesoro Resources Inc., (“Avesoro” or the “Company”), the TSX and AIM listed West African gold producer, is pleased to announce the release and publication of its unaudited Financial Statements (“FS”) and Management’s Discussion and Analysis (“MD&A”) for the quarter ended March 31, 2019 (the “Quarter” or “Q1”).

Q1 2019 Operational Highlights:

- Gold production of 45,098 ounces from the New Liberty Gold Mine in Liberia (“New Liberty”) and Youga Gold Mine in Burkina Faso (“Youga”); and
- Consolidated operating cash costs of US\$911 per ounce sold¹, an improvement of 7% QoQ, and all-in sustaining costs (“AISC”) of US\$1,149 per ounce sold¹, an improvement of 6% QoQ and both within the full year guidance range;

Q1 2019 Financial Highlights:

- Company revenues of US\$59.9 million, an increase of 4% quarter on quarter (“QoQ”), driven by gold sales of 45,810 ounces at an average realised gold price of US\$1,304 per ounce, a 6% increase QoQ;
- Company EBITDA of US\$9.5 million, an increase of 102% QoQ and EBITDA margin of 16%¹;
- Total capital expenditure of US\$7.9million;
- Full draw down of US\$10 million additional working capital facility (as announced on March 6, 2019), resulting in gross debt of US\$138.8million, an increase of 9% QoQ; and
- Closing cash balance of US\$9.3 million.

Post Period Highlights:

- Proven and Probable Mineral Reserves increased by 154koz, an increase of 23% at Youga;
- Four year life of mine extension (to 2031), total forecast gold recovery of 734,066 ounces and a post-tax Net Present Value (“NPV”) of US\$142.6 million² and Life of Mine (“LOM”) free cash generation of US\$186.8 million; and
- Estimated combined project level post tax and debt NPV of New Liberty and Youga increased to US\$428.6 million² and estimated combined project level post-debt and post-tax LOM cash flows of US\$556.8 million, at US\$1,300/oz gold price.

Notes:

¹ See “Non-GAAP Financial Measures”; and

² At a 5% discount rate and US\$1,300 gold price, after debt repayment and associated finance charges.

Serhan Umurhan, Chief Executive Officer of Avesoro, commented: “Although gold production was slightly behind our targeted levels for the Quarter, we remain on track to achieve annual production and cost guidance for 2019, and I am pleased to report that both consolidated operating cash costs and all in sustaining cash costs were reduced during the Quarter. This was primarily driven by a 28% reduction in unit mining costs at New Liberty to US\$1.68 per tonne and by 14% to US\$1.85 per tonne at Youga.

We have now worked through the unplanned mining dilution at Youga and expect the mined grade to increase throughout Q2 2019. The focus going forward remains firmly on driving efficiencies and continued operational improvements to deliver on our recently released revised life of mine plans at our assets in Liberia and Burkina Faso.”

Table 1: Key Operational and Financial Highlights

Metric	Q1 2019	Q4 2018		Q1 2018	
--------	---------	---------	--	---------	--

			Q1 2019 vs Q4 2018		Q1 2019 vs Q1 2018
Gold production, oz	45,098	44,962	0%	68,088	-34%
Gold sold, oz	45,810	46,186	-1%	68,553	-33%
Operating cash costs US\$/oz sold	911	982	-7%	624	46%
All in sustaining costs US\$/oz sold	1,149	1,226	-6%	914	26%
Average realised gold price, US\$/oz	1,304	1,226	6%	1,333	-2%
Revenues, US\$m	59.9	57.7	4%	91.4	-34%
EBITDA, US\$m	9.5	4.7	102%	40.2	-76%
EBITDA margin	16%	8%	98%	44%	-64%
Cash flow from/(used in) operations, US\$m	5.1	10.7	-52%	39.4	-87%
Capital expenditure, US\$m	7.9	9.8	-19%	13.6	-42%
Cash, US\$m	9.3	3.5	166%	23.0	-60%
Gross Debt, US\$m	138.8	127.0	9%	137.3	1%

Table 2: Asset Level Financial Highlights

Metric	Q1 2019	Q4 2018	Q1 2019 vs Q4 2018	Q1 2018	Q1 2019 vs Q1 2018
New Liberty					
Gold production, oz	25,855	24,573	5%	27,870	-7%
Gold sold, oz	26,323	26,014	1%	28,098	-6%
Mining cost, US\$/t	1.68	2.34	-28%	2.51	-33%
Processing cost, US\$/t	23.65	24.11	-2%	24.52	-4%
Operating cash costs* US\$/oz sold	831	982	-15%	846	-2%
All in sustaining costs US\$/oz sold	1,031	1,246	-17%	1,095	-6%
Average realised gold price, US\$/oz	1,303	1,224	6%	1,328	-2%
Youga					
Gold production, oz	19,243	20,389	-6%	40,218	-52%
Gold sold, oz	19,487	20,172	-3%	40,455	-52%
Mining cost, US\$/t	1.85	2.14	-14%	2.40	-23%
Processing cost, US\$/t	18.87	17.14	10%	19.63	-4%
Operating cash costs* US\$/oz sold	1,017	943	8%	470	116%
All in sustaining costs US\$/oz sold	1,156	1,069	8%	750	54%
Average realised gold price, US\$/oz	1,305	1,226	6%	1,336	-2%

Analyst and Investor Call

The company will be hosting a conference call and webcast for investors and analysts on May 15, 2019 at 13:00 BST.

The access details for the conference call are as follows:

Location	Phone Type	Phone Number
United Kingdom	Freephone	0800 358 9473

Location	Phone Type	Phone Number
United Kingdom, Local	Local	+44 333 300 0804
United States	Freephone	+1 855 857 0686
United States, Local	Local	+1 631 913 1422
Canada	Freephone	+1 416 216 4189
Canada, Local	Local	+1 844 747 9618

Password: 62541614#

Webcast URL: <https://event.on24.com/wcc/r/2006355/B7B6AEEA9DF0082697079291263352D4>

The FS are appended to this announcement. The FS and the accompanying MD&A are available to review at the Company's website, www.avesoro.com and on www.sedar.com.

Non-GAAP Financial Measures

The Company has included certain non-GAAP financial measures in this press release, including operating cash costs, all-in sustaining costs ("AISC") per ounce of gold sold, EBITDA and net present value ("NPV"). These non-GAAP 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. The Company reports cash costs on an ounces of gold sold basis.

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.

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.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Contact Information

Avesoro Resources Inc.

Geoff Eyre / Nick Smith
Tel: +44(0) 20 3405 9160

Camarco

(IR / Financial PR)
Gordon Poole / Nick Hennis

Tel: +44(0) 20 3757 4980

Renmark Financial Communications Inc.

Robert Thaemlitz: rthaemlitz@renmarkfinancial.com
Tel.: (416) 644-2020 or (212) 812-7680
www.renmarkfinancial.com

finnCap

(Nominated Adviser and Joint Broker)
Christopher Raggett / Scott Mathieson / Camille Gochez
Tel: +44(0) 20 7220 0500

**Berenberg
(Joint Broker)**
Matthew Armitt / Detlir Elezi
Tel: +44(0) 20 3207 7800

**Hannam & Partners
(Joint Broker)**
Rupert Fane / Ingo Hofmaier / Ernest Bell
Tel: +44(0) 20 7907 8500

About Avesoro Resources Inc.

Avesoro Resources is a West Africa focused gold producer and development company that operates two gold mines across West Africa and is listed on the Toronto Stock Exchange (“TSX”) and the AIM market operated by the London Stock Exchange (“AIM”). The Company’s assets include the New Liberty Gold Mine in Liberia (“New Liberty”) and the Youga Gold Mine in Burkina Faso (“Youga”).

New Liberty has an estimated Proven and Probable Mineral Reserve of 17Mt with 1,365,000 ounces of gold grading 2.49g/t and an estimated Measured and Indicated Mineral Resource of 20.47Mt with 1,748,200 ounces of gold grading 2.66g/t and an estimated Inferred Mineral Resource of 3.0Mt with 271,000 ounces of gold grading 2.8g/t. A supporting Technical Report summarising the PFS, prepared in accordance with CIM guidelines, is set out in an NI 43-101 compliant Technical Report dated January 31, 2019 and entitled “NI 43-101 Pre-Feasibility Report, Mineral Resource and Mineral Reserve Update for the New Liberty Gold Mine, Liberia” and is available on SEDAR at www.sedar.com.

Youga has an estimated Proven and Probable Mineral Reserve of 14.7Mt with 814,900 ounces of gold grading 1.72g/t and a combined estimated Measured and Indicated Mineral Resource of 22.16Mt with 1,189,100 ounces of gold grading 1.67g/t and an Inferred Mineral Resource of 7.6Mt with 377,000 ounces of gold grading 1.5g/t. A supporting Technical Report summarising the PFS, prepared in accordance with the requirements of National Instrument 43-101 will be filed on SEDAR at www.sedar.com and on the Company’s corporate website www.avesoro.com within 45 days of the date of May 8, 2019.

For more information, please visit www.avesoro.com

Qualified Persons

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 25 years of global experience in exploration, mining and mine development and is a “Qualified Person” as defined in National Instrument 43 -101 “Standards of Disclosure for Mineral Projects” of the Canadian Securities Administrators and has reviewed and approved this press release. Mr. Pryor has verified the underlying technical data disclosed in this press release.

Forward Looking Statements

Certain information contained in this press release constitutes forward looking information or forward-looking statements within 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 press release should not be unduly relied upon. Forward looking information and statements speak only as of the date of this press release.

Forward looking statements or information in this press release include, a four year life of mine extension at Youga, total forecast gold recovery of 734,066 ounces and a post-tax NPV of US\$142.6 million at Youga, and an estimated combined New Liberty and Youga project level post tax and debt NPV of New Liberty and Youga increased to US\$428.6 million and estimated combined project level post-debt and post-tax LOM cash flows of US\$556.8 million, at US\$1,300/oz gold price.

This release also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources and Mineral Reserves is inherently uncertain and involves subjective judgments about many relevant factors.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource or Mineral Reserve estimates may have to be re-estimated based on: (i) fluctuations in the gold price; (ii) results of drilling, (iii) the results of metallurgical testing and other studies, including their subsequent refinement and updating; (iv) proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates; (vi) changes in mining or other costs, and (vii) the possible failure to receive required permits, approvals and licenses or changes to existing mining licences.

In making the forward looking information or statements contained in this press release, 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 press release 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.

Although the forward-looking statements contained in this press release 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 press release are expressly qualified by this cautionary statement and are made only as of the date of this press release. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

Condensed Interim Consolidated Financial Statements (Unaudited)

Avesoro Resources Inc.

For the Three Months Ended March 31, 2019 and 2018
(stated in thousands of US dollars)

Registered office: 199 Bay Street
Suite 5300
Commerce West Street
Toronto
Ontario M5L 1B9
Canada

Company registration number: 776831-1

Company incorporated on: 1 February 2011

Interim Consolidated Statements of Income and Comprehensive Income

(stated in thousands of US dollars)

Unaudited

	Three months ended March 31, 2019 \$'000	Three months ended March 31, 2018 \$'000
Revenues (Note 2)	59,876	91,370
Cost of sales		
- Production costs (Note 2)	(44,173)	(48,986)
- Depreciation (Note 2)	(18,290)	(16,610)
Gross (loss)/profit	(2,587)	25,774
Expenses		
Administrative and other expenses (Note 3)	(2,960)	(1,604)
Exploration and evaluation costs (Note 8)	(3,087)	(2,011)
Loss on lease termination	-	(566)
(Loss)/Profit from operations	(8,634)	21,593
Derivative liability gain	-	104
Foreign exchange gain/(loss)	788	(1,095)
Finance expense	(3,628)	(4,341)
Finance income	52	175
(Loss)/Profit before tax	(11,422)	16,436
Tax for the period (Note 4)	(414)	(6,589)
Net (loss)/profit after tax	(11,836)	9,847
Attributable to:		
- Owners of the Company	(11,938)	8,019
- Non-controlling interest (Note 13)	102	1,828
	(11,836)	9,847
Other comprehensive income		
Items that may not be reclassified subsequently to profit or loss		
- Change in fair value through other comprehensive income	-	31
Items that may be reclassified subsequently to profit or loss		
- Currency translation differences	(95)	(37)
Total comprehensive (loss)/income for the period	(11,931)	9,841
Attributable to:		
- Owners of the Company	(12,033)	8,013
- Non-controlling interest	102	1,828
(Loss)/Earnings per share, basic and diluted (US\$) (Note 5)	(0.15)	0.10

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

Interim Consolidated Statements of Financial Position

(stated in thousands of US dollars)

Unaudited

	March 31, 2019 \$'000	December 31, 2018 \$'000
Assets		
Current assets		
Cash and cash equivalents	9,324	3,522
Trade and other receivables (Note 6)	22,211	23,759
Inventories (Note 7)	43,153	45,850
Other assets	1,574	1,731
	76,262	74,862
Non-current assets		
Intangible assets - Exploration and evaluation assets (Note 8)	7,413	6,452
Property, plant and equipment (Note 9)	211,877	224,953
Deferred tax asset	2,585	2,585
Other assets	1,220	1,236
	223,095	235,226
Total assets	299,357	310,088
Liabilities		
Current liabilities		
Borrowings (Note 10)	28,196	17,663
Trade and other payables	57,360	65,909
Income tax payable	1,600	4,333
Lease liability (Note 11)	1,180	975
Provisions	3,412	3,276
	91,748	92,156
Non-current liabilities		
Borrowings (Note 10)	107,386	106,137
Lease liability (Note 11)	2,014	2,259
Provisions	10,956	10,939
	120,356	119,335
	212,104	211,491
Equity		
Share capital (Note 12)	353,686	353,686
Capital contribution	55,597	55,434
Share based payment reserve	9,411	8,987
Acquisition reserve	(33,060)	(33,060)
Cumulative translation reserve	(551)	(456)
Deficit	(301,569)	(289,631)
Equity attributable to owners	83,514	94,960
Non-controlling interest (Note 13)	3,739	3,637
Total equity	87,253	98,597
Total liabilities and equity	299,357	310,088

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

Interim Consolidated Statements of Cash Flows
(stated in thousands of US dollars)
Unaudited

	Three months ended March 31, 2019 \$'000	Three months ended March 31, 2018 \$'000
Operating activities		
Net (loss)/profit after tax	(11,836)	9,847
Tax for the period	414	6,589
(Loss)/ Profit before tax	(11,422)	16,436
Items not affecting cash:		
Share-based payments (Note 3)	424	296
Depreciation (Note 9)	18,318	16,663
Unrealized foreign exchange (gain)/loss	(237)	648
Interest expense	3,628	4,341
Derivative liability gain	-	(104)
Loss on lease termination	-	567
Changes in non-cash working capital		
Decrease/(Increase) in trade and other receivables	1,699	(6,035)
(Decrease)/Increase in trade and other payables	(6,859)	597
Decrease in inventories	2,697	5,963
Income taxes paid	(3,132)	-
Cash flows from operating activities	5,116	39,372
Investing activities		
Payments to acquire property, plant and equipment	(6,933)	(11,798)
Payments to acquire intangible assets	(961)	(1,761)
Decrease/(Increase) in other assets	173	(60)
Cash flows used in investing activities	(7,721)	(13,619)
Financing activities		
Proceeds from Working Capital Facility (Note 10b)	10,250	-
Repayment of leases of right-of-use assets	(99)	-
Repayment of bank borrowings	-	(19,175)
Finance charges	(1,690)	(1,353)
Cash flows from/(used) in financing activities	8,461	(20,528)
Impact of foreign exchange on cash balance	(54)	-
Net increase in cash and cash equivalents	5,802	5,225
Cash and cash equivalents at beginning of period	3,522	17,787
Cash and cash equivalents at end of period	9,324	23,012

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

Interim Consolidated Statements of Changes in Equity

(stated in thousands of US dollars)

Unaudited

	Share capital	Capital contribution	Share- based payment reserve	Acquisition reserve	Equity investment reserve	Cumulative translation reserve	Deficit	Total	Non- controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2018	353,653	54,022	7,840	(33,060)	(487)	(466)	(259,306)	122,196	3,714	125,910
Profit for the period	-	-	-	-	-	-	8,019	8,019	1,828	9,847
Other comprehensive income/(loss) for period	-	-	-	-	31	(37)	-	(6)	-	(6)
Total comprehensive income/(loss) for period	-	-	-	-	31	(37)	8,019	8,013	1,828	9,841
Share-based payments	-	-	296	-	-	-	-	296	-	296
Related party loans (Note 10c)	-	409	-	-	-	-	-	409	-	409
Payment of related party loans (Note 10b)	-	(1,228)	-	-	-	-	-	(1,228)	-	(1,228)
Balance at March 31, 2018	353,653	53,203	8,136	(33,060)	(456)	(503)	(251,287)	129,686	5,542	135,228
Balance at January 1, 2019	353,686	55,434	8,987	(33,060)	-	(456)	(289,631)	94,960	3,637	98,597
Loss for the period	-	-	-	-	-	-	(11,938)	(11,938)	102	(11,836)
Other comprehensive loss for period	-	-	-	-	-	(95)	-	(95)	-	(95)
Total comprehensive loss for period	-	-	-	-	-	(95)	(11,938)	(12,033)	102	(11,931)
Share-based payments	-	-	424	-	-	-	-	424	-	424
Drawdown on Working Capital Facility (Note 10b)	-	163	-	-	-	-	-	163	-	163
Balance at March 31, 2019	353,686	55,597	9,411	(33,060)	-	(551)	(301,569)	83,514	3,739	87,253

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

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018

(in thousands of US dollars unless otherwise stated)

1 Nature of operations and basis of preparation

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

The Company's parent company is Avesoro Jersey Limited ("AJL"), a company incorporated in Jersey and Mr. Murathan Doruk Gnal is the ultimate beneficial owner.

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". They do not include all disclosures that would otherwise be required in a complete set of financial statements. They follow accounting policies and methods of their application consistent with the audited consolidated financial statements for the year ended December 31, 2018 with the exception of the adoption of IFRS 16, "Leases" which has no impact other than to reclassify the finance lease assets to right of use assets. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018.

These interim financial statements were authorised by the Board of Directors on May 14, 2019.

Going concern

As at March 31, 2019, the Company had cash and cash equivalents of \$9.3 million and 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.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

2 Segment information

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.

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

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

2 Segment information (continued)

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

	New Liberty operations	Burkina operations	Exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) for the period	(6,036)	18,280	(1,037)	(1,360)	9,847
Revenues	37,323	54,047	-	-	91,370
Production costs					
- Mine operating costs	(23,261)	(20,687)	-	-	(43,948)
- Change in inventories	(1,752)	(3,286)	-	-	(5,038)
	(25,013)	(23,973)	-	-	(48,986)
Depreciation	(12,546)	(4,064)	(52)	(1)	(16,663)
Segment assets	237,445	99,346	4,000	4,398	345,189
Segment liabilities	(156,097)	(49,467)	(4,049)	(1,198)	(210,811)
Capital additions					
- property, plant and equipment	16,448	8,911	40	-	25,399
- intangible assets	-	1,760	-	-	1,760

3 Administrative and other expenses

	Three months ended March 31, 2019	Three months ended March 31, 2018
	\$'000	\$'000
Wages and salaries	571	536
Legal and professional	472	302
Share based payments	424	296
Royalty payable to AJL (Note 14)	1,035	-
Depreciation	28	53
Other expenses	430	417
	2,960	1,604

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

4 Income taxes

	Three months ended March 31, 2019 \$'000	Three months ended March 31, 2018 \$'000
Current taxes	414	4,330
Deferred taxes	-	2,259
	414	6,589

5 (Loss)/Earnings per share ("EPS")

	Three months ended March 31, 2019 \$'000	Three months ended March 31, 2018 \$'000
Net (loss)/profit after tax attributable to Owners of the Company	(11,938)	8,019
Weighted average number of outstanding shares for basic EPS	81,575,260	81,560,260
Dilutive share options	-	402,715
Weighted average number of outstanding shares for diluted EPS	81,575,260	81,962,975
Basic EPS (US\$)	(0.15)	0.10
Diluted EPS (US\$)	(0.15)	0.10

6 Trade and other receivables

	March 31, 2019 \$'000	December 31, 2018 \$'000
Trade receivable	2,726	165
Other receivables	8,160	11,557
Due from related parties (Note 14)	3,916	3,350
Pre-payments	7,409	8,687
	22,211	23,759

Other receivables as at March 31, 2019 include VAT receivable from the Burkina Faso Government of \$4.5 million (December 31, 2018: \$3.1 million) and a financial asset with respect to factored VAT receivable from the Burkina Faso Government of \$nil (December 31, 2018: \$6.4 million).

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

7 Inventories

	March 31, 2019	December 31, 2018
	\$'000	\$'000
Gold doré	2,063	2,299
Gold in circuit	2,870	3,969
Ore stockpiles	4,893	3,849
Consumables	33,327	35,733
	43,153	45,850

Ore stockpiles as at March 31, 2019 are stated at their net realisable values after cumulative write-down at New Liberty of \$1.9 million (December 31, 2018: \$1.6 million) and a provision for obsolescence of consumables at Youga of \$0.7 million (December 31, 2018: \$0.7 million).

8 Intangible assets - Exploration and evaluation assets

	Three months ended March 31, 2019	Year ended December 31, 2018
	\$'000	\$'000
Beginning of the period	6,452	-
Additions in the period	961	8,234
Transfer to property, plant and equipment (Note 9)	-	(1,782)
End of the period	7,413	6,452

Intangible assets as at March 31, 2019 are in respect of capitalised exploration and evaluation assets at Ouaré, located 44 kilometres east of the Youga processing plant. It is the subject of an infill drilling campaign to upgrade the confidence level and classification of the existing mineral resources. Resource modelling and pit design shows that this satellite deposit will add further mine life to Youga.

Exploration and evaluation costs charged to profit and loss arose from the following licence areas:

	Three months ended March 31, 2019	Three months ended March 31, 2018
	\$'000	\$'000
New Liberty Mineral Development Agreement licence	1,040	350
Youga exploitation permit	1,214	572
Balogo exploitation permit	543	709
Zerbogo/Songo	251	246
Others	39	134
	3,087	2,011

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

9 Property, plant and equipment

	Mining assets \$'000	Stripping asset \$'000	Mine closure and rehabilitation \$'000	Right-of-use assets \$'000	Machinery and equipment \$'000	Vehicles \$'000	Leasehold improvement \$'000	Total \$'000
Cost								
At January 1, 2018	208,507	16,229	6,212	11,758	74,793	3,092	86	320,677
Additions	6,736	14,957	756	1,232	29,707	516	-	53,904
Transfer from intangible assets	1,782	-	-	-	-	-	-	1,782
Disposals	-	-	-	(7,000)	(1,034)	(335)	-	(8,369)
At December 31, 2018	217,025	31,186	6,968	5,990	103,466	3,273	86	367,994
Additions	1,453	3,438	-	-	351	-	-	5,242
At March 31, 2019	218,478	34,624	6,968	5,990	103,817	3,273	86	373,236
Accumulated depreciation								
At January 1, 2018	52,105	1,838	2,290	2,564	10,880	1,362	86	71,125
Charge for the year	37,618	17,017	1,026	1,265	17,343	544	-	74,813
Disposals	-	-	-	(1,528)	(1,034)	(335)	-	(2,897)
At December 31, 2018	89,723	18,855	3,316	2,301	27,189	1,571	86	143,041
Charge for the year	12,960	844	275	358	3,684	197	-	18,318
At March 31, 2019	102,683	19,699	3,591	2,659	30,873	1,768	86	161,359
Net book value								
At December 31, 2018	127,302	12,331	3,652	3,689	76,277	1,702	-	224,953
At March 31, 2019	115,795	14,925	3,377	3,331	72,944	1,505	-	211,877

The carrying amount of right-of-use assets as at March 31, 2019 comprises of drill rigs of \$1.1 million (December 31, 2018: \$1.2 million) and fuel storage facility of \$2.2 million (December 31, 2018: \$2.5 million).

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

10 Borrowings

	March 31, 2019	December 31, 2018
	\$'000	\$'000
Current		
Bank loan - Senior Facility	6,780	6,676
Working Capital Facility	9,879	-
Related party loan	11,537	10,987
	28,196	17,663
Non-current		
Bank loan - Senior Facility	53,010	51,801
Bank loan - Subordinated Facility	10,383	10,528
Working Capital Facility	23,951	23,142
Shareholder loan	3,985	3,985
Related party loan	16,057	16,681
	107,386	106,137

(a) Bank loans

On December 17, 2013 the Company entered into an agreement for an \$88 million project finance loan facility with Nedbank Limited and FirstRand Bank Limited (collectively the “Lenders”), (the “Senior Facility”), and also entered into a subordinated loan facility agreement for \$12 million with RMB Resources (the “Subordinated Facility”). On December 9, 2015 the Company entered into an agreement for an additional \$10 million Tranche B Senior Facility (together with the Senior Facility and the Subordinated Facility the “Loan Facilities”) provided by the Lenders. These Loan Facilities, which have been fully drawn, financed the development of the Company’s New Liberty Gold Mine. \$38.4 million of the Senior Facility principal has been repaid to date.

(b) Working Capital Facility with AJL

	Three months ended March 31, 2019	Year ended December 31, 2018
	\$'000	\$'000
Beginning of the period	23,142	14,938
Fair value of new tranches of loans	10,088	17,947
Repayments	-	(10,801)
Interest charged	600	1,058
End of the period	33,830	23,142

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.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

10 Borrowings (continued)

(c) Related party loans payable to Mapa İnşaat ve Ticaret A.Ş. ("Mapa")

	Three months ended March 31, 2019 \$'000	Year ended December 31, 2018 \$'000
Beginning of the period	27,668	22,263
Fair value of new loans	-	9,916
Repayments	(448)	(6,466)
Interest charged	610	2,439
Unrealised foreign exchange	(236)	(484)
End of the period	<u>27,594</u>	<u>27,668</u>

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).

11 Lease liability

Lease liability as at March 31, 2019 relates to drill rigs and the fuel storage facility at New Liberty. Lease liability is measured at the present value of the leased payments. Lease payments are apportioned between the finance charges and reduction of lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

	March 31, 2019 \$'000	December 31, 2018 \$'000
Gross lease liability		
- Within one year	1,451	1,266
- Between two and five years	2,229	2,539
	<u>3,680</u>	<u>3,805</u>
Future finance cost	(486)	(571)
Present value of lease liability	<u>3,194</u>	<u>3,234</u>
Current portion	1,180	975
Non-current portion	<u>2,014</u>	<u>2,259</u>

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
For the three months ended March 31, 2019 and 2018
(in thousands of US dollars unless otherwise stated)

12 Equity

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued

	Shares	\$'000
Balance at January 1, 2018	8,156,075,823	353,653
Effect of 100:1 share consolidation	(8,074,515,563)	-
Exercise of stock options	15,000	33
Balance at December 31, 2018 and March 31, 2019	81,575,260	353,686

(c) Stock options

Information relating to stock options outstanding at March 31, 2019 is as follows:

	Three months ended March 31, 2019		Year ended December 31, 2018	
	Number of options	Weighted average exercise price per Cdn\$	Number of options	Weighted average exercise price per share Cdn\$
Beginning of the period	4,209,233	3.94	2,829,428	4.96
Options granted	-	-	1,681,000	2.68
Options exercised	-	-	(15,000)	2.66
Options expired	(20,062)	51.00	(13,362)	70.32
Options forfeited	-	-	(272,828)	3.55
Share consolidation adjustment	-	-	(5)	4.96
End of the period	4,189,171	3.71	4,209,233	3.94

13 Non-controlling interest

The composition of the non-controlling interests held by the Government of Burkina Faso is as follows:

	Netiana Mining Company \$'000	Burkina Mining Company \$'000	Total \$'000
At January 1, 2018	2,202	1,512	3,714
Share in net income	1,140	1,858	2,998
Dividend distribution	(1,673)	(1,402)	(3,075)
At December 31, 2018	1,669	1,968	3,637
Share in net income	(62)	164	102
At March 31, 2019	1,607	2,132	3,739

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)
 For the three months ended March 31, 2019 and 2018
 (in thousands of US dollars unless otherwise stated)

14 Related party transactions

(a) Borrowings

The Company's related party loans payable to Mapa, Working Capital Facility with AJL and loan payable to AJL are disclosed in Note 10.

(b) 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.

(b) Provision/(purchases) of goods and services

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

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

15 Subsequent events

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