

Condensed Interim Consolidated Financial Statements (Unaudited)

Aureus Mining Inc.

For the Three Months Ended March 31, 2015 and 2014
(stated in thousands of US dollars)

Registered office: 200 Bay Street
Suite 3800
Royal Bank Plaza
South Tower
Toronto
Ontario M5J 2Z4

Company registration number: 776831-1

Company incorporated on: 1 February 2011

Aureus Mining Inc.**Interim Consolidated Statements of Financial Position**

(stated in thousands of US dollars)

Unaudited

	March 31, 2015 \$'000	December 31, 2014 \$'000
Assets		
Current assets		
Cash and cash equivalents	32,930	32,956
Trade and other receivables	2,674	4,846
Inventories (Note 2)	1,650	-
	37,254	37,802
Non-current assets		
Property, plant and equipment (Note 3)	215,364	195,654
Intangible assets (Note 4)	33,140	31,794
Available-for-sale investments (Note 5)	388	540
Other assets	1,071	1,184
	249,963	229,172
Total assets	287,217	266,974
Liabilities		
Current liabilities		
Trade and other payables	7,200	10,229
Borrowings (Note 6)	1,560	840
Warrant derivative liability (Note 8a)	1,705	672
	10,465	11,741
Non-current liabilities		
Borrowings (Note 6)	84,288	74,921
	94,753	86,662
Equity		
Share capital (Note 7b)	165,644	150,655
Capital contribution	48,235	48,235
Share based payment reserve (Note 7c)	4,617	4,439
Warrant reserve (Note 8b)	1,552	1,552
Available-for-sale investment reserve	(120)	32
Cumulative translation reserve	(538)	(372)
Deficit	(26,926)	(24,229)
Total equity	192,464	180,312
Total liabilities and equity	287,217	266,974

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

Aureus Mining Inc.**Interim Consolidated Statements of Income and Comprehensive Income**

(stated in thousands of US dollars)

Unaudited

	Three months ended March 31,	
	2015	2014
	\$'000	\$'000
Expenses		
Legal and professional	(231)	(258)
Depreciation (Note 3)	(116)	(75)
Wages and salaries	(663)	(579)
Share based payments (Note 7c)	(178)	(252)
Foreign exchange gain/(loss)	(114)	56
Other expenses	(366)	(288)
Loss from operations	(1,668)	(1,396)
Warrant derivative liability gain/(loss) (Note 8a)	(1,033)	28
Finance income	4	10
Loss for the period	(2,697)	(1,358)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Available-for-sale investments	(152)	286
Currency translation differences	(166)	(38)
Total comprehensive loss for the period	(3,015)	(1,110)
Weighted average number of shares outstanding, basic and diluted	336,784	252,558
Loss per share, basic and diluted (US\$)	(0.008)	(0.005)

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

Aureus Mining Inc.
Interim Consolidated Statements of Cash Flows
(stated in thousands of US dollars)
Unaudited

	Three months ended March 31,	
	2015	2014
	\$'000	\$'000
Operating activities		
Loss for the period	(2,697)	(1,358)
Items not affecting cash:		
Share-based payments	178	252
Depreciation	116	75
Unrealized foreign exchange (gain)/loss	78	(35)
Warrant derivative liability (gain) / loss	1,033	(28)
Changes in working capital		
Trade and other receivables	82	97
Trade and other payables	(131)	(730)
Inventories	(1,650)	-
Cash flows from operating activities	(2,991)	(1,727)
Investing activities		
Payments to acquire intangible assets	(938)	(1,579)
Payments to acquire property, plant and equipment	(21,936)	(17,683)
Decrease in other assets	111	-
Cash flows used in investing activities	(22,763)	(19,262)
Financing activities		
Proceeds from issue of common shares (net of costs)	14,989	-
Exercise of stock options	-	133
Borrowings (net of costs)	12,000	-
Interest paid	(1,029)	-
Cash flows from financing activities	25,960	133
Impact of foreign exchange on cash balance	(232)	(4)
Net decrease in cash and cash equivalents	(26)	(20,860)
Cash and cash equivalents at beginning of period	32,956	39,372
Cash and cash equivalents at end of period	32,930	18,512

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

Aureus Mining Inc.

Interim Consolidated Statements of Changes in Equity

(stated in thousands of US dollars)

Unaudited

	Share capital	Capital contribution	Share-based payment reserve	Warrant reserve	Available-for-sale investment reserve	Cumulative translation reserve	Cumulative deficit	Total equity
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2014	128,158	48,235	3,721	-	-	(180)	(20,794)	159,140
Loss for the year	-	-	-	-	-	-	(1,358)	(1,358)
Other comprehensive loss for year	-	-	-	-	286	(38)	-	248
Share-based payments	-	-	252	-	-	-	-	252
Exercise of stock options	133	-	-	-	-	-	-	133
Balance at March 31, 2014	128,291	48,235	3,973	-	286	(218)	(22,152)	158,415
Balance at January 1, 2015	150,655	48,235	4,439	1,552	32	(372)	(24,229)	180,312
Loss for the period	-	-	-	-	-	-	(2,697)	(2,697)
Other comprehensive loss for the period	-	-	-	-	(152)	(166)	-	(318)
Share-based payments	-	-	178	-	-	-	-	178
Issue of common shares (net of costs)	14,989	-	-	-	-	-	-	14,989
Balance at March 31, 2015	165,644	48,235	4,617	1,552	(120)	(538)	(26,926)	192,464

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

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

1 Nature of operations and basis of preparation

Aureus Mining Inc. ("Aureus Mining" or the "Company") was incorporated under the Canada Business Corporations Act on February 1, 2011. The focus of Aureus Mining's business is the exploration and development of gold assets in West Africa, particularly the construction of the New Liberty Gold Mine in Liberia.

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", they do not include all disclosures that would otherwise be required in a complete set of financial statements. They follow accounting policies and methods of their application consistent with the audited consolidated financial statements for the year ended December 31, 2014 except for the adoption of accounting policies on Stripping costs and Inventories, as discussed below. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

These interim financial statements were authorised by the Board of Directors on May 14, 2015.

New accounting standards or interpretations that became effective in the period ended March 31, 2015 had no material impact on the financial statements.

Accounting policies adopted on January 1, 2015

Stripping costs

Stripping costs incurred during the development phase of the mine as part of initial pit stripping are capitalised as mining and development costs as part of property, plant and equipment.

Stripping costs incurred during the production stage of the mine are treated as either part of the cost of inventory produced or are capitalised as a stripping activity asset if all of the following are met:

- it is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with that component or components can be measured reliably.

Once determined that any portion of the stripping costs should be capitalised, the average stripping ratio for the life of the mine to which the stripping cost related is typically used to determine the amount of the stripping costs that should be capitalised.

Costs capitalised as stripping assets are depreciated on a units of production basis, with reference to the estimated ounces of gold reserves based on the life of mine plan in the components of the ore body that have been made more accessible through the stripping activity.

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited) For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

1 Nature of operations and basis of preparation (continued)

Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of ore stockpiles and gold produced is determined principally by the weighted average cost method using related production costs.

Costs of gold inventories include all costs incurred up until production of an ounce of gold such as mining costs, milling costs and directly attributable mine general and administration costs but exclude transport costs, refining costs and royalties. Net realisable value is determined with reference to estimated contained gold and market gold prices.

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

2 Inventories

	March 31, 2015	December 31, 2014
	\$'000	\$'000
Ore stockpiles	1,650	-

3 Property, plant and equipment

	Mining and development property	Machinery and equipment	Vehicles	Leasehold improvement	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
At January 1, 2014	95,407	995	936	105	97,443
Additions	99,269	576	-	-	99,845
Foreign exchange	-	(11)	(17)	(6)	(34)
At December 31, 2014	194,676	1,560	919	99	197,254
Additions	19,837	-	-	-	19,837
Foreign exchange	-	(9)	(13)	(5)	(27)
At March 31, 2015	214,513	1,551	906	94	217,064
Accumulated depreciation					
At January 1, 2014	-	430	582	37	1,049
Charge for the year	-	408	151	11	570
Foreign exchange	-	(7)	(8)	(4)	(19)
At December 31, 2014	-	831	725	44	1,600
Charge for the period	-	74	39	3	116
Foreign exchange	-	(7)	(7)	(2)	(16)
At March 31, 2015	-	898	757	45	1,700
Net book value					
At December 31, 2014	194,676	729	194	55	195,654
At March 31, 2015	214,513	653	149	49	215,364

The additions to mining and development property include capitalized borrowing cost of \$1,208,011 for the three months ended March 31, 2015 (three months ended March 31, 2014: \$nil).

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

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(in thousands of US dollars unless otherwise stated)

4 Intangible assets

	January 1, 2014 \$'000	Additions \$'000	Foreign exchange \$'000	December 31, 2014 \$'000	Additions \$'000	Foreign exchange \$'000	March 31, 2015 \$'000
Exploration and evaluation costs:							
Liberia (a)							
New Liberty	540	329	-	869	37	-	906
Weaju	9,309	614	-	9,923	998	-	10,921
Gondoja	1,277	17	-	1,294	8	-	1,302
Silver Hills	458	41	-	499	7	-	506
Ndablama	4,845	5,589	-	10,434	301	-	10,735
Leopard Rock	2,175	192	-	2,367	46	-	2,413
Yambesei	43	177	-	220	70	-	290
Mafa West	6	204	-	210	15	-	225
Archaen West	11	56	-	67	38	-	105
Mabong	7	46	-	53	26	-	79
	18,671	7,265	-	25,936	1,546	-	27,482
Cameroon (b)							
Batouri	5,744	259	(145)	5,858	53	(253)	5,658
	24,415	7,524	(145)	31,794	1,599	(253)	33,140

Aureus Mining Inc.

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4 Intangible assets (continued)

(a) Liberia

The Company holds a mineral development agreement ("MDA") in Liberia for gold development. This MDA is in Western Liberia and is held by Bea Mountain Mining Corporation ("Bea Mountain"), Aureus Mining's local subsidiary. The MDA is valid for 25 years with an option to renew for a further 25 years and is dated November 28, 2001, approved on March 14, 2002 and restated, amended and ratified on September 19, 2013 with a 13 year term remaining. On July 29, 2009 the Company was granted by the Government of Liberia a Class A Mining License within the Bea MDA. The license allows the Company to explore and mine in a 457 km² area which encompasses the New Liberty Gold Project, Weaju, Gondoja, Silver Hills and Ndablama.

The Archaen Gold exploration license covers 89 km² is contiguous with and immediately south of the Company's Bea Mountain mining license and currently contains the Leopard Rock property.

In November 2013 the Company increased its contiguous ground holdings around its New Liberty Project through the acquisition of four new exploration licenses referred to as Yambesei (759 km²), Archaen West (112.6 km²), Mabong (36.6 km²) and Mafa West (15.6 km²).

(b) Cameroon

The Batouri licence covers an area of 1,000 km² and targets gold in Eastern Cameroon.

5 Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, available-for-sale investments, borrowings, trade payables and accruals, and a warrant derivative liability. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

The Company holds 30,792,770 shares in Stellar Diamonds plc, a diamond mining and exploration company listed on the AIM market operated by the London Stock Exchange. The Company's available-for-sale investments are classified as Level 1 where the fair value is determined by reference to quoted prices (unadjusted) in active markets.

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6 Borrowings

	March 31, 2015 \$'000	December 31, 2014 \$'000
Current		
Bank loan - Senior Facility	1,560	840
Non-current		
Bank loan - Senior Facility	74,516	74,921
Bank loan - Subordinated Facility	9,772	-
	84,288	74,921

On December 17, 2013 the Company entered into an agreement for an US\$ 88 million project finance loan facility with Nedbank Limited ("Nedbank") and Rand Merchant Bank ("RMB") supported by Export Credit Insurance Corporation of South Africa Limited ("ECIC"), (the "Senior Facility"), and also entered into a subordinated loan facility agreement for US\$ 12 million with RMB Resources (the "Subordinated Facility"). These loan facilities will assist in financing the development of the Company's New Liberty Gold Project.

The Senior Facility's first repayment is January 31, 2016 and is repayable in 9 semi-annual payments. The Senior Facility bears interest at the United States LIBOR rate plus a 1.8% margin plus a 2.5% ECIC premium for a six year term. The Subordinated Facility bears interest at the United States LIBOR rate plus 7.5% for a six and a half year term and is repayable in full six months after the final Senior Facility repayment.

In May 2014, all conditions precedent were met on the Senior Facility and Subordinated Facility and the first drawdown on the Senior Facility occurred. Upon satisfaction of all conditions precedent 11,124,528 warrants with an exercise price of £0.42788 and a term of five years were issued to RMB Resources (Note 8b).

The Senior Facility is secured by charges over the assets of Bea Mountain and charges over the shares in Bea Mountain and its holding companies and guaranteed by the Company.

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

7 Equity

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued

	Shares	Amount \$'000
Balance at January 1, 2014	252,340,668	128,158
Exercise of stock options	415,000	133
Shares issued on private placement	33,375,000	15,136
Shares issued to International Finance Corporation	24,520,296	11,243
Share issue costs	-	(4,015)
Balance at December 31, 2014	310,650,964	150,655
Shares issued on private placement	56,000,000	15,518
Share issue costs	-	(529)
Balance at March 31, 2015	366,650,964	165,644

On February 17, 2015, the Company completed an equity financing, raising approximately US\$15.5 million through the issue of 56,000,000 new common shares in the Company ("Shares") at a price of 18p per Share (the "Issue Price"). The financing comprised the issue of 29,239,766 Shares amounting to an approximately US\$8.1 million subscription by IFC and the issue of 26,760,234 Shares amounting to an approximately US\$7.4 million brokered financing.

(c) Stock options

Information relating to stock options outstanding at March 31, 2015 is as follows:

	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of options	Weighted average exercise price per share Cdn\$	Number of options	Weighted average exercise price per share Cdn\$
Beginning of the period	13,708,122	0.81	11,747,553	0.95
Options granted	6,400,744	0.36	5,155,916	0.50
Options exercised	-	-	(415,000)	0.35
Options expired	(652,000)	0.49	(1,051,000)	1.03
Options cancelled	(4,297,199)	1.21	(1,729,347)	0.84
End of the period	15,159,667	0.52	13,708,122	0.81

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

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7 Equity (continued)

Expiry date	Exercise price per share Cdn\$	Number of stock options outstanding and vested	
		March 31, 2015	December 31, 2014
January 8, 2015	0.49	-	652,000
May 13, 2015	0.50	550,000	550,000
June 6, 2015	0.16	68,687	68,687
November 1, 2015	0.90	-	200,000
December 1, 2015	0.33	68,687	68,687
December 1, 2015	0.50	68,687	68,687
January 10, 2016	1.09	-	1,000,000
May 23, 2016	1.55	-	1,770,000
August 18, 2016	1.27	-	200,000
September 1, 2016	1.42	-	300,000
January 4, 2017	1.05	1,005,000	1,029,000
April 13, 2017	1.05	250,000	250,000
June 28, 2017	0.91	-	49,062
August 15, 2017	0.74	250,000	250,000
January 14, 2018	0.72	2,025,168	1,289,233
September 12, 2018	0.63	166,667	166,667
January 19, 2019	0.51	2,114,011	460,000
May 13, 2019	0.48	100,000	100,000
November 9, 2019	0.33	100,000	100,000
January 19, 2020	0.35	575,000	-
	0.52	7,341,907	8,572,023

The weighted average fair value of the 6,400,744 stock options granted in the three months ended March 31, 2015 was estimated at \$0.12 per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	Three months ended March 31, 2015	Year ended December 31, 2014
Dividend yield	0%	0%
Risk free interest rate	1.1%	1.5-1.9%
Expected life	5 years	5 years
Expected volatility	43 – 47%	40 – 49%

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

8 Warrants

	Number of warrants	Weighted average exercise price per warrant per share £
Balance at January 1, 2015	40,072,175	0.392
Balance at March 31, 2015	40,072,175	0.392

(a) Warrant derivative liability

On April 22, 2014 and July 29, 2014 the Company issued 16,687,499 and 12,260,148 warrants, respectively, with an exercise price of £0.378 (or the prevailing C\$ equivalent thereof) and a term of three and a half years.

The Company's warrant derivative liability is classified as Level 3 where the fair value is based on inputs that are not observable and significant to the overall fair value measurement. These warrants are treated as a derivative liability and are fair valued at each reporting date using the Black-Scholes option pricing model with changes in fair value being taken directly to the statement of comprehensive income using the following assumptions:

	Issued on July 29, 2014		Issued on April 22, 2014	
	March 31, 2015	July 29, 2014	March 31, 2015	April 22, 2014
Dividend yield	0%	0%	0%	0%
Risk free interest rate	1.09%	1.93%	1.09%	1.99%
Expected life	2.8 years	3.5 years	2.6 years	3.3 years
Expected volatility	47%	43%	47%	46%
Fair value (US\$'000)	762	1,030	943	1,956

(b) Warrant reserve

On April 25, 2014 the Company issued 11,124,528 warrants with an exercise price of £0.42788 and a term of five years to RMB Resources in relation to the Subordinated Loan facility (See Note 6). These warrants were fair valued under IFRS 2 using the Black-Scholes option pricing model.

9 Related party transactions

During the quarter ended March 31, 2015 the Company incurred environmental consulting fees of \$3,891 (Q1 2014 - \$37,928) payable to a company with a common director and \$nil (Q1 2014 - \$7,750) was payable to a director for consulting services performed outside the directorship role. The payable to related parties as at March 31, 2015 was \$2,238 (December 31, 2014 - \$1,264). Related party transactions are in the normal course of business and occur on terms similar to transactions with non-related parties on an arm's length basis.

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2015 and 2014

(in thousands of US dollars unless otherwise stated)

10 Segment information

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, 2015:

	Liberia development (New Liberty)	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	-	99	7	2,591	2,697
Segment assets	231,425	29,520	5,823	20,449	287,217
Segment liabilities	91,623	976	-	2,154	94,753
Depreciation of property, plant and equipment	-	99	7	10	116
Capital additions – property, plant and equipment	19,834	-	-	3	19,837
– intangible assets	-	656	53	-	709

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended March 31, 2014:

	Liberia development (New Liberty)	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	-	63	7	1,288	1,358
Segment assets	124,289	21,100	5,994	19,592	170,975
Segment liabilities	11,690	345	-	525	12,560
Depreciation of property, plant and equipment	-	57	9	9	75
Capital additions – property, plant and equipment	21,793	22	-	-	21,815
– intangible assets	-	1,457	89	-	1,546