

AVION GOLD CORPORATION
(FORMERLY AVION RESOURCES CORP.)

*Management's
Discussion &
Analysis*

*for the three and ten months ended
September 30, 2009*

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Ten Months Ended September 30, 2009

General

This management's discussion and analysis ("MD&A") has been prepared based on information available to Avion Gold Corporation ("we", "our", "us", "Avion", or the "Company") as of November 15, 2009. On May 22, 2009, the Company changed its name to Avion Gold Corporation from Avion Resources Corp. and started trading under its new name on the TSX Venture Exchange on June 5, 2009. The MD&A provides a detailed analysis of the Company's business and compares its financial results with those of the previous period and should be read in conjunction with our unaudited interim consolidated financial statements and notes for the three and ten-month period ended September 30, 2009, as well as our audited annual financial statements and notes and MD&A for the year ended November 30, 2008. The financial statements and related notes of Avion have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information and press releases have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

The Company has changed its year-end to December 31 from November 30 effective this financial year. As a result, the Company is reporting a ten-month period ending September 30, 2009 instead of a nine month period ending August 31, 2009. The comparative period report is for the three and nine months ended August 31, 2008.

References to the first, second and third quarters of 2009 or Q1-2009, Q2-2009 and Q3-2009 and the first, second and third quarters of 2008 or Q1-2008, Q2-2008 and Q3-2008 refer to the four months ended March 31, 2009, and the three months ended June 30, and September 30, 2009, and the three months ended February 29, May 31, and August 31, 2008 respectively.

Effective September 30, 2009, the Company changed its reporting currency from Canadian dollars (CDN\$) to US dollars (USD\$) as the Company anticipates that the majority of its future income stream will be denominated in US\$. The Company has made this change in accordance with Canadian GAAP by following the recommendations of Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) Abstract EIC-30 "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency". The Company's functional currency, which is Canadian dollars, remains unchanged. Consequently, all figures reported herein are in US dollars unless otherwise indicated.

Unless otherwise noted, this MD&A reports our activities through November 15, 2009.

OVERVIEW AND STRATEGIC DIRECTION OF THE COMPANY

Avion's common shares are listed on the TSX Venture Exchange ('TSX-V') under the symbol "AVR".

Avion is a Canadian-based gold mining company with a current focus in West Africa. Avion acquired a 100 square kilometre land and mine asset in May 2008, which contains the Tabakoto and Ségala gold projects, located in Mali, West Africa. To move this asset forward, Avion has built a strong team of qualified operational staff and geologists that executed a plan that resulted in the start of gold milling activities on February 17, 2009.

The Company commenced commercial production at the Tabakoto and Ségala gold projects on May 1, 2009. Prior to this, the Company was a development stage company as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

Subsequent to the end of the quarter, the Company entered into an agreement with Great Quest Metals Ltd. to acquire 75% of their interest in three mineral concessions located adjacent to the south and west sides of the Tabakoto property. (See the Subsequent Events section.)

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. For a full description of the Company's risks, please refer to the Risks and Uncertainties section of this report.

Q3-2009 HIGHLIGHTS

During the three-month period ending September 30, 2009, the following significant activities occurred:

- Avion produced 12,517 ounces of gold during the quarter, which is a 14% improvement over ounces produced in the second quarter of 2009, in spite of weather difficulties encountered during the quarter. Gold production since the start of production in mid-February, 2009 has been 29,720 ounces of gold.
- Avion processed 125,100 tonnes of ore at an average grade of 3.25 g/t Au.
- The average mill recovery for the quarter was 95.4%.
- During the quarter, the main access road to the Tabakoto/Ségala gold mine was degraded by a lengthy period of heavy rainfall, resulting in the near cessation of transport truck movement on the road. The Company, along with support from its mining contractor, SFTP, repaired sections of the road to expedite the delivery of supplies that were waylaid approximately 35 kilometres from the mine along the main supply route due to the flooded road conditions. The 2009 seasonal rains in the Malian Sub Saharan African region were exceptionally heavy. As a result, the mine did not process ore during the last half of September.
- During the quarter, 5,122,045 warrants were exercised for gross proceeds of \$1,047,625. A further 7,046,989 warrants were exercised subsequent to the end of the quarter for gross proceeds of approximately \$1,640,000.
- The 2009 Exploration Program was completed in mid October with 111 holes totaling 21,679 metres drilled. At the end of September, 98 drill holes totaling 18,926 metres were drilled. A significant amount of the drilling was focused on Ségala Main zone with a goal to upgrade the inferred resources to measured and indicated resources.
- Subsequent to the end of the quarter, the Company negotiated the buy-out of a 2% royalty on gold production at the Tabakoto and Ségala properties, with a payment of

\$1,000,000 and the issuance of 3,500,000 common shares and 1,000,000 share purchase warrants.

MINERAL PROPERTIES

Mali, West Africa (Tabakoto and Ségala gold projects)

The Company acquired an 80% interest in the Tabakoto and Ségala gold projects in Mali, West Africa (the "Mali Projects") in May 2008. The remaining 20% interest is owned by the Government of Mali. This interest is subject to a 1% net smelter return royalty ("NSR") payable to the vendor. The Company has the option to buy out this NSR for \$2,000,000 at anytime up to five years following the date of closing. As well the Mali Projects are subject to a 6% royalty payable to the Government of Mali.

The Mali Projects were also subject to an NSR of 2% payable to an arm's length third party. Subsequent to the end of the quarter, the Company negotiated a royalty buyout, subject to regulatory approval, with a payment of \$1,000,000 and the issuance of 3,500,000 common shares and 1,000,000 warrants which are exercisable at a price of CAD\$0.60 expiring two years from the date of issue. TSX Venture Exchange final approval was received on November 1, 2009, and the buyout was completed on November 2, 2009.

The Government of Mali owns a 20% interest in the Mali Projects. The Company is required to fund 100% of all expenditures related to the exploration and development of these properties and holds preferential rights to recover all funding plus interest from future cash flows prior to the shareholders receiving dividends.

Exploration Review

Tabakoto and Ségala Projects, Mali

As of November 15, 2009, Avion had completed 111 holes (number includes re-started holes) totalling approximately 21,700 metres, local geological mapping, magnetic surveys and trenching. Results have been released for 25 of the Ségala Main holes, two Tabakoto South cross structure holes and for some of the trenching. Holes were also drilled to test the Tabakoto NE1 cross structure (4 holes), Tabakoto South and Dabo cross structures (10 holes), Ségala NW (3 holes), Ségala Far NW (4 holes), Ségala cross-structure (1 hole) Moralia (7 holes), Dar Salam (14 holes), NE Orpailleur (3 holes), Diolafoundou (6 holes) and Fougala areas (9 holes). The results for these holes will be presented when the results have been received and interpreted.

Two channel samples were collected from a 300+ metre long, northeast-trending, mineralized fracture in the southwest corner of the Tabakoto pit from the centre of the pit base access road and from the pit wall. The two channel samples are 13.0 metres apart, horizontally. The pit wall sample, which returned 108.68 g/t Au (18.24 g/t Au capped at 37.5 g/t Au) over 2.0 metres true thickness, comprised five samples ranging in grade from 7.32 g/t Au over 1.0 metres to 377.5 g/t Au over 0.25 metres. The channel sample from the pit access road returned 25.15 g/t Au (23.47 g/t Au capped) over 2.3 metres (true thickness). These results indicate an area of surface accessible, exceptional grades that will be further delineated through a focused drill program and modelling.

Ségala Main Zone Drill Holes

Twenty-five holes were drilled into the Ségala Main deposit between 140 to 600 metres below the surface. These holes were drilled to support a longer term underground mine plan by upgrading a significant portion of 452,600 ounces of inferred resources (4,072,000 tonnes grading 3.46 g/t Au) to measured and indicated resources. The final set of holes returned a best intercept of 5.17 g/t Au over 27.9 metres core length (19.0 metres true width). Additional drill holes are still required along the east side of the deposit where the edge of the high grade gold mineralization is still not defined. The Ségala Main deposit remains open to depth to at least 600 metres depth, vertically and as a result, Avion considers the likelihood of continuing to add additional resources in the immediate Ségala Main zone area to be high. An updated resource for the Ségala Main deposit is in progress and is expected to be completed before year end.

Tabakoto South Zone Drilling

A total of ten holes have been completed to test three, closely spaced, northeast-trending zones of gold mineralization located just south of the historic Tabakoto Pit. This northeast-trending zone of gold mineralization has been traced for 450 metres along strike and is suspected to extend for at least 750 metres along strike. The Tabakoto South trend lies approximately 260 metres southeast, and is parallel to, the well mineralized northeast-trending structure referred to in Avion's August 17, 2009 news release. To date, results have only been released for two holes that tested the eastern third of the Tabakoto South trend. These two holes were drilled to test a 100+ metre wide vertical and horizontal gap in the long section. Hole T-09-02 returned 5.01 g/t Au over 3.2 metres (2.7 metres true width) and hole T-09-08A returned 4.75 g/t Au over 9.7 metres (8.0 metres true width).

Studies to support a longer term mine plan are underway with underground mining studies in progress including possible mill expansion, efficiency improvements and heap leach testing. This work is being completed by both consultants and company staff and the bulk of it is expected to be completed before year-end. Leach test studies have been broadened to include a review of the economics of crushing and gravity concentrating the free gold. While initial leach test work suggests that recoveries of 85% of the gold is possible by leaching, all samples tested to date displayed the presence of gravity-recoverable coarse gold. Gravity recoveries for both the Tabakoto and Ségala mines range from 55 to 85% of the total gold content.

Avion's current Measured and Indicated Mineral Resource is 1.21 million ounces of gold grading 3.48 g/t Au. In addition, Avion's Inferred Mineral Resource is 1.14 million ounces of gold grading 3.50 g/t Au (Avion, May 19, 2009 news release). Avion has continued to refine the mineralization model for the Tabakoto deposit as support for an underground mining plan. An updated mineralization model and a preliminary mining plan are expected to be completed before year end.

Avion's procedures for handling drill core are consistent with international standards and comprise initial description and logging into a Microsoft Access database. Mineralized and suspected mineralized intervals in the holes are described in detail and marked for sampling. Core is then cut in half with the right-hand portion of the core put into plastic sample bags and sealed. Assay standard samples are inserted every 20th sample and split core from every 20th sample is also quartered and sent in as a separate sample to double check the assays from these intervals. This sampling procedure was initiated and periodically reviewed by Avion's Senior Vice President of Exploration, Don Dudek, P. Geo. These samples were then delivered to a representative of SGS Mineral Service based in Kayes, Mali. The assay samples are then

crushed to 2 mm with riffle split if required to 1.5 kg, the entire sample milled in a LM2 mill to a nominal 95% passing 75µm. All the preparation equipment is flushed with barren material prior to the commencement of the job. Gold values were determined by Fire Assay and AAS with a 50 gram nominal sample weight. Avion's channel samples were analyzed at Avion's Tabakoto mine laboratory. In order to ensure that local, exceptionally high grade assays are not overly represented in assay composites Avion is also presenting assay composites with high grade samples capped at 27.5 g/t Au, which is the capping level deemed appropriate for the Ségala Main Deposit and 37.5 g/t Au for the Tabakoto Deposit (Avion December 12th, 2008 news release).

Great Quest Metals Ltd. ("Great Quest") Kenieba Property option

The Great Quest properties comprise the Kenieba (Sansanto), Kenieba Est and Comifa concessions totaling approximately 32 km², which increases Avion's local property package by approximately 30%. The Kenieba concession hosts a 43-101 compliant inferred resource in the Djambaye 2 gold zone of 324,000 ounces (Carl Verley (P. Geo.), January 28, 2008 Great Quest news release). This equates to 2,574,000 tonnes grading 3.92 grams per tonne gold.

To acquire 75% of Great Quest's interest in the three mining concessions Avion is required to make cash payments of CDN\$ 2,360,000 and complete work commitments of CDN\$ 1,890,000 both over five years. On signing of the Option Agreement, subsequent to the end of the quarter, Avion made a cash payment of CDN\$ 350,000 and is required to complete at least CDN\$ 150,000 of exploration expenditures in year 1. Great Quest's interest in the properties varies from 95% to 100% subject to a carried interest to the Government of Mali ranging between 10% and 20%.

The Djambaye 2 zone, which is open in three directions, has been traced for 1,800 metres along strike and to 150 metres depth, by drilling. Avion's sampling of artisanal workings returned from 0.7 to 10.09 g/t Au which indicated that the zone can be extended for an additional 350 metres along strike to the north. All holes drilled into the Djambaye 2a zone intersected gold mineralization with values ranging from 0.63 g/t Au over 6.3 metres core length to 16.35 g/t Au over 5.2 metres core length. The Djambaye 2b zone, located 15 to 30 metres to the west, also displays consistent gold bearing intercepts ranging from 1.33 g/t Au over 1.85 metres core length to 8.82 g/t Au over 4.45 metres core length. True widths are expected to be in the order of 70% or more of core length. The bulk of the mineralization at the Djambaye 2 zone is hosted by pyrite-, stockwork silicified-, albite- and carbonate-altered felsic intrusion and greywacke. This mineralization style differs from that at Avion's Tabakoto and Ségala mines with the predominance of pyrite over arsenopyrite a feature more in common with Randgold's Loulo deposits and the more extensive stockwork-type silicification.

Mining Operation Review

2009 Third Quarter production results

Avion produced 12,517 ounces of gold during the third quarter of 2009. Gold production year-to-date has been 29,720 ounces of gold. The Tabakoto plant processed 125,100 tonnes of ore during the third quarter, at an average grade of 3.25 g/t Au. The average mill recovery for the quarter was 95.4%. Year to date statistics to the end of the third quarter stand at 383,680 tonnes of ore processed at an average grade of 2.55 g/t Au, and an average mill recovery of 94.6%.

Avion is preparing an updated mine plan based on its exploration success. Items of note are a possible increase in the process plant capacity, process plant efficiency and recovery improvements, and the preparation for underground mining at both the Tabakoto and Ségala deposits.

Avion is also analyzing the potential to increase production through the application of heap leach technology or gravity gold recovery on the lower grade mineralization. Leach studies have commenced with six approximately 50 kg samples sent for testing to Dawson Metallurgical Laboratories in Utah, USA; Avion's initial testing of non-oxidized Ségala low grade samples (grading approximately 0.6 g/t Au) indicated recoveries in a 24 hour bottle roll test of assay pulps ranging from 61% to 84.5%. Leach testing of three oxide to transitional samples of Ségala Main mineralization grading from 0.21 g/t Au to 1.0 g/t Au, by FL Smidth Dawson Metallurgical Laboratories in Utah, during a 72 hour bottle roll test of material crushed to -2 inch (- 5.1 cm), returned recoveries of up to 85% of the gold. These results have prompted Avion to expand the testing to include Tabakoto oxide and sulphide mineralization and Ségala Main sulphide mineralization. Column leach tests are expected to be the next step with a plan to both develop this ability on site and complete the first phase of column testing before year-end. Currently Avion employs a cut-off grade of 1.2 g/t Au. Material grading from 0.5 to 1.2 g/t Au is being stockpiled in the event that leaching is profitable. Avion plans to complete initial leach test studies before year-end.

Despite the strong start to the year, Avion believes there are a number of areas where further improvements can be made. During the third quarter, the Company continued to work on improving the availability of the mining contractor's equipment. The extraction of the higher grade mineralization near surface by Orpailleurs (artisanal miners) negatively impacted production in the first two quarters of the year, however as mining progressed downwards the effect of this has disappeared. Ore grades in August and September were more in line with the mineral resource model. In addition, better understanding of grade control and the mineralization from practical experience gained this year has assisted in improving the operating performance.

Projected production to year end is now estimated at 50,000 ounces of gold.

RESULTS OF OPERATIONS

For the three months ended September 30, 2009

The Company reported net income of \$444,262 (\$0.00 per share) for the three months ended September 30, 2009 compared to a net loss of \$1,118,639 (\$0.01 per share) for the three months ended August 31, 2008. Other comprehensive income for the quarter amounted to \$2,602,078, which represents the foreign exchange difference determined using the current rate method to translate the financial statements to US dollars.

During the quarter, the Company sold 14,795 ounces of gold and generated \$13,889,255 in gold sales revenue. Mine and processing expenses were \$9,765,102, which includes \$73,260 in amortized deferred stripping costs, and the Company recorded amortization and depletion of \$962,192. The Company is amortizing deferred costs related to the Mali projects on a unit of production basis from the current mine plan over four years of 333,558 ounces. The Company was subject to an aggregate NSR of 9% on metal sales during the quarter. Royalties totaled \$1,287,968 for the ounces of gold sold during the quarter.

Corporate and administrative expenses for the quarter ended September 30, 2009 totalled \$601,105 compared to \$333,917 for the third quarter of 2008. All expense categories increased compared to the third quarter of 2008 as a result of an overall increase in Company activities. In particular, the Company added to its management team since the acquisition of the Mali projects in May 2008. As well, corporate travel has increased significantly as a result of travel to Mali. The Company continues to share office space and other resources with companies with common directors and officers.

Non-cash stock based compensation expense for the current three month period was \$137,861 (Q3 2008: \$245,541) related to the estimated fair value of stock options that were granted and/or vested during the quarter. A total of 210,000 stock options (Q3 2008: 480,000) were granted to directors, officers, consultants and employees of the Company during the quarter. Stock based compensation was estimated using the Black-Scholes option pricing model.

During the current quarter, the Company incurred a non-cash accretion expense of \$150,255 related to the Company's asset retirement obligations acquired through the acquisition of the Mali projects.

The Company owns approximately 9 million shares of Midlands Minerals Corporation. The Company does not hold significant influence. The Company has classified this investment as held-for-trading. As a result, an unrealized loss of \$151,629 was recognized during the quarter based on the fair market value of the shares as at September 30, 2009. No securities were held during the comparative quarter, and consequently no gains/losses were recognized.

The Company owed Aberdeen CAD\$1,000,000 (USD\$851,894) related to a property purchase agreement entered into during the prior year. In May 2009, the Company settled this liability with a payment of CAD\$800,000 (USD\$681,355). The difference was credited to the statement of operations, as the property was written off during the prior year. Other miscellaneous expenses with respect to this property were also incurred. During the comparative period, any costs related to the property would have been deferred.

The Company also incurred a foreign exchange translation loss of \$442,728 during the current quarter compared to a loss of \$40,762 during the comparative quarter.

For the ten months ended September 30, 2009

The Company reported a net loss of \$1,377,792 (\$0.01 per share) for the ten months ended September 30, 2009 compared to net loss of \$2,045,718 (\$0.05 per share) for the nine months ended August 31, 2008. Other comprehensive loss for the ten-month period amounted to \$627,718, which represents the foreign exchange difference determined using the current rate method to translate the financial statements to US dollars.

The Company commenced commercial production on May 1, 2009. As a result, production revenues and operating costs since that time are reflected on the statement of operations, while any preproduction revenues along with expenses associated with these revenues prior to that date are recorded against the deferred project costs.

Since the start of commercial production, the Company sold 20,971 ounces of gold and generated \$19,470,975 in gold sales revenue. Mine and processing expenses were \$13,417,619, which includes \$285,116 in amortized deferred stripping costs, and the Company recorded amortization and depletion of \$1,548,354. Royalties totaled \$1,792,041 for the ounces of gold sold since commercial production commenced.

Corporate and administrative expenses for the ten months ended September 30, 2009 totalled \$2,101,379 compared to \$560,779 for the nine months ended August 31, 2008. All expense categories increased compared to the comparative period for 2008 as a result of an overall increase in Company activities. In particular, the Company added to its management team since the acquisition of the Mali projects in May 2008. As well, the Company hosted analyst meetings at the mine site to raise investor awareness, resulting in substantially higher shareholder costs. Travel to the site has generated higher travel costs for the current ten month period. The Company shares office space and other resources with companies with common directors and officers.

Non-cash stock based compensation expense for the current ten month period was \$1,146,340 (Q3 2008: \$896,232) related to the estimated fair value of stock options that were granted and/or vested during the period. A total of 4,650,000 stock options (August 31, 2008: 4,920,000) were granted to directors, officers, consultants and employees of the Company during the ten month period. Stock based compensation was estimated using the Black-Scholes option pricing model.

During the current period, the Company incurred non-cash accretion expenses of \$378,064 arising from the Company's asset retirement obligations as well as accretion on the warrant value associated with the short-term debt owing to Aberdeen repaid earlier in the year. The Company incurred interest expense of approximately \$362,000 related to short-term debt owing to both Aberdeen and Dynamite, as previously discussed. During the comparative period, \$134,404 in interest expense was incurred on the Aberdeen loan. These debts carried an interest rate of 10% per annum.

The Company incurred a foreign exchange translation loss of \$292,936 during the current period compared to a loss of \$45,634 during the comparative period.

SUMMARY OF QUARTERLY RESULTS

This summary of unaudited quarterly results has been prepared in accordance with Canadian GAAP.

(in '000's except per share amounts)		Revenue \$	Income (Loss) \$	Income (Loss) per share \$	Long Term Liability \$
Q3-2009	September 30, 2009	13,933	444	0.00	3,864
Q2-2009	June 30, 2009	5,597	(581)	(0.00)	3,789
Q1-2009	March 31, 2009 * four-month period	-	(1,241)	(0.02)	3,626
Q4-2008	November 30, 2008	-	(4,239)	(0.08)	3,554
Q3-2008	August 31, 2008	-	(1,119)	(0.02)	4,080
Q2-2008	May 31, 2008	-	(831)	(0.03)	4,288
Q1-2008	February 29, 2008	-	(96)	(0.01)	-
Q4-2007	November 30, 2007	-	(751)	(0.15)	-

The Company commenced commercial production during Q2-2009 resulting in revenue from operations recognized during the period. Q3-2009 reflects a full quarter of commercial production revenues. The Company did not have income from operations prior to the quarter ended March 31, 2009. During Q1-2009, the Company recognized pre-production revenues which were recorded against deferred exploration costs.

The loss during the quarter ending November 30, 2007 is primarily a result of a write off of exploration expenditures related to the Iron Lake project. The loss during the quarter ending May 31, 2008 is a result of a large non-cash stock based compensation expense related to the issue of 3,050,000 stock options during the period. The loss recognized during the quarter ending August 31, 2008 is a result of both stock based compensation expense and a write off of project costs related to the Dundonald project. During the quarter ended November 30, 2008, the Company recognized a loss of approximately \$2,500,000 as a result of the write down of the Ethiopian projects. During the quarter ended March 31, 2009, the Company's loss is attributed to large interest and accretion expenses related to short-term debentures and the Company's asset retirement obligations. In Q2-2009, the Company incurred a large stock-based compensation expense but the start of commercial production has mitigated the loss. Income from Q3-2009 is a result of full commercial production during the quarter.

The Company's long term debt consists of asset retirement obligations related to the Mali projects acquired at the end of May, 2008.

LIQUIDITY AND CAPITAL RESOURCES

As of the start of production, financing of operations is achieved primarily through metal sales. At September 30, 2009, the Company had \$5,943,647 in cash and working capital of \$14,098,087.

During the first quarter of 2009, the Company completed a private placement financing raising \$2,361,380 net of cash issue costs through the issuance of 37,500,000 units of the Company at a price of CAD\$0.08 per unit. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one common share

of the Company at a price of CAD\$0.10 for a period of 18 months. A commission of \$150,721 was paid to Delano Capital Corp. as a result of this financing, as well as 2,235,000 broker options granted at an exercise price of CAD\$0.08 expiring January 2010. An officer of the Company is also an officer of Delano Capital Corp.

As at September 30, 2009, the Company owns 9,098,500 common shares of Midlands Minerals Corporation ("Midlands"). The Company owns less than 20% of Midlands with no board membership, and does not hold significant influence. The acquisition of an interest in Midlands is consistent with Avion's growth strategy in Western Africa through strategic acquisitions and accelerated development of the Tabakoto and Ségala assets. Midlands' primary asset is the Sian and Kwahu Prasso projects in central Ghana.

CASH FLOWS

For the quarter ended September 30, 2009

During the quarter ended September 30, 2009, operating activities provided \$916,412 in cash flows compared to the use of \$1,277,167 during the third quarter of 2008. Operations generated approximately \$2,880,000 in cash during Q3-2009.

Cash from investing activities used \$2,821,411 during Q3-2009 compared to the use of \$4,398,265 during Q3-2008. Expenditures on properties, plant and equipment used \$1,141,221 during the current quarter compared to \$4,659,651 during the comparative quarter. The change in accounts payable related to properties, plant and equipment used \$1,680,190 for the current quarter under review compared to providing \$261,386 for the comparable quarter.

Financing activities provided \$1,069,602 during the current quarter compared to providing \$10,684 during the comparative quarter. The exercise of warrants and options generated \$1,047,625 in cash for Q3-2009 compared to \$nil during Q3-2008. Interest accrued on government loans provided \$21,977 for the quarter. During the comparative quarter, interest accrued on short-term loans provided \$10,684.

For the ten months ended September 30, 2009

During the period ended September 30, 2009, operating activities provided \$891,170 in cash flows compared to the use of \$823,845 during the comparative nine month period of 2008. Operations generated approximately \$4,320,000 in cash during the ten month.

Cash from investing activities used \$1,222,117 during the ten month period in 2009 compared to the use of \$28,700,083 during the comparative nine months of 2008. During Q2-2009, the Company acquired net cash of \$7,477,395 through the acquisition of Dynamite. During the comparative period, the Company used \$22,875,338 to acquire the Mali projects. Expenditures on properties, plant and equipment used \$6,660,218 during the current period compared to \$6,164,444 during the comparative period. The change in accounts payable related to property, plant and equipment used \$1,947,921 for the current period under review compared to providing \$189,818 for the comparable period. The Company acquired security investments during the period for net cash proceeds of \$91,374 (Q3-2008: \$nil).

Financing activities provided \$3,456,323 during the ten months ended September 20, 2009 compared to providing \$29,181,783 during the comparative nine month period. The Company raised \$2,361,380 net of issue costs through private placements during the current period compared to \$27,595,243 for the same period in 2008. The exercise of warrants and options generated \$1,675,818 in cash for year-to-date 2009 compared to \$14,305 for year-to-date 2008.

The Company retired debt through the net use of \$580,875 in cash compared to acquiring debt providing \$1,010,604 in cash during the comparative period.

TRANSACTIONS WITH RELATED PARTIES

The Company was charged \$13,647 and \$43,804 during the three and ten months ended September 30, 2009 respectively (Q3 2008 and August 31, 2008: \$14,592) for administrative fees charged by a company controlled by a director of the Company.

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for its proportionate share of the expenses. Included in accounts payable and accrued liabilities at September 30, 2009 is \$nil (August 31, 2008: \$20,787) owing to such companies. The Company has advanced \$158,800 at September 30, 2009 to cover these expenses (August 31, 2008: \$nil), and the Company is owed \$96,055 (August 31, 2008: \$nil) in reimbursable payments as well. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

The Company and Aberdeen share common directors. The Company entered into an agreement to purchase properties in Ethiopia from Aberdeen, as well as a debenture agreement with Aberdeen. Any loans outstanding to Aberdeen had been paid by the end of the second quarter.

The Company and Dynamite share a common director and a common officer. The Company acquired all of the issued and outstanding shares of Dynamite during the second quarter. See Note 4. Of the existing Dynamite stock options outstanding at the time of acquisition, 2,662,600 options were converted to options of the Company at a ratio of 1 Dynamite option for 0.75 options of the Company for the common director and officer. And 487,500 options were converted belonging to former Dynamite directors who have now been appointed to the Board of Directors for the Company.

An officer of the Company is also an officer of Delano Capital Corp. (see Liquidity and Capital Resources).

DIRECTORS AND OFFICERS COMPENSATION

For the three and ten months ended September 30, 2009, the Company was charged \$13,647 and \$147,182 respectively for consulting and special committee fees (Q3-2008: \$93,228; August 31, 2008: \$619,493) by directors or by companies controlled by directors of the Company. The Company was charged \$234,675 and \$973,841 respectively for consulting fees for the three and ten months ended September 30, 2009 (Q3-2008: \$62,259; August 31, 2008: \$336,029) by officers of the Company.

SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares of which 225,326,543 were issued and outstanding as of the date of this report.

Pursuant to the Company's Stock Option Plan, the number of common shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the total number of issued and

outstanding common shares on a non-diluted basis. As at the date of this report, 22,101,000 options (including broker compensation options) are outstanding at exercise prices ranging from CDN\$0.08 to CDN\$1.07 expiring between October 1, 2009 and July 31, 2014.

The following table sets out all the outstanding share purchase warrants in Avion as at the date of this report:

Expiry Date	Exercise Price (CDN\$)	Warrants Outstanding
December 19, 2009	0.36	1,111,111
May 8, 2011	0.65	28,800,000
July 12, 2010	0.10	10,297,900
November 2, 2011	0.60	1,000,000
		41,209,011

Avion has no performance shares or escrow shares.

SUBSEQUENT EVENTS

A total of 7,046,989 warrants were exercised subsequent to September 30, 2009 at a weighted average exercise price of CDN\$0.25 for gross proceeds of \$1,640,000.

Subsequent to the end of the quarter, the Company negotiated a royalty buyout, subject to regulatory approval, with a payment of \$1,000,000, and the issuance of 3,500,000 common shares and 1,000,000 warrants exercisable for CAD\$0.60 expiring two years from the date of issue. TSX Venture Exchange final approval was received on November 1, 2009, and the buyout was completed on November 2, 2009.

In October 2009, the Company executed a definitive agreement with Great Quest Metals Ltd. ("GQM") to acquire 75% of GQM's interest in three mineral concessions located adjacent to the south and west sides of the Tabakoto property. In order to acquire this interest, the Company must make cash payments of CDN\$ 2,360,000 and work commitments of CDN\$ 1,890,000 over five years. On signing of the Option Agreement, Avion made a cash payment of CDN\$ 350,000 and is required to complete at least CDN\$ 150,000 of exploration expenditures in year 1. GQM's interest in the properties varies from 95% to 100% subject to a carried interest to the Government of Mali ranging between 10% and 20%.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical risks.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

For additional disclosure regarding certain risks that could affect the Company, please refer to the Company's Management Information Circular filed on April 22, 2009 for the year ended November 30, 2008.

COMMITMENTS

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$2.7 million be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts are approximately \$780,000.

The Company is contracted to purchase fuel as required, however if the contract was terminated, the Company would be obligated to pay the net book value of the facilities, valued at approximately \$1,350,000 at September 30, 2009.

The Company has received a tax assessment from the Malian government for FCFA 1,303,558,366 (approximately \$2,800,000) covering periods prior to the acquisition of the Mali Projects by the Company. The Company believes that this assessment is without merit and will not result in any significant expense to the Company.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason there of, will have a material effect on the financial condition or future results of operations. The Company has recorded a provision of \$318,000 in relation to these legal matters.

SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, the interim consolidated financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 3 to the Company's Audited Annual Financial Statements for the period ended November 30, 2008.

New accounting policies

Revenue recognition

Revenue from the sale of metals is recognized in the accounts when persuasive evidence of an arrangement exists, title and risk passes to the buyer, collection is reasonably assured, and the price is reasonably determinable.

Inventory

Inventory consists of finished goods, in-process precious metals, stockpiled ore, and spare parts and supplies. Inventory is valued at the lower of average production costs or net realizable value. Production costs include the costs of raw materials, direct labour, mine-site overhead expenses, and depreciation and depletion of mining interests. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form.

In-process inventory represents materials that are currently in the process of being converted into finished goods. The average production cost of finished goods represents the average cost

of in-process inventories incurred prior to the refining process, plus applicable refining costs and associated royalties

Mining properties, plant and equipment

Mining properties, plant and equipment are carried at cost, net of pre-production revenues and recoveries, until they are brought into production, at which time they are generally depleted on a unit of production method based on proven and probable reserves or amortized over the expected useful life of the asset based on measured and indicated resources. Certain vehicles and other equipment included in mining properties, plant and equipment have been amortized on a straight line basis over a three or five year period. If mining properties, plant and equipment is subsequently determined to be significantly impaired in value, the carrying values are written down to their net realizable value. Other general exploration expenses are charged to operations as incurred. Where the mining property is abandoned, the accumulated acquisition and deferred costs relating to that mining property are written off to operations.

The Company reviews its mining properties, plant and equipment to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. An impairment loss is recognized when the carrying amount of the properties is not recoverable and exceeds its fair value. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near term could require a change in the determination of the need for and amount of any write down.

Deferred stripping costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to the future economically recoverable ore to be mined, have been capitalised. These costs are deferred or taken to the production cost as the case may be, so that each tonne of ore mined bears the average cost of waste removal per tonne of ore, as determined by the waste to ore ratio derived from the current pit plan. The waste to ore ratio is regularly assessed by management to ensure the carrying value and the rate of deferral is appropriate. The Company has adopted the recommendations of the CICA with respect to stripping charges, EIC-160 Stripping Costs Incurred in the Production Phase of a Mining Operation ("EIC-160"). These recommendations require the costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations to be charged to income in the year in which they are incurred, except when the costs represent a betterment to the mineral property. Costs represent a betterment when the stripping activity provides access to reserves that would not have been accessible in the absence of the stripping activity. When costs are deferred in relation to betterment, the costs are amortized over the reserves accessed by the stripping activity using the units of production method. As at September 30, 2009 the balance of deferred stripping costs of approximately \$4.75 million was included in Mining properties, plant and equipment. In accordance with EIC-160, the carrying value of the deferred stripping costs will be amortized over the life of the related mining assets on a unit of production basis.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the

reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized to mineral properties, plant and equipment or expensed, and estimates for asset retirement obligations and reclamation costs. Significant estimates used in the preparation of the consolidated financial statements include, but are not limited to, the recoverability of amounts receivable, fuel duty receivable and investments; the measurement of material in circuit and the recoverable gold in this material used in determining the estimated net realizable value of inventories; and the proven and probable ore reserves and resources, and the related depletion and amortization. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation, warrants, and income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar. The Company's foreign subsidiaries are considered to be integrated foreign operations. Accordingly, transactions and account balances originally stated in currencies other than the Canadian dollar are translated using the temporal method whereby monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates; and revenue and expenses are translated at the exchange rate in effect on the dates that they occur. Effective September 30, 2009 the Company changed its reporting currency to United States dollars. Following the recommendations of Emerging Issues Committee (EIC) of the Canadian Institute of Chartered Accountants (CICA) Abstract EIC-130 "Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency", the financial statements for all periods presented have been translated using the current rate method. Under this method, consolidated revenues, expenses, and cash flow statement items have been translated using weighted-average exchange rates for the applicable periods. Consolidated assets and liabilities have been translated using the exchange rates in effect on the balance sheet dates, while shareholders' equity has been translated using the exchange rates in effect on the date of each transaction. Resulting exchange differences are reported in a separate component of other comprehensive income. All comparative financial information has been translated and restated as if the US\$ had been used as the Company's reporting currency.

New accounting pronouncements

Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for the Company commencing January 1, 2009. This standard is effective for years beginning on or after January 1, 2009. The Company is currently in the process of evaluating the impact of this standard.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal

periods ending on or after January 12, 2009. The Company is continually evaluating its counterparties and their credit risks.

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee (“EIC”) issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009. The Company has adopted EIC-174.

Future Accounting Pronouncements

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Convergence with International Financial Reporting Standards (“IFRS”)

In January 2006, the Canadian Accounting Standards Board (“AcSB”) announced its decision to replace Canadian GAAP with IFRS. On February 13, 2008 the AcSB confirmed January 1, 2011 as the mandatory changeover date to IFRS for all Canadian publicly accountable enterprises. This means that Avion will be required to prepare IFRS financial statements for the interim periods and fiscal year ends beginning in 2011. The Company is creating an implementation team, which will consist of internal resources and external consultants. A changeover plan is being established to convert to the new standards within the allotted timeline and is expected to consist of the following three key project phases:

1. Raise Awareness and Assess Phase
2. Design Phase
3. Implementation Phase

Phase 1: Raise Awareness and Assess

This first phase of the conversion project has two stages focusing firstly on raising awareness within the Entity and providing an initial assessment of the impact of the IFRS conversion, and

secondly on carrying out a detailed assessment of the impact of the conversion to IFRS. Each section will be thoroughly reviewed and analyzed for accounting or disclosure differences between Canadian GAAP and IFRS. Once differences have been identified they will be reviewed for potential impacts to existing accounting policies, information systems and business processes. An action plan will then be developed for each impact area. This phase is currently underway.

Phase 2: Design

Following completion of the assessment phase, the focus of the design phase will build the tools required for the conversion based on management's decisions about accounting options and the related disclosures. During this phase, external consultants will assist the project team in designing the changes to be implemented relating to accounting and consolidation processes, information technology systems and other affected business aspects, including but not limited to, changes to contracts, key performance indicators, internal reporting.

The design phase will also involve revisiting the communication and training strategies to be carried out during the implementation of IFRS and updating the operational and milestone plans, and an issues log for finalization of actions to be taken during the implementation phase.

Phase 3: Implementation

The implementation stage is about execution. The roll-out of the designed changes takes place during this phase.

This phase will accomplish

- Developing the new accounting policies, accounting manuals, guidelines, processes for reporting packages from business units, and consolidation templates;
- Preparing the IFRS financial statements and related disclosures including facilitating and supporting the dry run financial reporting process;
- Developing revised internal control processes, including updating the key controls for NI 52-109 purposes.
- All phases are expected to be completed by December of 2009 in order to facilitate comparative reporting for the first quarter of 2010.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has entered into production and has begun to generate cash flows to support its ongoing and longer term strategy focused on regional exploration. However, the Company may continue to rely on capital markets to support continued growth. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the ten-month period ended September 30, 2009.

FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to amounts receivable and fuel duty recoverable. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in amounts receivable consist of Goods and Services Tax due from the Government of Canada, Value Added Tax from foreign governments, employee advances and reimbursable costs, and gold sales receivables. Fuel duty receivable is due from the Government of Mali, recoverable by way of offset against certain royalties and any taxes otherwise payable to the Government of Mali. Management believes that the credit risk with respect to these financial instruments is low. There is no formal offset agreement with the Malian Government, but the Government has not rejected the offsets to date.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2009, the Company had a cash and cash equivalents balance of \$5,943,647 (November 30, 2008 - \$2,818,272) to settle current liabilities of \$8,056,833 (November 30, 2008 - \$9,464,091). Approximately \$7,600,000 of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash balances at September 30, 2009. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company funds certain operations, exploration and administrative expenses in Africa on a cash-call basis using the CFA Francs ("FCFA") and the Euro currencies, converted from its Canadian dollar bank accounts. The Company's Malian subsidiaries operate in FCFA for which Malian banks offer a floating rate of exchange with the Euro. As well, gold sales are denominated in US dollars. Management does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company currently does not hedge for price risk.

Financial instruments and fair values

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Amounts receivable and the fuel duty receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, and short term loans are classified as other financial liabilities, which are measured at amortized cost. The Company's investment in Midlands Minerals Corporation is classified as held-for-trading and measured at fair value. The Company's investment in a private mineral exploration company is measured at cost as the investment does not have a quoted market price in an active market.

As at September 30, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately the same, and there were no changes that occurred that attributed to credit risk.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

As a result of the Company's activities in Mali, the Company is exposed to foreign exchange risk. The Company's functional currency is the Canadian Dollar. The Company is exposed to currency risk on settlements of purchases that were denominated in currencies other than the functional currency. The currency exposures are primarily to the United States Dollar (USD), Euro (EURO), West African CFA Franc (FCFA) and the South African Rand (ZAR).

The Company commenced commercial gold production during the quarter. As a result, fluctuations in the price of gold, and to a lesser degree, the price of silver, could affect the results of operations. The Company currently does not hedge its future gold sales.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Financial Statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, affect decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material

CAUTIONARY NOTES

Don Dudek, P.Geo. Avion's Senior VP Exploration and Director is the Qualified Person for this MD&A as defined under National Instrument 43-101 and is responsible for the technical and scientific work carried out and has reviewed and approved the scientific and technical information presented in this MD&A.

Except for statements of historical fact relating to Avion, certain information contained herein constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; future mineral prices; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations, the realization of mineral reserve and resource estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting, construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, as well as those factors discussed herein under the heading `Risks`. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OFF BALANCE SHEET ITEMS

The Company does not have any off balance sheet items.

OUTLOOK

In February 2009, Avion commenced mining operations at its Ségala and Tabakoto properties in Mali West Africa mining. The Company restarted the mill on February 17, 2009 and has been successfully running at an average of 1,820 tonnes per day, which is higher than the 1,720 tonnes per day planned. Avion continues to expect that it will meet its revised targeted 2009 production of 50,000 ounces of gold.

Avion's exploration on the property has a goal of adding to the current resource base and extending the mine plan beyond the currently contemplated four year mine life.

November 15, 2009