

AUREUS MINING INC.

**Management's Discussion and Analysis
For the three months ended March 31, 2013**

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

The following discussion is management's assessment and analysis of the results and financial condition of Aureus Mining Inc. (the "Company" or "Aureus" or "Aureus Mining") prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the accompanying consolidated financial statements and related notes for the three months ended March 31, 2013. This management discussion and analysis has been prepared based on information available to the Company as at May 8, 2013. Unless otherwise indicated all amounts are in US dollars.

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website at www.aureus-mining.com.

1. OVERVIEW

(a) DESCRIPTION OF BUSINESS AND COMPANY HISTORY

Aureus Mining is an exploration and development stage company focused on gold projects in West Africa and operates in Liberia and Cameroon. Its most advanced project is the New Liberty Gold Project in Liberia ("New Liberty" or the "Project"). The Company has a loyal and strong workforce and supports the local communities in which it operates by sourcing services and supplies, creating job opportunities and participating in social programmes. The Company is listed on the Toronto Stock Exchange ("TSX") (Ticker AUE) and the AIM Market of the London Stock Exchange ("AIM") (Ticker AUE).

Aureus Mining was incorporated on February 1, 2011 and on April 13, 2011 completed a plan of arrangement with African Aura Mining Inc. ("African Aura") (which was renamed Afferro Mining Inc. ("Afferro") on conclusion of the process) upon which all of African Aura's gold and diamond interests were transferred to Aureus along with US\$10.6 million in cash.

During the period ended March 31, 2013 the Company mandated Nedbank Capital ("Nedbank") and Rand Merchant Bank ("RMB") to arrange a Project Debt Finance Facility of up to US\$100 million, together with an associated US\$8 million Cost Overrun Facility (together "the Facilities"), to support the development of the Company's New Liberty Gold Project. Loan documentation is expected to be finalised in Q3 2013 with first drawdown in Q4 2013.

(b) STRATEGY

Aureus Mining's strategy to increase shareholder value will be to: (i) develop the New Liberty Gold Project into a mine; and (ii) progress exploration on promising assets in both Liberia and Cameroon.

The Company's management believes it is well placed to implement its strategy through the business strengths discussed below:

A Strong Portfolio of Assets

The Company has a strong portfolio of gold assets:

- The New Liberty Gold Project (the "Project") in Liberia has a NI 43-101 compliant reserve estimate of 8.7 million tonnes grading 3.3 g/t for 910,000 contained ounces of gold in the proven and probable category and a NI 43-101 compliant resource estimate comprised of 9.8 million tonnes grading 3.6 g/t for 1,143,000 ounces in the measured and indicated category and 5.7 million tonnes grading 3.2 g/t for 593,000 ounces in the inferred category. The Project Feasibility Study ("FS") has been completed and an NI 43-101 compliant technical report has been filed on SEDAR.
- A promising portfolio of exploration stage gold projects in Liberia and Cameroon.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Experienced Board

The directors of the Company have extensive experience of mining operations in Africa and taking projects through development and into production. There is a balanced representation of directors with operational, corporate and financial backgrounds. The majority of directors are independent.

Technically Strong

The Company has experienced exploration teams in the countries in which it operates with the flexibility to work across the region in areas where the geological setting is well understood. The Company employs up-to-date technological tools to better focus its exploration efforts.

(c) ON-GOING PROJECTS

Listed below is a summary of the main projects and their status:

Country	Project	Q1 2013 Progress	2013 Plans	Project Ownership
Liberia	New Liberty	<p>Due diligence review in progress on the Feasibility Study to enable finance to be secured</p> <p>3,723m of geotechnical and sterilisation drilling completed</p> <p>Early earthworks development progressed</p> <p>1,615m of trenching completed</p> <p>30km² of soil sampling completed</p> <p>Soil geochem results reviewed and 3 significant and a number of smaller anomalies identified for follow-up</p> <p>Additional detailed geological and geotechnical logging of cores completed</p> <p>IP gradient survey results interpreted and follow up targets identified</p> <p>Licence wide airborne geophysics data interpretation completed and anomalies identified for follow-up</p> <p>Results of the LiDAR airborne topographic survey used to provide accurate topographic surfaces for infrastructure and mine planning</p> <p>Licence wide BLEG Survey undertaken</p>	<p><u>Development</u></p> <p>Complete New Liberty project optimisation studies</p> <p>Complete Marvoe creek diversion and village relocation</p> <p>Complete plant earthworks and commence civil construction / pre-strip mining / tailings storage facility earthworks</p> <p>Grade control drilling using RC rig on first two years pits</p> <p><u>Exploration</u></p> <p>Commencement of trenching of anomalies identified after analysis of the near mine and regional soil gold and arsenic geochem assays</p> <p>Potential opportunities exist for adding gold to the New Liberty resource. Seven are centred on the New Liberty deposit and a further six have been identified in the surrounding area</p> <p>Near mine exploration targets to the west of the Mafa River</p> <p>Follow up on BLEG Results during Q3 and Q4</p>	90% ¹

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Country	Project	Q1 2013 Progress	2013 Plans	Project Ownership
Liberia	Ndablama	Regional soil sampling on going with 1,591 samples collected in Q1 Phase 3 drilling at Ndablama commenced with 17 diamond drill holes for 2,353m drilled Logged 17 holes for lithology, geotech, structure, alteration and mineralization	Continue with soil sampling program in the far east and west of Ndablama and Leopard rock Cutting and sampling to be done for all 17 diamond drill holes. Au results to be analysed and grade and block model to be completed	90% ¹
Liberia	Weaju	9,005 metres of phase one drilling completed 1,212 soil samples collected Topographic ground survey and LiDAR airborne survey completed 150m of trenching completed 11 pits completed	Continue with regional soils, trenching, and mapping	90% ¹
Liberia	Leopard Rock	5 trenches excavated at gap area between Leopard rock and Ndablama 2 trenches totalling 258m sampled at the gap area 3 trenches totalling 465m mapped Geology surface map updated in the quarter	Trench results to be analysed Continue mapping and soil sampling to complete update of surface geology in the Leopard rock and Ndablama gap	100%
Liberia	Gondoja	Re-logged 12 historic diamond drill holes for structure, alteration and cleavage	Continue trenching from Gondoja to Koinja	90% ¹
Liberia	Gbalidee	No work done was done in the quarter	Continue trenching in Gbalidee	90% ¹
Liberia	Silver Hills	Regional soil sampling underway at the western and eastern blocks 6 trenches underway, 3 at the western block and 3 at the central block Pitting underway and infill soil sampling planned in the east	Complete regional soil sampling and infill soils Complete the pitting and trenching program and plan new trenches based on results from soils Continue with geological and structural mapping	90% ¹
Cameroon	Batouri	Geological mapping and rock sampling over the licence area	Identify new geophysics targets from ground IP or magnetic survey Further trenching and pitting	100%

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Country	Project	Q1 2013 Progress	2013 Plans	Project Ownership
		<p>Pitting completed over the licence with 274 pits for 1,627m over 3 prospects; Amndobi (188 pits), Kambele (24 pits) and Adoumboun (62 pits)</p> <p>Soil sampling program completed at Amndobi (834 soil samples)</p> <p>7 trenches completed at Amndobi for 646m</p>	<p>programs for target identification in both the North and South of the licence prior to commencement of drilling</p> <p>Plan new drilling at Kambele and Amndobi</p> <p>Geological and structural mapping to continue</p>	

1. The Government of Liberia is entitled to a 10% free carried interest.

2. EXPLORATION PROJECTS

(a) New Liberty Gold Project, Liberia

Introduction

The key asset in the Aureus portfolio is the New Liberty Gold Project upon which the Company has completed a feasibility study and has commenced development. New Liberty is a greenfield development with the advantage of having excellent access from the capital and main port of Liberia, Monrovia. From the capital there is a predominantly tarmac road covering the 100 kilometres to the project site, providing excellent all year round access.

The Company holds its interests in the New Liberty Gold Project through its subsidiary Bea Mountain Mining Corporation ("Bea") which was granted the Bea Mineral Development Agreement ("Bea MDA") by the government of Liberia. The Bea MDA came into effect on November 28, 2001 and has an initial term of twenty-five years expiring on November 28, 2026, which may be extended for successive twenty five year terms upon notice to the Liberian Government and submission of feasibility study prior to termination of the initial or successive term.

On July 29, 2009 Bea was granted a Class A Mining Licence ("Bea Mining Licence") within the Bea MDA by the Government of Liberia. The Bea Mining Licence permits mining within a 457 km² area which encompasses the New Liberty Gold Project.

Reserve Estimate

On October 1, 2012, the Company announced the completion of the feasibility study which incorporated an update to the Company's previously announced maiden reserve for the New Liberty Gold Project of 910,000 ounces grading at 3.3 g/t.

The reserves support an open pit operation with an average annual production rate of 1.1 million tonnes of ore over an eight year production life. Plant production over the first four years averages 120,000 ounces per annum. All of the reserve at New Liberty is located within 220 metres of surface and is extractable by open pit mining methods.

The total reserve estimate of 8,680,000 tonnes grading 3.3 g/t (for 910,000 ounces) is comprised of 700,000 tonnes grading 4.4 g/t (for 99,500 ounces) in the proven category and 7,980,000 tonnes grading 3.2 g/t (for 810,000 ounces) in the probable category, as detailed in the table below. The proven and probable ore reserves are contained within open pits of depths between 180 and 220 metres below surface. The ore body is still open at depth.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

The reported reserve estimate is shown in the following table:

Reserve Classification	Tonnes (million)	Gold (g/t)	Gold (koz)
Proven	0.7	4.4	99
Probable	8.0	3.2	810
Total Proven and Probable	8.7	3.3	910

Notes

1. CIM definitions were used for mineral reserves
2. A cut-off of 0.8 g/t AU is applied for all zones
3. Due to rounding, some columns or rows may not add up exactly to the computed totals

Resource Estimate

A mineral resource estimate ("MRE") was undertaken by AMC in accordance with the requirements of NI 43-101. The MRE incorporates all the results from drilling as at April 4, 2012, being 438 holes for 65,276 metres and was calculated on the basis of a 1.0 g/t cut-off grade.

The total resource estimate is comprised of 651,000 tonnes grading 4.77 g/t (for 100,000 ounces) in the measured category, 9,145,000 tonnes grading 3.55 g/t (for 1,043,000 ounces) in the indicated category, and 5,730,000 tonnes grading 3.2 g/t (for 593,000 ounces) in the inferred category, as detailed in the table below. The measured and indicated resources are located generally within the first 200 metres below surface. The inferred resource remains open at depth.

Mineral Resource	Tonnes (million)	Average Grade (g/t)	Contained Gold (koz)
Measured	0.7	4.77	100
Indicated	9.1	3.55	1,043
Subtotal M+I	9.8	3.63	1,143
Inferred	5.7	3.2	593

Notes

1. CIM definitions were used for Mineral Resources
2. A cut-off grade of 1.0 g/t Au is applied for all zones
3. Due to rounding, some columns or rows may not add up exactly to the computed totals

Feasibility Study

A feasibility study for the development of New Liberty (the "FS") was completed during 2012. The main conclusions from the FS demonstrate a pre-tax IRR of 37% at an average gold price of US\$1,400 / oz, average annual production of 120,000oz per annum over the first four years at 3.7g/t head grade, with initial capital costs of US\$140million.

In completing the FS, Aureus was assisted by AMC Consultants (UK) Limited ("AMC"), DRA Mineral Projects (Pty) Ltd ("DRA"), MDS Ltd ("MDS"), Golder Associates Ghana Ltd ("Golder") and Digby Wells (Pty) Ltd ("Digby Wells"). The FS has been completed to within a ±10% cost accuracy based on firm tenders received from suppliers and contractors.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Highlights of the FS are:

- A technically feasible and economically robust project, with the following attractive economics based on a discount rate of 5%:

Gold Price (US\$/oz)	Pre-tax NPV (US\$M)	Post-tax NPV (US\$M)	Pre-tax IRR (%)	Post-tax IRR (%)	Capital payback (years)
1,400 average	234	187	37	33	2.2

- Average annual gold production of 120,000 oz over the first four years of production at an average grade of 3.7g/t with total gold production of 846,000 oz over the eight year mine life
- Life of mine ("LOM") operating cash cost will average US\$685 / oz, using contract mining
- Initial capital cost estimate of US\$140 million (excluding contingency)
- Total revenue is US\$1.2 billion and pre-tax cash flow of US\$338 million based on an average gold price of US\$1,400 / oz
- The Feasibility work was completed to within a 10% cost accuracy based on firm tenders received from suppliers and contractors
- Proven and Probable Reserve of 8.7 Mt at 3.3g/t for 910 koz of contained gold, which is an increase of 4% from the initial Reserve statement in February 2012
- Open pit mine and gold plant designed to treat 1.1 Mtpa of primarily unweathered ore. The plant design incorporates two stage crushing, ball milling, gravity concentration and a Carbon-in-Leach ("CIL") circuit for a full steady state recovery rate of 93%
- Experienced senior management team being developed. GM Construction, a Metallurgical Manager and an Environmental Manager were all recruited in 2012
- 25 year, renewable, Mineral Development Agreement and mining licence in place
- Environmental permit granted in October 2012 following the completion and submission of the Environmental Impact Statement to the Environmental Protection Agency of Liberia

The Relocation Action Plan (RAP) for relocating Kinjor and Larjor, the two affected villages to a new site and the Community Development Plan (CDP) which aims to restore livelihoods, ensure food security and promote livelihood and enterprise development for those people impacted by the project, were both approved by the Government of Liberia in March 2013.

Optimisation / Development update for Q1 2013

The main focus for the start of 2013 was to optimise the different aspects of the designs and processes for the New Liberty Project. These optimisations covered a number of different disciplines:

Metallurgical process improvements

Further metallurgical testing confirms gold recovery and reduces reagent consumption and CIL residence time. Key points are:

- Improved leach kinetics allows for halving the leach residence time
- Cyanide consumption has been reduced to one-third
- Potential gold recovery increase to over 93%
- Cyanide destruction process – sodium metabisulphite addition could be reduced from 2.0kg/t to 0.5kg/t

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Plant relocation

The processing plant has been relocated to an alternative site immediately south east of the open pit area. This site is located on a slope and will enable significant savings to be achieved through reduced conveying and pumping costs.

Tailings Storage Facility (TSF)

The TSF has been moved to a valley adjacent to and downslope of the new plant site. This is an improvement on the previous site through lower construction costs and reduced pumping costs for the tailings.

Waste dump redesign

The waste rock dump is being designed as a wrap-around dump that encircles the pit, minimising both travelling distance and elevation, saving 7% in the overall haulage costs.

Process costs

The new design of the plant has enabled some significant savings to be made in the overall processing costs, which have been incorporated into the pit optimisation exercise currently underway.

Geotechnical and pit design

The geotechnical data used to design the pit slopes has been significantly added to and improved. This has enabled revised pit slopes to be designed with greater confidence. These slopes have been used in the pit optimisation exercise to calculate a new pit shell. A new pit has been redesigned within this new shell and a revised production schedule is in the process of being developed.

Exploration

Soil sampling grids have continued to be developed across the near mine area. The soil sample assay results have been combined with the geophysics information (airborne magnetics) and ground IP and four main targets and a number of smaller geophysical targets were identified. Three of these significant gold anomalies have been trenched with 1,615m of trenches logged and sampled. Gold intersections in the trenches are to be followed up in Q2 2013.

A BLEG (Bulk Leach Extractable Gold) stream sampling programme has been completed over the licence area not already covered by the soil grids. A number of anomalies have been highlighted and these will be followed up during 2013.

A structural review of the New Liberty deposit was undertaken, both from detailed field mapping information as well as from an intensive review of the cores and outcrops by structural experts. The presence of inclined westerly plunges was confirmed, with this information helping to direct future drilling programmes.

(b) Ndablama gold project, Liberia

The Ndablama prospect is located in the northeast corner of the Bea MDA property and is approximately 40km northeast of the Company's New Liberty deposit. The Ndablama prospect is defined by the presence of extensive artisanal mining activity and a 2km, gold in soil anomaly which trends in a north-south direction.

Exploration activities at Ndablama include extensive trenching and diamond drilling. Phase one and two of drilling were completed in 2011 and 2012 with a total of 36 diamond holes for 6,012m and 63 trenches for 3,967m.

Results from the last drilling and trenching at Ndablama outline three mineralised zones with a cumulative northerly strike of one km. The main or central zone has the best grade continuity with all zones open at depth to the west. The Main and SE zones are still open to the South and the North zone is still open to the North. The Ndablama target is similar in geology and style of gold mineralisation to Leopard Rock which locates 500 metres south of the SE zone. Gold mineralisation is associated with disseminated pyrite and pyrrhotite, located

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

within sheared and altered ultramafic and mafic rocks. Intercepts often occur at the sheared contact zones between the two rock types. The ultramafic and mafic rocks have been intruded by granitic dykes. Gold intercepts vary in width and grade. Results for the 36 holes and all trenches have been reported on the Company website.

Phase three drilling commenced in the quarter for 2,353m with 17 diamond holes drilled. To date all the holes have been logged. Cutting and sampling is on-going with samples ready to be sent to the laboratory to test for gold.

Geology and structural mapping is planned for the second quarter of 2013 to update and extend the geology and structure to the new target area in the north of Ndablama.

(c) Weaju gold project, Liberia

The Weaju deposit is situated 30 kilometres east north east of the New Liberty Gold Project at the eastern end of the Bea Mountain ridge. Mineralization at Weaju is hosted within a strongly sheared sequence of mafic and ultramafic rocks that are tightly folded within moderate SW plunging asymmetrical synform and it occurs on both the north and south limb (north and main zone) and within the fold closure (ridge zone). The structural geometry, style and thickness of the three zones vary as a consequence of folding. The host lithology for the mineralization is a mafic-ultramafic amphibolite unit with characteristic tremolite, actinolite, talc, chlorite assemblage enveloped by granitic gneiss and intruded by various generations of granite, pegmatite and aplite.

On July 26, 2012, the Company announced settlement of Weaju legacy mining claims from the Weajue Hill Mining Corporation ("WHMC"). As part of the settlement, WHMC agreed to release all claims pertaining to the legacy mining rights covering 1.7km² of the total 457km² Class A Bea Mountain Mining Licence in Liberia and received an initial payment of US\$1.3m and the share equivalent of US\$1.2m in common shares of the Company. Upon the completion of a feasibility study for the Weaju project, WHMC will receive payments equivalent to US\$5 per ounce of measured, indicated and inferred resources, as disclosed in the feasibility study, within the claims area and the surrounding 200 metre perimeter ("Payable Area"). If commercial production is achieved within the Payable Area, WHMC will receive a one-time payment equivalent to 2.5% of the net present value (8% discount rate) of a project within the Payable Area, and also receive a 7.5% net profit interest ("NPI") on life-of-mine production within the Payable Area.

Q1 of 2013 marked the completion of phase one drilling; 9,005m of drilling has been undertaken to assess the historic work and look for continuation of the mineralisation along strike and at depth. Four lenses of gold mineralisation, named the North Zone, the Main Zone, the Ridge Zone, and the Creek Zone have been identified. The combined strike length is approximately 450 metres. Soils work has also been undertaken to look at the continuation of the mineralisation, and followed up with trenches and pits.

Results for 47 holes were received during this quarter and have been posted on the company website. Results of 15 holes remain outstanding and are expected in Q2, 2013.

1,212 soil samples have been taken on a regular spaced grid of 25 by 100 m sampling covering an area of 2.6 km². Anomalous zones identified to the south west and to the east. The eastern soil anomaly has since been trenched for 150m and is currently undergoing sampling. A pitting program was started at the south west soil anomaly with 11 pits completed. It is planned to continue with the regional soil grid in Q2

(d) Leopard Rock, Liberia

During 2011 the company entered into an agreement with Mansion Minerals Limited to purchase all of the shares of Archaean Gold (Liberia) Inc. ("Archaean Gold"), a company holding the exploration rights to a licence area covering 89 km². The Archaean Gold exploration licence is contiguous with and immediately south of the Company's Bea Mountain mining licence and hosts the south eastern extension to the gold bearing rocks associated with the Ndablama prospect. The shear structure hosting the Leopard Rock target can be traced in the North West to Ndablama over a distance of 3 km.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

During 2012 4,294m of diamond drilling was completed in the Phase one exploration drilling programme. Results from 27 diamond drill holes are available on the Company's website.

Gold mineralisation occurs within folded, deformed and metamorphosed ultramafic and mafic rocks along a North West trending shear zone. A geology and mineralization model was completed in 2012 using the recent drill and trench data. This was done to help aid further in exploration planning and understand the geology and structural setting of the area. Infill drilling program for phase two is planned for late 2013.

Gold results were also received for soil samples collected over a 33 km² area south of the project (967 samples). A review and assessment of the results was done and new soil programs planned at the far west and southeast of Leopard Rock to generate more targets for exploration in 2013.

Ground geophysical survey was completed in the gap between Leopard Rock and Ndablama covering an area of 1.65km². Anomalous zones were identified and pitting and trenching commenced on them in late 2012. The purpose of this was to explore the continuity of the Leopard Rock – Ndablama mineralized shear structure. Five pits and five trenches were excavated with 712 samples sent for analysis.

Regional soil sampling program was carried out to the east of Leopard Rock. 135km of lines were cut on the far western side of Leopard rock with 1,735 soil samples collected to date.

The geology and structural map was updated for the gap area between Leopard Rock and Ndbalama from mapping done this quarter. Line cutting and soil sampling will be continued to the far-east and west of Leopard rock. The plan going forward is to create a regolith map from the soil logs.

(e) Gondoja, Liberia

The Gondoja gold target is located 10km NE of Leopard Rock and 45km ENE of New Liberty. The area was previously explored by Mano River in 1999 to 2000 and results from seven trenches and four drill holes were reported in 2000. The trench results showed grades of between 1 and 2 g/t over wide widths of 20m to 64m. Five diamond drill holes were drilled in various orientations with a best intercept of 30m grading 3.9 g/t from hole GD4.

The Company's exploration teams have recently undertaken geological mapping, trenching and diamond drilling programmes at the Gondoja target. A total of seven trenches have been excavated for 577m and a diamond drilling programme has been completed involving 13 holes (2,699 metres). Gold mineralisation at Gondoja locates at the sheared contacts between ultramafic and metabasalt rocks and is associated with disseminated arsenopyrite and pyrrhotite and silicia-sericite-carbonate alteration. All results from the previous and current trenching and drilling programmes are reported on the Company website.

A broad zone of shearing can be mapped for 600m in an ENE to WSW orientation. The borehole and trench results outline multiple intercepts over 500m and appear to close off the mineralisation to the ENE. The mineralised system is still open to the WSW and at depth. A preliminary geology and ore model was completed in 2012.

Gold in soil anomalies have been defined for over four kilometres in a NE-SW direction in this area. At the Gbalidee target, locating two kilometres SW of Gondoja, four trenches for 235m and five diamond drill holes have been completed. The geology of Gbalidee is very similar to Gondoja.

A structural and alteration re-log was started in 2012 to review the models and identify the characteristics of the Au mineralisation so that a phase two drilling plan can be developed.

Future work aims at generating new targets for drilling through trenching between Koinja and Gondoja. This has now been planned and will be executed in Q2 2013.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

(f) Silver Hills, Liberia

The Silver Hills deposit is situated approximately 13 kilometres north east of the New Liberty Gold Project. There has been artisanal activity in the past. Lithology consists mainly of granite biotite gneisses, BIFs, ultramafics and amphibolite talc sercite schists. Quartz veins occur at the contact of the granitic gneisses and the ultramafics. The rocks appear to be folded and sheared.

Historical soil sampling and trenching was done over the Silver Hills area. A review of the historical soil data was done recently and it clearly defined anomalous zones in the Central block. A lithological sampling and a structural mapping exercise were also carried out. Three trenches have now been planned over these zones.

Regional soil grids are underway both at the eastern and western blocks where historical soils did not extend with soil grid at 400m by 50m spacing in the west whilst that in the east at 800m by 100m spacing. Some of the recent soils reported identify new anomalies in the western block and three trenches have now been planned.

A pitting program is also underway which will be completed in Q2 2013. The future plan is to complete the infill soils in the eastern block, complete the regional soil at the western block and plan a new soil grid in the north west of Silver Hills.

(g) Cameroon

The Batouri licence is located 436km east of Yaoundé, the administrative capital of Cameroon. The licence is a window of the Pan-African north equatorial fold belt composed of Paleo-Proterozoic and Neoproterozoic series and known as a result of collision between West African craton and Congo craton. The region is affected by the Central African Shear Zone system generally following NE-SW trend, and along which syn to post-tectonic granitoid plutons are common. The auriferous zones within the granite are considered to be controlled by the shear zone.

The Batouri project is defined by three prospects; Kambele (3.5km long), Dimako-Mongonam (3.5km long) and Amndobi (5km long) due to the presence of artisanal workings and gold in soil anomaly trending in a north-south direction.

Field work re-started in early 2012 with soil sampling, trenching, pitting and geological mapping programmes undertaken over the strike extents of Amndobi, Kambele and Dimako prospect areas.

Infill soil sampling programs at 100m by 50m grid spacing at south of Amndobi and south west of Batouri concession were completed with collection of 834 soil samples. Results from soils analyses shows there is a likely structured (NS to NNE) gold in soil anomaly which might be concordant with NS to NNE structures.

A trenching program was completed at Amndobi with 7 trenches dug for 646m. A pitting program was completed with 274 pits dug for 1,627.28m and 993 samples over 3 prospects: Amndobi (188 pits), Kambele (24 pits) and Adoumboun (62 pits).

All trench and pit samples were submitted to the laboratory for analysis and returned anomalous gold in saprolite with a defined NS to NNE continuous anomaly. Geological mapping and sampling was undertaken with 22 rock samples collected over the licence.

The exploration program is targeting shear hosted quartz vein breccia zones with associated altered wall rock and intrusive porphyry system.

A ground IP or ground magnetic survey is planned to be run over at the Amndobi prospect followed by a first pass RC drill program planned for Q2 2013.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

3. SUMMARY OF PERFORMANCE

(a) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US Dollars	Quarter ended March 31, 2013	Quarter ended December 31, 2012	Quarter ended September 30, 2012	Quarter ended June 30, 2012
Income / (loss) for the quarter	(907,390)	458,128	(522,778)	(4,914,825)
Basic & diluted (loss) income per share	(0.004)	0.003	(0.004)	(0.041)
Total comprehensive income / (loss) for the quarter	(845,494)	214,343	(678,620)	(6,798,773)
Total assets	153,843,055	153,122,155	78,590,268	78,967,577
	Quarter ended March 31, 2012	Quarter ended December 31, 2011	Quarter ended September 30, 2011	Quarter ended June 30, 2011
Loss for the period	(894,992)	(729,272)	(3,779,505)	(2,990,353)
Basic & diluted loss per share	(0.008)	(0.006)	(0.032)	(0.030)
Total comprehensive income / (loss) for the quarter	1,042,984	(1,310,550)	(4,673,027)	(3,838,187)
Total assets	83,526,605	82,389,824	83,898,944	87,943,755

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

(b) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME

Quarter ended March 31, 2013

The comprehensive loss for the quarter ended March 31, 2013 was US\$0.8 million, compared to a gain of US\$1.0 million in the quarter ended March 31, 2012. The variation in quarterly income/loss and comprehensive income/loss is predominantly due to a fair value gain on the Company's outstanding warrant derivative liability, share-based payment charges and foreign exchange variances.

The comprehensive loss for the quarter ended March 31, 2013 is predominantly due to on-going corporate expenses, a share based payment charge of US\$0.3 million (Q1 2012 – US\$0.4 million), a foreign exchange loss of US\$0.8 million (Q1 2012 – gain of US\$0.6 million) and a fair value loss on the Company's investment in Stellar Diamonds of US\$0.3 million (Q1 2012 – gain of US\$2.1 million), offset by a fair value gain on the warrant derivative liability of US\$1.3 million (Q1 2012 - nil).

Legal and professional and other expenses totalled US\$0.4 million (Q1 2012 - US\$0.1 million) and contain

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

US\$0.1 million of legal costs, audit and non-audit fees of US\$25,000 and corporate consulting fees of US\$0.2 million. The increase is predominantly due to legal fees incurred on the project financing and increased corporate consulting.

The share based payment charge relates to the vesting of options issued in 2012 and the issue of 3,338,680 options in the period ended March 31, 2013 based on a weighted average fair value of C\$0.27 per option calculated using the Black-Scholes option pricing model. The options issued in the current period vest over a period of two years and are subject to certain market and non-market performance conditions.

Other expenses of US\$0.3 million (Q1 2012 - US\$0.4 million) include stock market costs of \$50,000, office rental and management costs of US\$58,000, travel expenses of US\$155,000 and public relations costs of \$50,000.

The foreign exchange loss for the quarter ended March 31, 2013 was \$0.8 million (Q1 2012 – gain of US\$0.6m). The loss predominantly represents the devaluation of the company's UK Sterling denominated cash balances and is largely unrealised.

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

Statement of financial position at March 31, 2013

Intangible assets of US\$19.4 million as at March 31, 2013 (December 31, 2012 US\$16.3 million) relate to deferred exploration and evaluation costs incurred on the Company's projects. Additions to intangible assets in the quarter to March 31, 2013 were US\$3.1 million (Q1 2012 - US\$4.1 million) and predominantly related to the diamond drilling programmes at the Weaju and Ndablama projects.

Property, plant and equipment ("PPE") of US\$61.9 million as at March 31, 2013 (December 31, 2012 \$52.8 million) relates predominantly to mining and development costs on the New Liberty Project. An additional US\$9.2 million was capitalised to New Liberty mining and development costs during the quarter which includes costs incurred on earthworks (US\$4.7 million), geotechnical, sterilisation and hydrological drilling (US\$0.7million) performed as part of the Project optimisation work, consultants (US\$1.8 million) and capitalised wages and salaries (US\$0.6 million)

The Company's investment in Stellar Diamonds is carried at its fair value (derived from the prevailing market price) on the statement of financial position which was US\$1.0 million at March 31, 2013 (December 31, 2012 US\$1.3 million). Changes in fair value are recorded in other comprehensive income.

Trade and other receivables of US\$2.6 million as at March 31, 2013 (December 31, 2012 US\$3.4 million) includes an advance payment of US\$2.1 million to the Company's earthworks and civils contractor which is recoverable over the first five months of 2013. The Company has performance bond covering the prepaid amount.

Current liabilities of US\$6.2 million as at March 31, 2013 (December 31, 2013 US\$ 5.0 million) includes US\$5.5 million of accruals and trade payables arising predominantly from exploration and development activities and US\$0.6 million related to a warrant derivative liability.

Liquidity, Capital Resources and Financial Instruments

The Company's primary source of funding has been the issue of equity securities. The Company is not in production and does not generate cash flows from operations. As at March 31, 2013 the Company had cash and cash equivalents of US\$68.9 million included within the working capital balance of US\$66.5 million.

The Company has no significant financial instruments other than its cash and cash equivalents and its investment in Stellar Diamonds which is carried at fair value. The majority, 99.9%, of the Company's cash and cash equivalents are invested with a leading multi-national bank with a Standard & Poor's A+ credit rating.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Cash Flows for the three months ended March 31, 2013

Net cash used in operations amounted to US\$2.0 million for the three months ended March 31, 2013 (Q1 2012 - US\$ 1.1 million) and is due predominantly to corporate expenses, movements in working capital and realised foreign exchange gains/losses.

Net cash used in investing activities was US\$8.2 million for the three months ended March 31, 2013 (Q1 2012 - US\$4.9 million) and predominantly relates to deferred exploration drilling and development expenditure on the New Liberty Project.

Net cash proceeds from financing activities were US\$0.1 million for the three months ended March 31, 2013 (Q1 2012 - US\$0.3 million) relating to the exercise of stock options.

In the three months ended March 31, 2013, the Company issued 196,250 new common shares following the exercise of share options at a weighted average exercise price of C\$0.59 raising proceeds of US\$0.1 million.

(c) OTHER INFORMATION

(i) Outstanding share data

	Shares	Amount US\$'000
Balance at December 31, 2011	117,829,802	39,065
Shares issued on Weaju settlement	1,550,930	1,202
Share issued on prospectus offering and private placement	99,700,000	75,789
Share issue costs	-	(4,391)
Exercise of stock options	2,154,311	1,312
Balance at December 31, 2012	221,235,043	112,977
Exercise of stock options	196,250	118
Balance at March 31, 2013	221,431,293	113,095

As at May 8, 2013 the Company had 221,431,293 shares issued and fully paid.

(ii) Going concern

The Company has prepared its consolidated financial statements on a going concern basis which assumes that the Company will be able to realise assets and discharge liabilities in the normal course of business. The directors believe that the current funds will be sufficient to finance the committed capital expenditure, general working capital and corporate costs over the next twelve months.

(iii) Related party transactions

During the three months ended March 31, 2013, the Company incurred management and office service fees of \$58,420 (three months ended March 31, 2012, \$89,981) payable to Afferro Mining and environmental consulting fees of \$6,000 (three months ended March 31, 2012, \$51,158) payable to a Company with a common Director. The payable to related parties as at March 31, 2013 was \$92,478 (December 31, 2012, \$484,926).

Related party transactions are in the normal course of business and occur on terms similar to transactions with non-related parties.

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

(iv) Off balance sheet arrangements

Other than the NPI interests disclosed in Section 2(c), the Company does not have any off-balance sheet arrangements and does not contemplate having any in the foreseeable future.

(v) Operating segments

The Company is engaged in the acquisition, exploration and development of gold properties in the West African countries of Liberia and Cameroon. Information presented to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the geographical location. The reportable segments under IFRS 8 are as follows:

- Liberia development (New Liberty);
- Liberia exploration;
- Cameroon exploration; and
- Corporate.

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended March 31, 2013:

	Liberia development (New Liberty)	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss/(gain) for the period	-	52	28	827	907
Segment assets	63,070	15,054	5,452	70,267	153,843
Segment liabilities	3,956	1,079	-	1,151	6,186
Depreciation of property, plant and equipment	-	68	10	14	92
Capital additions					
– property, plant and equipment	8,130	13	-	2	8,145
– intangible assets	-	2,969	146	-	3,115

(viii) Critical accounting estimates

In the application of the Company's accounting policies, as disclosed in note 3.14 of the Company's last annual financial statements, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

Key sources of estimation uncertainty and judgements made in applying specific accounting policies are as follows:

Share based payments and warrants

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

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

Carrying value of non-current assets

The outcome of on-going exploration and development programmes, and therefore whether the carrying value of plant, property and equipment and acquisition, exploration and evaluation and development expenditures will ultimately be recovered is inherently uncertain.

The ability of the Company to realise the carrying values of these assets is contingent upon discovery of economically recoverable mineral reserves, the on-going title to the resource properties, the ability of the Company to finance the development of the properties and on the future profitable production or proceeds from the property. The success of the Company's mineral exploration properties is also influenced by operational risks, legal and political risks and future gold prices.

Management make the judgements necessary to implement the Company's policy with respect to capitalisation of these assets and consider them for impairment at least annually with reference to indicators in IAS 36 and IFRS 6. If an indication exists, an assessment is made of the recoverable amount. The recoverable amount is the higher of value in use (being the net present value of expected future cash flows) and fair value less costs to sell. Value in use is estimated based on operational forecasts for advanced stage projects with key inputs that include mineral resources, gold prices, production levels including grade and tonnes processed, production costs and capital expenditure. Because of the above-mentioned uncertainties, actual future cash flows could materially differ from those estimated.

4. QUALIFIED PERSON

The Company's Qualified Person as defined in NI 43-101 responsible for preparing this Management Discussion and Analysis is David Reading, who holds an MSc in Economic Geology from University of Waterloo, Canada and is a Fellow of the Institute of Materials, Minerals and Mining. David Reading is the President and Chief Executive Officer of Aureus Mining and consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Assay and sampling information are taken from the Company's database as prepared on New Liberty site by the project geologists. Drill core is split on site and sent under custody to the Alex Stewart-OMAC sample preparation facility in Monrovia where pulps are prepared and dispatched to the OMAC laboratory in Ireland, or to the SGS assay facility in Monrovia, for analysis by fire assay with an atomic absorption finish.

Quality control and quality assurance procedures include the regular and methodical implementation of field duplicates, blank samples, standards and laboratory repeats as well as regular and specific programmes of re-assaying and umpire laboratory assaying.

5. FORWARD-LOOKING STATEMENTS

Certain information included in this document may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. Factors that could cause actual results or events to differ materially from current expectations include

AUREUS MINING INC.
Management's Discussion and Analysis
For the three months ended March 31, 2013
(stated in US dollars)

but are not limited to: the grade and recovery of ore which is mined varying from estimates; estimates of future production, mine development costs, timing of commencement of operations; changes in exchange rates; access to capital; fluctuations in commodity prices; and adverse political and economic developments in the countries in which we operate. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

6. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers.

There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

7. OUTLOOK

The Company has now completed its feasibility study, recruited a strong and well established mine construction team and has received all necessary permits for development of the New Liberty Gold Project.

The New Liberty Project is advancing rapidly, with early civils and earthworks making good progress and the optimisation studies due to be finalised in Q2 2013. The Company is in negotiations with respect to finalising the EPCM contract for construction of the plant and is scheduled to start plant civils in Q3 2013. Aureus remains on track to achieve first gold production in Q4 2014.

The mandating of Nedbank and Rand Merchant Bank during the current quarter to provide a project finance facility of up to \$108 million means that the Company shortly expects to have the necessary financing to complete the development of New Liberty into Liberia's first commercial gold mine.

Management believes that there is significant further exploration potential in Liberia and Cameroon. Exploration programmes continue in Liberia with drilling focussed at Ndablama and through analysis of the recently completed programme at Weaju. In addition, licence wide generative studies are in progress and an exploration programme has commenced at Silver Hills within the Company's Bea Mountain Mining Licence.