

AUREUS MINING INC.

**Management's Discussion and Analysis
For the quarter and year ended December 31, 2015**

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

The following discussion is management's assessment and analysis of the operating results and financial condition and future prospects of Aureus Mining Inc. (the "Company" or "Aureus" or "Aureus Mining") prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and should be read in conjunction with the accompanying consolidated financial statements and related notes for the years ended December 31, 2015 and 2014. This management discussion and analysis has been prepared based on information available to the Company as at March 29, 2016. The information provided herein supplements, but does not form part of, the audited consolidated financial statements for the year ended December 31, 2015 and 2014. 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

Aureus Mining, is a West African focused gold producer engaged in the exploration and development of gold deposits. The Company's main asset is the New Liberty Gold mine located within the licence area subject to the Bea Mountain Mineral Development Agreement in Liberia, West Africa (the "New Liberty Gold Mine"), which has a proven and probable reserve of 924 Koz grading 3.4 g/t, a measured and indicated reserve of 1.143 Moz grading 3.6 g/t, and an inferred reserve of 593 Koz grading 3.2 g/t. The Company has an aggregate exploration portfolio of 1,683 km² located on major gold bearing structures having a total resource base of 2.8 Moz grading 2.5 g/t (1.5 Moz grading 2.7 g/t measured and indicated and 1.3 Moz grading 2.2 g/t inferred). The Company is listed on the Toronto Stock Exchange (the "TSX") (Ticker AUE) and the AIM Market of the London Stock Exchange (the "AIM") (Ticker AUE).

(B) VISION

The vision of Management is to advance the Company into an African mid-tier gold producer with a brand recognised for sustainability, innovation and strong relationships with the local communities. Aureus' mission is to create value for all stakeholders by:

- producing profitable gold ounces from New Liberty Gold Mine and any other mines that are successfully developed;
- increasing our resources and expanding our project pipeline; and
- strengthening and leveraging our exploration, development and production teams.

Aureus intends to achieve these objectives while adhering to the Company's values and maintaining good corporate governance. Management endeavours to maintain and develop local stakeholder support through the Company's employment and training practices and through its sustainability initiatives.

(C) KEY STRENGTHS

Aureus' key strengths are detailed as follows:

A Strong Portfolio of Assets

The Company has a strong portfolio of gold assets which includes:

- The New Liberty Gold Mine in Liberia has a NI 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant reserve estimate of 8.5 million tonnes grading 3.4 g/t for 924,000 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

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

category and 5.7 million tonnes grading 3.2 g/t for 593,000 ounces in the inferred category. The Project Definitive Feasibility Study ("DFS") 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, including: (i) the Ndablama Project with a NI 43-101 compliant resource estimate comprised of 7.6 million tonnes grading 1.6 g/t for 386,000 ounces in the indicated category, 9.6 million tonnes grading 1.7 g/t for 515,000 ounces in the inferred category; and (ii) the Weaju Project (as defined below) with a NI 43-101 compliant resource estimate comprised of 2.7 million tonnes grading 2.1 g/t for 178,000 ounces in the inferred category.

Experienced Board

Management believes that the current board of directors of the Company (the "Board") has extensive experience with mining operations in Africa and advancing projects from development through to production. Management further believes that the Board is well balanced and a gender diversified representation of directors with operational, corporate, environmental and financial backgrounds. The majority of directors are "independent", as such term is defined under Canadian securities laws.

Technically Strong

The Company has experienced production and exploration teams in the countries in which it operates, who have an understanding of the geological settings and have 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.

2. PROJECTS

(A) NEW LIBERTY GOLD MINE, LIBERIA

Introduction

The key asset in Aureus' portfolio is the New Liberty Gold Mine, which poured its first gold in Q2 2015. The New Liberty Gold Mine is a greenfield development and has the advantage of being easily accessible from Monrovia, Liberia's capital city which is also home to Liberia's main commercial port facility. A tarmac road predominately covers the 100 kilometre route from Monrovia to the New Liberty Gold Mine which provides excellent all year round access.

The Company holds its interests in the New Liberty Gold Mine through its subsidiary Bea Mountain Mining Corporation ("Bea"). In September 2013 the Government of Liberia ("GoL") ratified a Restated and Amended Mineral Development Agreement ("Restated and Amended MDA") for the Bea Mining Licence (as defined below), which covers 478 km² and includes the New Liberty Gold Mine along with the Ndablama Project (as defined below), Silver Hills, Gondoja, the Weaju Project (as defined below) and Leopard Rock exploration targets.

On July 29, 2009 Bea was granted a Class A Mining Licence ("Bea Mining Licence") within the Bea Mountain Mineral Development Agreement property (the "Bea MDA Property") by the GoL. The Bea Mining Licence permits mining within the 478 km² area which encompasses the New Liberty Gold Mine. The GoL holds a 10% free carry interest in the Bea Mining Licence.

Reserve Estimate

In May 2013, the Company announced the completion of the DFS which included an increased reserve estimate for the New Liberty Gold Mine of 923,716 ounces grading at 3.4 g/t as well as identified areas of capital and operating cost savings.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

The study focused on the open pitable portion of the New Liberty Gold Mine and assumed that conventional open-pit gold mining techniques would be employed. The mine plan contained in the DFS depicts an average annual production rate of 1.1 million tonnes of ore over an eight year production life.

The total reserve estimate of 8.5 million tonnes grading 3.4 g/t (for 923,716 ounces) is comprised of 0.7 million tonnes grading 4.4 g/t (for 99,470 ounces) in the proven category and 7.8 million tonnes grading 3.3 g/t (for 824,246 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.

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	7.8	3.3	825
Total Proven and Probable	8.5	3.4	924

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

New Liberty Gold Mine Resource Estimate

A mineral resource estimate ("MRE") was undertaken by AMC Consultants UK Limited ("AMC") in accordance with the requirements of NI 43-101. The MRE incorporates all of the results from drilling as at April 4, 2012, being 438 holes for 65,187 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

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

Operational review for the quarter ended December 31, 2015

Mining operations during the period continued to be hampered by an inconsistent supply of explosives throughout October and November 2015, improving in December 2015. As a consequence of the explosives shortage, mining activities predominately focused upon keeping the plant supplied with sufficient feed levels of run of mine ("ROM") ore and as a consequence there were slippages in the waste mining schedule. Despite this, a total of 235,351 tonnes of ore and 1,419,254 tonnes of waste material were mined during Q4 2015.

Excavation works also commenced during the period on the diversion channel along the south of the final pit limit to prepare for mining operations throughout the 2016 wet season. A total of 305,322 tonnes of material were moved as a result.

ROM stockpiles stood at 136,657 tonnes at a grade of 2.25 grams per tonne (g/t) at December 31, 2015 in addition to fine ore stockpiles of 12,382 tonnes at 3.03 g/t.

In the second week of October 2015, a mechanical failure occurred within the secondary crusher of the process plant, resulting in the temporary suspension of processing activities at the processing plant for the New Liberty Gold Mine (the "New Liberty Plant"). After a stoppage of 19 days, ore crushing operations recommenced on October 28, 2015 following the installation of a temporary 200 tonne per hour mobile crushing unit. This mobile crusher will be retained on site for a period of six months to April 2016 to provide additional operational flexibility during the final testing and commissioning phase of the plant, and also to provide additional crushed rock material for use on haul road surfaces and other associated infrastructure.

Specialist engineers from DRA Mineral Projects, the Engineering, Procurement and Construction Management ("EPCM") contractor and technicians from the secondary crusher's Original Equipment Manufacturer ("OEM"), were mobilised to site and completed the repairs to remediate the mechanical failure on the secondary crusher allowing resumption of milling and processing operations on October 30, 2015. During this period, although processing operations were suspended, mining operations continued to progress.

The New Liberty Plant processed 348,517 tonnes of ROM stockpiles in 2015 resulting in 16 shipments of gold dore from the New Liberty Gold Mine for smelting and refining at the MKS PAMP refinery in Switzerland, totalling 17,172 ounces of gold. The average achieved price for gold sold in 2015 was \$1,117 per ounce.

Performance from the gravity circuit of the plant had not yet reached design specifications as at December 31, 2015, resulting in overall gold recoveries of approximately 70% throughout Q4 2015. During the period, there was a continued focus upon fine-tuning and improving the operational performance of the gravity circuit and further optimising carbon in leach ("CIL") leach kinetics. Various options were evaluated throughout the period and systematically implemented to improve overall plant performance towards original design specifications.

As a result of the on-going process plant optimisation activities at the New Liberty Gold Mine overall plant recovery levels increased towards design specifications in early Q1 2016. Continued optimisation of the gravity circuit since this time has shown incremental improvements and there have been further operational improvements in CIL kinetics. Additionally, on-going preventative maintenance activities have allowed plant availability to improve and have resulted in more stable operating conditions. Following the introduction of a fresh carbon supply into the CIL tanks of the process plant, overall gold recovery reached 90% towards the end of February 2016. As a result, commercial production at the New Liberty Gold Mine was declared effective March 1, 2016 as the process plant now continues to operate in line with both original design specifications and management expectations.

In November 2015 the Company received a request for arbitration from International Construction & Engineering

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

(Seychelles) ("ICE") with respect to ICE's contract to carry out civil and earth works at Aureus' New Liberty Gold Mine.

ICE's contract was terminated in August 2014, having taken the appropriate legal advice, when the works were approximately 60-70% completed. The earthworks were completed by directly engaged labour and contractors supervised by the project's EPCM contractor.

The Company strongly believes that the request is frivolous, without merit and opportunistic. Although the Company has not received sufficient details to substantiate ICE's claim, based upon a review of the contents of the request and the relevant facts, Aureus' management believes that no material amount will be found payable to ICE. Aureus intends to vigorously defend itself against the claims made by ICE and believes that this disclosure of such request will facilitate the timely conclusion of this matter. The Company also confirms that this request will have no impact on its operations at the New Liberty Gold Mine.

The Company is currently working with SRK Consulting ("SRK") to develop and explore several Life of Mine ("LoM") options for New Liberty. The result of this workstream will be an updated LOM plan for the New Liberty Gold Mine that is more suited to the prevailing gold price and takes into consideration the current shortfall in waste mined compared to the original mine plan. As part of this, SRK has developed an updated orebody model for the Project, taking into account the additional information provided by the grade control drilling that was completed at the Project throughout 2015. This updated model has been used to undertake a pit optimisation exercise to develop the most economic ultimate pit –shell, pit phase and ramp design for the Project. Work is currently focussed on developing an optimal mining schedule and plan for the mining of this pit.

Exploration

During Q4 2015, exploration works focused on the near mine potential around the New Liberty Gold Mine, with pitting and regolith mapping around the western portion of the Bea Mining Licence. The aim of this work was to test for concealed mineralisation along major and secondary structures close to the New Liberty Plant.

Much of the soil sampling around the New Liberty Gold Mine has been found to be in residual or depositional regimes and therefore pitting is needed to reach the saprolite sections.

Soil anomalies at the West Mafa and Goja targets, located 6 and 9 kilometres north-west of the New Liberty Gold Mine, respectively, occur in erosional and residual terrains and so are representative of in situ mineralisation. Trench and pit results from the Goja target show broad mineralisation developed in close proximity to intrusives with better grades found at depth showing the need for further pitting work.

On Anomaly B and C regolith mapping shows that depositional regimes and some ferricrete potentially mask a large portion of the target strike extent. Further pitting on these major structures will be completed during Q1 2016 as well as on the West Mafa and Goja areas.

During Q4 2015, the Company entered into an agreement to acquire three Liberian exploration licences from Sarama Resources Ltd. ("Sarama"). These licences are contiguous to the Bea Mining Licence and are located close to the New Liberty Gold Mine. Following the completion of the acquisition in January 2016, the Company holds 100% ownership of the licences and the Company's total land portfolio within Liberia has increased to 1,683 Km² from 1,402Km²

Prior to entering into the agreement with the Company, Sarama conducted a US\$ 1.8 million exploration programme over the licence areas starting with an airborne magnetic survey followed by regional soil sampling. This programme led to the identification of the 15 km gold in soil anomaly that straddles the Cape Mount and Cape Mount East licences and that corresponds to the westerly extension of the Bea Mountain Greenstone Belt. This Belt is interpreted as being folded over the licence areas with the southern limb corresponding to the Silver

AUREUS MINING INC.
Management’s Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

Hills target, located in the Company’s Bea Mining Licence. Subsequent trenching was undertaken in several locations along the gold corridor and demonstrated in situ mineralisation with best intercepts of 16m grading 1.7 g/t Au and 6m grading 2.3 g/t Au.

Previously within 2014, Sarama undertook a 1,600 metre reconnaissance diamond drilling programme of 15 holes targeting the Bangoma, Saanor and Bomafa prospects. All three of these prospects are located in the Cape Mount licence.

The acquisition of the Sarama licences was completed by the Company in January 2016 for a total consideration of 6,645,070 common shares in the capital of the Company (each, a “Common Share”).

(B) NDABLAMA GOLD PROJECT, LIBERIA

The Ndablama gold project (the “Ndablama Project”) is located in the north-east corner of the northern block of the Bea MDA Property and is approximately 40 km north-east of the New Liberty Gold Mine. The Ndablama Project is defined by the presence of extensive artisanal mining activity and a 2 km gold in soil anomaly which trends in a north-south direction.

Exploration activities at Ndablama include extensive trenching and diamond drilling. A total of 63 trenches for 3,967 metres were dug between 2010 and 2011. Phase one, two, three and four drilling programmes were completed in 2011, 2012, 2013 and 2014 respectively with a total of 115 diamond holes for 21,333 metres, 39 RC holes for 5,827 metres.

In December 2014 an updated Mineral Resource of 386,000 oz at 1.6 g/t gold Indicated and 515,000 oz at 1.7 g/t gold Inferred was estimated at a 0.5 g/t cut off. The Ndablama Project resource estimate was prepared by AMC Consultants (UK) Limited in accordance with the requirements of NI-43-101.

Mineral Resource	Tonnes (million)	Grade (g/t)	Contained Gold (koz)
Indicated	7.6	1.58	386
Inferred	9.6	1.70	515

- (1) Mineral Resources for the Ndablama deposit are reported at a cut-off grade of 0.5 g/t Au.
- (2) Resources are reported to a conceptual open pit based on \$1,700 per ounce gold.
- (3) The effective date of the deposit mineral resource estimates is December 1, 2014.
- (4) Mineral Resources in this resource statement are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (5) Totals and average grades are subject to rounding to the appropriate precision.

Drilling and trench results have outlined multiple gold intercepts associated with two mineralised zones referred to as the central zone (the “Central Zone”) and south east zone (the “South East Zone”) of the Ndablama Project. In each zone the mineralised system strikes in a northerly direction and dips westwards at shallow angles ranging between 30 and 15 degrees. The Central Zone has been defined for over 1,000 metres and down dip for 450 metres (vertical depth 240 metres) and is open in all directions. The South East Zone can be followed for 200 metres and hosts thin zones of 3 to 10 metres which can be traced down dip for up to 220 metres and are still open down dip to the west and to the south.

The Ndablama Project target is similar in geology and style of gold mineralisation to the Leopard Rock target which is located 500 metres south-east of the South East Zone.

Metallurgical testing undertaken during 2014 at the Ndablama Project gave overall gravity plus CIL gold recovery

AUREUS MINING INC.
Management’s Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

of between 91% and 96% for the sulphide composites from head grades of 1.4 to 2.7 g/t gold. The oxide ore gave overall gravity plus CIL gold recovery of between 96% - 97% from a head grade of 0.8 g/t gold. Sulphide ore total gravity gold recovery on the various composites gave test work recoveries of between 66% and 72%.

Throughout the quarter, detailed geological mapping was undertaken to the south and north of the Ndablama Project to further extend the strike of mineralisation at surface with the aim of defining further drill targets close to Ndablama Project targets. A review of the existing core is being undertaken as preparation for possible future drilling.

(C) WEAJU GOLD PROJECT, LIBERIA

The Weaju Project (the “Weaju Project”) is situated 30 km east-north-east of the New Liberty Gold Mine at the eastern end of the Bea Mountain ridge. Previously 48 diamond drill holes were drilled at the Weaju Project by Mano River Resources Inc. (“Mano River”) during the period 2000 to 2005. The Weaju Project has been subjected to intense artisanal mining activity.

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 Bea Mining Licence (which was total 457km² at the time) in Liberia and received an initial payment of \$1.3 million and the share equivalent of \$1.2 million in Common Shares. On September 7, 2015, the Company made a second payment to WHMC of \$ 445,000 and 1,148,611 Common Shares (using a price of GBp 25.238 per Common Share based on a trailing VWAP) per the settlement agreement. This total amount equates to the equivalent of \$5 per ounce of measured, indicated and inferred resources, 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.

In November 2012 the Company commenced exploration activities at the Weaju Project involving an airborne LiDAR survey, geological surface mapping, soil geochemistry for gold and a diamond drilling programme. At the end of March 2013 the Company completed a phase one drilling programme of 62 holes for approximately 8,726 metres. Results from the first 47 holes from this programme were reported in March 2013 with the remaining 15 reported in June 2013.

In November 2013 an inferred mineral resource of 178,000 ounces at 2.1 g/t Au was estimated using a 1.0 g/t cut-off grade. The Weaju Project resource estimate was prepared by AMC Consultants (UK) Limited in accordance with the requirements of NI 43-101.

Mineral Resource	Tonnes (million)	Grade (g/t)	Contained Gold (koz)
Inferred	2.7	2.1	178

- (1) Mineral Resources for the Weaju deposit are reported at a cut-off grade of 1.0 g/t Au
- (2) The effective date of the Weaju gold deposit mineral resource estimates is November 11, 2013
- (3) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- (4) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated and measured mineral resources
- (5) Totals and average grades are subject to rounding to the appropriate precision

During 2014 an additional six diamond holes totalling 1,142 metres were drilled. These holes explored down dip and along strike as well as testing the mineralisation model.

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

In Q4 2015 mapping and channel samples taken to the southwest of the Weaju Project show the potential to increase the strike of mineralisation for another 800 metres to the southwest. Further mapping and sampling will be done going forward to better define the surface expression of mineralisation.

(D) LEOPARD ROCK, LIBERIA

As announced on May 11, 2015 the Bea Mining Licence was enlarged to include the Leopard Rock gold target ("Leopard Rock") immediately south of the Bea Mining Licence and hosts the south eastern extension to the gold bearing rocks associated with the Ndablama Project. The shear structure hosting the Leopard Rock target can be traced in the north-west to the Ndablama Project over a distance of 3 km.

To date, 4,294 metres of diamond drilling has been completed and results from 27 diamond drill holes are available on the Company's website.

Gold mineralisation occurs within folded, deformed and metamorphosed ultramafic and mafic rocks along a north-west trending shear zone. A geology and mineralisation model was completed using the drill and trench data. This was done to help further in exploration planning and understand the geology and structural setting of the area. Further mapping is being undertaken to gain better understanding of Leopard Rock ready for a phase two drilling programme planned for the future.

In 2012 a ground geophysical survey was completed in the gap area between Leopard Rock and the Ndablama Project covering an area of 1.65 km². Infill soil samples were taken in the gap area and confirmed mineralisation continuity between both targets. Trenching further confirmed the soil results.

Leopard Rock South is a continuation of the Leopard Rock projection, and is identified by a series of gold anomalies to the south and west of Leopard Rock. Pitting is underway at the moment to test the surface continuation of mineralisation following on from detailed mapping of the Ndablama Project.

(E) GONDOJA, LIBERIA

The Gondoja gold target ("Gondoja") is located 8 km north-east of the Ndablama Project and 45 km east-north-east of the New Liberty Gold Mine. The area was previously explored by Mano River in 1999 to 2000 and results from 7 trenches and 4 drill holes were reported in 2000. The trench results showed grades of between 1 and 2 g/t over wide widths of 20 metres to 64 metres. Five diamond drill holes were drilled in various orientations with a best intercept of 30 metres grading 3.9 g/t.

The Company's exploration teams undertook trenching and diamond drilling programmes in 2012. A total of 9 trenches were excavated for 789 metres and a diamond drilling programme was completed involving 13 holes (2,672 metres).

Gold mineralisation at Gondoja locates at the sheared contacts between ultramafics and amphibolites and is associated with disseminated arsenopyrite and pyrrhotite and silica-sericite-carbonate alteration. All results from the previous and current trenching and drilling programmes have been reported on the Company website.

A broad zone of shearing has been mapped for 600 metres in an east-north-east to west-north-west orientation. The borehole and trench results outline multiple intercepts over 500 metres and appear to close off the mineralisation to the east-north-east. The mineralised system is still open to the west-south-west and at depth.

Gondoja was mapped in detail as part of a campaign to map the Yambesei shear zone, this has enabled the tracing of mineralisation at surface and put the soil anomalies into a geological context. Further pitting to follow the mineralisation along the shear zone is planned for Q1 2016.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

(F) KOINJA, GBALIDEE, MUSA AND WELINKUA, LIBERIA

The Koinja target ("Koinja") and the Gbalidee target ("Gbalidee") are located on the Yambesei shear zone and are part of an 8 km continuous zone of gold in soil anomalies that extends up to the Welinkua target ("Welinkua"), a target located to the north-east of Gondoja and Musa. Mineralisation is located within sheared mafics and ultramafics located between granites and can be followed over a strike length of more than 3.8 km which remains open at both ends.

Gbalidee was first investigated in 2012. A total of 4 trenches for 237 metres and 5 diamond drill holes totalling 780 metres were completed. All the trenches intersected mineralisation along the 2 km long target while the 5 drill holes investigated only a 150 metres portion.

Detailed geological mapping at the Musa target supplements the previous trenching enabling the definition of bedrock mineralisation located at a sheared contact between amphibolite's and granites. This zone corresponds to the strike extent of the Koinja – Gbalidee mineralised zone as part of the Yambesei Shear Zone. Welinkua represents the current north eastern extent of the Yambesei shear zone within the Bea Mining Licence.

Detailed mapping of the 8 kilometre extent of the Yambesei shear zone has been completed during Q4 2015 and additional pitting work is planned for H1 2016 along some sections of the shear zone where the mineralisation trace remain to be confirmed.

(G) SILVER HILLS, LIBERIA

The Silver Hills targets ("Silver Hills") are situated approximately 13 km north-east of the New Liberty Gold Mine. There has been artisanal activity in the past. Lithologies consist mainly of granite biotite gneisses, itabarites, ultramafics and amphibolite talc sericite schists. The mineralisation is related to zones of silicification occurring within amphibolites.

Soil anomalies extending irregularly over 22 km are associated with the greenstone belts (altered amphibolites and ultramafics) and trends are structurally controlled. The western soil anomalies have a main east-west trend with duplication. There is a north-west trend inflexion observed which is related to the regional dolerite event. North-east trending anomalies are also observed suggesting influence of the sinistral north-east shear that is seen in the central zone. The soil anomalies in the eastern part have a regular north-east trend and additional targets such as Kpokolo have been generated for future exploration.

Work focused on the Belgium target during Q4 2015 where pitting and mapping has increased the strike extent of mineralisation to 900 metres. This mineralisation which is highlighted by a north-east trending shear has the potential to extend over 3 km up to the Bruges target located in the north-east. Further pitting, mapping and soils work is ongoing at this target to trace the mineralisation along strike and to bring the Belgium target and other potential targets to an advanced stage.

(H) YAMBESEI, ARCHEAN WEST, MABONG, MAFA WEST, LIBERIA

In November 2013 the Company increased its contiguous ground holdings around its New Liberty Gold Mine and Bea Mining Licence. The Company's ground holding portfolio currently stands at 1,402 km². The four new exploration licences were issued by the Ministry of Land, Mines and Energy and are referred to as Yambesei (759 km²), Archeon West (112.6 km²), Mabong (36.6 km²) and Mafa West (15.6 km²).

The licence portfolio hosts multiple greenstone belts and associated shear structures, which to date have been the principal hosts to the Archeon gold mineralisation systems discovered in Liberia.

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

Over 80 km of north-east to south-west trending structural zones referred to as the Yambesei and Lofa shear corridors, now locate within the licence portfolios and host multiple gold targets including the New Liberty Gold Mine, Weaju and Ndablama. These major structures can be traced for over 250 km within Liberia.

Work on the Yambesei licence consisted of regional traverses, generating a new geological interpretation of the licence as well as reinterpretation of historical soils data in context of new regional structural and lithological data. Further reconnaissance trips were undertaken to the Archean West and Mabong licences.

Field data collected during Q4 2015 were compiled allowing to produce a new regional geological interpretation. The collected data show a complex lithological suite of gneisses, amphibolites, mafics, ultramafics and BIF cut by dolerite dykes as well as parallel north-east trending shear zones.

(I) CAMEROON

The Batouri licence (168 km²) is located 436 km east of Yaoundé, the administrative capital of Cameroon. A renewal of the licence was granted in November 2013 for a two year period, the licence renewal is currently in process. 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 the West African craton and Congo craton. The region is affected by the Central African Shear Zone system generally following a north-east to south-west 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; i) Kambele (3.5 km long), ii) Dimako-Mongonam (3.5 km long) and iii) Amndobi (5 km long).

Exploration work continued on the interpretation of the mineralised systems of Kambele and Dimako targets following on from the core relogging. The work was recommended in order to produce a new interpretation of the mineralisation models and determine their potential to host economic deposits. A GIS study was undertaken over the licence area and resulted in the identification of structural lineaments along which field verification has shown the presence of artisanal sites.

A first pass RC drilling program is planned at Amndobi along the 5 km long structure to test its potential while diamond drilling is planned to further test Kambele target.

3. UPDATE ON EBOLA

Following Liberia being declared free of the Ebola Virus Disease ("EVD") for the second time by the World Health Organisation ("WHO") on September 3, 2015, there was a small resurgence of cases of EVD in Monrovia during November 2015. On December 3, 2015, the last two Ebola patients in Liberia were discharged from hospital following a second consecutive negative test for EVD. Human-to-human transmission of Ebola was declared over on January 14, 2016 in Liberia.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

4. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

US\$'000 except loss per Common Share	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Loss for the year	(61,338)	(3,435)	(7,421)
Loss per Common Share, basic and diluted	(0.17)	(0.01)	(0.03)
Total comprehensive loss for the year	(61,933)	(3,595)	(4,932)
Total assets	280,994	266,974	166,076
Total non-current financial liabilities	133,831	86,662	6,936

(B) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US\$'000 except loss per Common Share	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015
Profit/(loss) for the quarter	(56,991)	522	(2,172)	(2,697)
Profit/(loss) per Common Share, basic and diluted	(0.139)	0.001	(0.006)	(0.008)
Total comprehensive income/(loss) for the quarter	(57,093)	307	(2,133)	(3,015)
Total assets	280,994	316,160	302,011	287,217
	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014
Loss for the quarter	(831)	(286)	(961)	(1,358)
Loss per Common share, basic and diluted	(0.003)	(0.001)	(0.003)	(0.005)
Total comprehensive loss for the quarter	(1,078)	(434)	(972)	(1,110)
Total assets	266,974	258,781	233,234	170,975

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

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

(C) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended December 31, 2015 ("Q4 2015")

The loss for the quarter ended December 31, 2015 was US\$57 million, compared to US\$0.8 million in the quarter ended December 31, 2014 ("Q4 2014"). The increase in quarterly loss is predominantly due to the impairment of the New Liberty Gold Mine of US\$50.4 million as discussed in more detail below, a write down of gold in circuit of US\$3.5 million and the provision for the advance payment to ICE, the Company's civil and earth works contractor during the development of the New Liberty gold mine, amounting to US\$2.5 million. Refer to Section 2(A) for detail on the arbitration process with ICE.

Revenue of \$9.6 million (Q4 2014: US\$nil) from the gold sold and the related operating costs during the commissioning and ramp up period prior to commercial production being declared have been capitalised to the development costs of the New Liberty Gold Mine, rather than recognised in the income statement.

The comprehensive loss for the quarter ended December 31, 2015 of US\$57.1 million (Q4 2014: US\$1.1 million) is predominantly due to on-going corporate expenses, the impairment of the New Liberty Gold Mine, the advance payment to ICE that has been provided for, a share based payment charge of US\$0.5 million (Q4 2014: US\$0.2 million), depreciation of US\$0.1 million (Q4 2014: US\$0.3 million), offset by a fair value gain on the derivative liability of US\$0.5 million (Q4 2014: US\$0.7 million) and a foreign exchange gain of US\$0.7 million (Q4 2014: US\$0.1 million).

The continued deterioration in the gold price during 2015 along with the mine operations falling below expectations during the pre-production phase represents an impairment trigger, and as a result, management performed impairment testing in order to ensure that the recoverable value calculated exceeds the carrying value as presented. Accordingly, the Company recognized a pre-tax impairment of \$53.9 million for the year ended December 31, 2015 of which \$50.4 million was allocated to mining and development property and \$3.5 million to the gold in circuit inventory.

Wages and salaries of US\$0.6 million and legal and professional expenses of US\$0.2 million in Q4 2015 are in line with the comparative period in the previous year.

The share based payment charge of US\$0.5 million relates to the vesting schedule of options issued in 2014 and 2015. It has increased from US\$0.2 million in Q4 2014 due to the options granted to directors and employees following achievement of first gold at the New Liberty Gold Mine.

Depreciation of US\$0.1 million in Q4 2015 has fallen from US\$0.3 million in Q4 2014 which included an adjustment to reflect the change in the depreciation policy to straight-line basis.

Other expenses of US\$0.4 million are in line with the previous year and include mainly rent, service charges and rates of US\$0.1 million, corporate travel and subsistence of US\$0.1 million and regulatory, investor relations and conferences of US\$0.1 million.

The derivative gain of US\$0.5 million relates mainly to the decline in the fair value of the warrants issued that are accounted for as derivative liabilities.

The foreign exchange gain of US\$0.7 million in Q4 2015 (Q4 2014: gain of US\$0.1 million) predominantly represents realised gains on the settlement of South African Rand payables in the quarter and unrealised gains on the revaluation of South African Rand-denominated invoices at the end of the year.

The variation in profit / loss over the eight quarters disclosed above is predominantly driven by impairment

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

charges, foreign exchange gains and losses and stock based compensation charges. All other items of profit and loss are relatively consistent.

Year ended December 31, 2015

The total comprehensive loss for the year ended December 31, 2015 was US\$61.9 million (2014: US\$3.6 million) and is predominantly due to the impairment of the New Liberty Gold Mine of \$50.4 million (2014: US\$nil), write down of gold in circuit of US\$3.5 million (2014: US\$nil), advance payment to ICE that has been provided for of US\$2.5 million (2014: US\$: \$nil), wages and salaries of US\$2.2 million (2014: US\$2.3 million), legal and professional fees of US\$0.8 million (2014: US\$0.8 million), a share based payment charge of US\$1.6 million (2014: US\$0.7 million), offset by a fair value gain on the derivative liability of US\$0.5 million (2014: US\$2.3 million). Other expenses of \$1.3 million (2014: US\$1.3 million) include mainly rent, service charges and rates of \$0.3 million (2014: US\$0.3 million), corporate travel of US\$0.3 million (2014: US\$0.3 million) and regulatory, investor relations and conferences of US\$0.3 million (2014: US\$0.4 million).

The variation in comprehensive loss presented above for the last three years is predominantly driven by impairment charges, foreign exchange gains and losses, stock based compensation charges and changes in the fair value of derivative liabilities. All other items of comprehensive loss are relatively consistent.

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

Statement of financial position at December 31, 2015

Intangible assets of US\$35.7 million as at December 31, 2015 (December 31, 2014: US\$31.8 million) relate to exploration and evaluation costs incurred on the Company's projects. Additions to intangible assets in the year to December 31, 2015 were US\$4 million (2014: US\$7.5 million) and predominantly relates to exploration works in Ndablama (US\$1.3 million), near mine at the New Liberty Gold Mine (US\$0.6 million) and Weaju (US\$1.3 million) including the settlement payment to WHMC of US\$0.9 million.

Property, plant and equipment ("PPE") of US\$222.2 million as at December 31, 2015 (December 31, 2014: US\$195.7 million) relates predominantly to mining and development costs on the New Liberty Gold Mine of US\$221.3 million. An additional US\$77 million was capitalised to the New Liberty Gold Mine mining and development costs during the year which includes stripping costs (US\$15.8 million), pre-production costs (US\$28.1 million) offset by revenue from gold sales (\$19.2 million), mine closure and rehabilitation costs (US\$1.4 million), generators and fuel storage facility which are both held under finance lease (US\$9.2 million) and capitalised borrowing costs (US\$6.8 million). It also includes development costs incurred on earthworks and civils (US\$8.8 million), structural supply and installation (US\$5.1 million), consultants including EPCM contractor (US\$5.9 million), mining infrastructure (US\$4.8 million), indirects (US\$6.8m) and fuel (US\$2.1 million). An impairment charge to the New Liberty Gold Mine mining and development costs of US\$50.4 million was recorded during the year.

The Company's investment in Stellar Diamonds of 615,855 shares is carried in the statement of financial position at its fair value (derived from the prevailing market price) which was US\$0.1 million at December 31, 2015 (December 31, 2014: US\$0.5 million).

Trade and other receivables has reduced from US\$4.8 million as at December 31, 2014 to US\$0.8 million as at December 31, 2015 due to the provision for the advance payment of US\$2.5 million to ICE.

Inventory includes gold dore (US\$0.9 million), ore stockpile (US\$7.9 million), gold in circuit (US\$4.3 million) and consumables (US\$1.3 million). An impairment charge to the gold in circuit of US\$3.5 million was recorded during the year following gold recoveries from New Liberty falling below expectations.

Current liabilities of US\$33.3 million as at December 31, 2015 (December 31, 2014: US\$11.7 million) includes

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

trade and other payables of US\$19.6 million (December 31, 2014: US\$10.2 million) arising predominantly from New Liberty mining and plant operations, current portion of borrowings of US\$11.3 million (December 31, 2014: US\$0.8 million), finance lease liabilities of US\$1.2 million (December 31, 2014: US\$ nil) and derivative liability of US\$1.2 million (December 31, 2014: US\$ 0.7) being the fair value of the warrants issued in 2014 and 2015.

Non-current liabilities of US\$100.5 million (December 31, 2014: US\$ 74.9 million) includes borrowings of US\$91.5 million (December 31, 2014: US\$74.9 million), finance lease liabilities of US\$7.7 million (December 31, 2014: US\$ nil) and provision for rehabilitation of New Liberty mine of US\$1.4 million (December 31, 2014: US\$ nil).

Borrowings include a Senior Facility of US\$98 million and a Subordinated Facility of US\$12 million. The finance lease liabilities are in respect of power generators and fuel storage facility at New Liberty.

Liquidity, Capital Resources and Financial Instruments

The Company's primary source of funding to date has been the issue of equity securities and debt financing, with pre-production gold revenue being received from July 2015. As at December 31, 2015, the Company had cash and cash equivalents of US\$7.1 million and net current liabilities of US\$11.1 million and Senior Facility principal repayments of US\$3.1 million and US\$9.3 million due on January 31 and July 31, 2016 respectively. During the pre-production ramp up period and up to December 31, 2015, the Company had negative operating cash flows as a consequence of the issues detailed in the Operational Review section above. As a result, the Company has required the continuing support of its creditors and Lenders (as defined below) and additional funds were raised in December 2015 to fund working capital as detailed in the Cash Flows section. Post year end, production has been successfully ramped up, which enabled the Company to declare commercial production from March 1, 2016. The working capital position of the Company has improved during 2016. It is expected that operating cash flows will fund the New Liberty Gold Mine operations going forward.

As a result of the issues encountered during commissioning and production ramp up and the resulting negative operating cash flow, the Company had to defer its first debt principal repayment, and accompanying interest payment, due on January 31, 2016 – these payments have been deferred to April 4, 2016. It is anticipated that the Company will need to seek a further deferral on this and the subsequent bank debt repayments that are scheduled for payment in 2016.

In order to address the Company's working capital position and debt repayment obligations, the Company is currently finalising an updated mine plan which aims to improve the Company's working capital position. This work involves a pit optimisation exercise to develop the most economic ultimate pit-shell, pit phasing and ramp design for the Project based on the current operational status and gold price environment. This updated plan will form the basis of discussions between the Company and Rand Merchant Bank ("RMB"), Nedbank Limited ("Nedbank") and the Export Credit Insurance Corporation of South Africa Limited ("ECIC") (collectively, the "Lenders") to mutually agree an appropriate revised debt repayment schedule. Based on discussions and the support received to date, there is a reasonable expectation that this will be achieved, however, there can be no absolute certainty that the negotiations will be successful, failing which, the loans may be called into default and security enforced.

In January 2016, a Special Committee was formed to conduct a review of strategic options to enhance shareholder value. The Special Committee is comprised of three independent, non-executive directors, Jean-Guy Martin, Loudon Owen and David Netherway with Mr. Owen serving as its Chair. The Company has also engaged RBC Capital Markets as its Financial Advisor to assist the Company undertake a strategic review of the Company, including evaluating potential options that may be available. While such review is ongoing, no assurance can be given that any action will ultimately be taken in connection with such review. The Lenders are supportive of the strategic review process that is being undertaken.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

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

Future obligations and their maturities are given below:

At December 31, 2015	Less than one year \$'000	Between one and five years \$'000	Over five years \$'000
Trade and other payables	19,630	-	-
Finance lease liability	2,332	8,818	1,753
Borrowings (excluding interest)	12,430	97,570	-
Operating lease commitments	22,109	238	-

The majority (99.1%) of the Company's cash and cash equivalents are invested with a leading multi-national bank with a Standard & Poor's A- long-term credit rating.

Cash Flows for the year ended December 31, 2015

Net cash used in operations amounted to US\$4.0million for the year ended December 31, 2015 (year ended December 31, 2014: US\$3.8 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\$77.4 million for the year ended December 31, 2015 (year ended December 31, 2014: US\$102.5 million) and predominantly relates to development expenditure and pre-commercial production operating costs at New Liberty including finance charges and exploration costs, primarily at Ndablama and Weaju partly off-set by proceeds from pre-production gold sales.

Net cash proceeds from financing activities were US\$55.7 million for the year ended December 31, 2015 (year ended December 31, 2014: US\$100.1 million) and arose mainly from the issuance of Common Shares and warrants of US\$26.8 million (December 31, 2014: US\$25.4 million) and loan drawdowns of US\$28.9 million (December 31, 2014: US\$ 5.4 million), net of direct issue costs of US\$1.1 million.

On December 22, 2015 the Company drew down a US\$ 10 million Tranche B Senior Loan Facility (the "Tranche B Facility") provided by Nedbank and RMB, and backed by the ECIC. This Tranche B Facility is repayable by December 31, 2017.

There were no material differences to the actual use of proceeds raised during the year when compared to the anticipated use disclosed at the time of the raise.

(D) OTHER INFORMATION

(ii) Outstanding Share Data

As at the date hereof, the Company had an unlimited number of common shares authorized for issuance with 541,816,572 Common Shares issued and outstanding.

The Company has the following incentive stock options and warrants outstanding at the date hereof:

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

	Number	Exercise Price	Expiry Date
Stock Options	29,386,737	C\$0.105-C\$1.05	Apr 2017 – Jan 2021
Warrants	60,472,175	GBP0.07-GBP0.378	Oct 2017 – Apr 2019

(ii) Going concern

As at December 31, 2015, the Company has net current liabilities of US\$11.1 million and has approximately US\$12.4 million of debt repayments due in 2016. The net current liability position is as a result of commissioning and ramp up issues at New Liberty during the second half of 2015, however, commercial production was declared at New Liberty on March 1, 2016 and the Company is currently finalising an updated mine plan, which will form the basis of discussions between the Company and its Lenders to mutually agree an appropriate revised debt repayment schedule. Based on discussions and the support received to date, there is a reasonable expectation that this will be achieved, however there can be no absolute certainty that the negotiations will be successful or that the Company will be able to generate the necessary funds to repay the debt as it currently falls due.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and that the Company may therefore be unable to realise their assets and liabilities in the normal course of business.

(iii) Subsequent events

On January 6, 2016 the Company granted stock options over a total of 11,796,000 Shares at an exercise price of GBP 0.0562 per share. 1,150,000 of the stock options were exercisable immediately and the remainder vest over the next two years upon completion of certain vesting conditions. The stock options issued are capable of being exercised up to January 5, 2021.

On January 6, 2016 the Company completed the acquisition of three exploration licences from Sarama Investments Limited for a total consideration of 6,645,070 Shares. The acquired licences are contiguous to the Bea Mountain's Class A mining licence and are located close to the New Liberty Gold Mine.

Commercial production at New Liberty was declared effective March 1, 2016 following the increase in gold recovery levels to 90% by the end of February 2016 and the process plant achieving an average of 88% of throughput capacity over the preceding 60 days of plant operations.

(iv) Related party transactions

During the year ended December 31, 2015 the Company incurred environmental consulting fees of \$29,255 (2014: \$255,333) payable to a company with a common director and \$nil (2014: \$12,938) was payable to a director for consulting services performed outside the directorship role. \$3,535 was payable to related parties as at December 31, 2015 (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.

(v) 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.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

(vi) 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.

The following is an analysis of the Group's results, assets and liabilities by reportable segment for the year ended December 31, 2015:

	Liberia development (New Liberty)	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the year	55,473	420	19	5,426	61,338
Segment assets	240,106	30,576	6,063	4,249	280,994
Segment liabilities	(131,948)	(56)	-	(1,827)	(133,831)
Impairment charges	53,903	-	-	-	53,903
Receivable provision	2,465	-	-	-	2,465
Depreciation of property, plant and equipment	-	420	19	36	475
Capital additions					
– property, plant and equipment	77,294	88	-	-	77,382
– intangible assets	-	3,770	193	-	3,963

(vii) Critical accounting estimates

In the application of the Company's accounting policies, as disclosed in note 3.21 of the Company's annual financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following critical IFRS accounting policies and estimates are relevant to the presentation of the Company's audited consolidated financial statements for the year ended December 31, 2015:

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

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 Common 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 makes 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.

Provisions for mine closure and rehabilitation costs

Management uses its judgement and experience to provide for and amortise the estimated mine closure and site rehabilitation over the life of the mine. Provisions are discounted at a risk-free rate and cost base inflated at an appropriate rate. The ultimate closure and site rehabilitation costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements or the emergence of new restoration techniques. The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions established which could affect future financial results.

Inventories

Valuations of ore stockpile and gold in circuit require estimations of the amount of gold contained in, and recovery rates from, the various work in progress. These estimations are based on analysis of samples and prior experience. Judgement is also required regarding the timing of utilisation of stockpiles and the gold price to be applied in calculating net realisable value.

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.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

Assay and sampling information are taken from the Company's database as prepared on the New Liberty Gold Mine site by the project geologists. Drill core is split on site and sent under custody to internationally recognised assayers.

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

5. FORWARD-LOOKING STATEMENTS

Certain information contained in this Management's Discussion and Analysis ("MD&A") herein relating to Aureus is forward looking information. This information may relate to future events or the Company's future performance. All information other than information of historical fact is forward looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this MD&A should not be unduly relied upon. This information speaks only as of the date of this MD&A. Such forward looking statements include, among other things, statements or information relating to: the New Liberty Gold Mine (including the quantity and quality of mineral resource and mineral reserve estimates), the potential to upgrade inferred mineral resources, opportunities to optimize the New Liberty Gold Mine, the proposed new plans relating to the New Liberty Gold Mine regarding operations and mine design, estimates relating to tonnage, grades, waste ratios, recovery rates, future gold production, future cash flows, life-of-mine estimates, assay results, gravity concentration test results, expectations regarding throughput gold production, mill treatment and plant feed, estimates of capital and operating costs and start-up costs, anticipated sources of funding, expectations regarding staffing requirements and the engagement of external contractors, estimates of revenues and pay-back periods, estimates of net present values and internal rates of return, expectations regarding operating parameters, plans regarding optimization work (including the timing thereof), construction activities, power supply and infrastructure development, plans regarding community development and water management, transportation methods, the proposed budget for the work program at the New Liberty Gold Mine, asset retirement obligations and decommissioning requirements, plans for further exploration work, including drilling and metallurgical test work, expectations regarding the potential direct and indirect environmental and socio-economic impacts of the New Liberty Project, as well as the other forecasts, estimates and expectations relating to the New Liberty Gold Mine included in this MD&A, the future market price of commodities, strategic plans, production targets, timetables, the continued listing of the Common Shares on the TSX and the AIM, financing plans and alternatives, progress in the fight against Ebola, proposed plans and exploration activities on the Company's other target areas (including the proximal targets of Weaju, Ndablama, Leopard Rock, Gondoja, Yambesei, Archean West, Mabong and Mafa West) and the timing related thereto, and targets, goals, objectives and plans associated therewith, the Company's expectation that all licences/permits will be able to be obtained, when required and the Company's intentions regarding employee training.

With respect to forward looking information contained in this MD&A, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; mineral resource and mineral reserve estimates; geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources and mineral reserves) and cost estimates on which the mineral resource and mineral reserve estimates are based; the parameters and assumptions employed in the DFS, (including but not limited to, those relating to construction, future mining and operating costs, processing and recovery rates, net present values and internal rates of return, timing for the commencement of production, tax and royalty rates, future gold prices, metallurgical rates, pit design, operations and management, grades, the base case analysis and the proposed budget for further exploration plans and objectives); the supply and demand for commodities and precious and base metals and the level and volatility of the prices of gold; market competition; the ability of the Company to raise sufficient funds from capital markets

AUREUS MINING INC.

Management's Discussion and Analysis

For the quarter and year ended December 31, 2015

(stated in US dollars)

and/or debt to meet its future obligations and planned activities; the business of the Company including the continued exploration of its properties; the political environments and legal and regulatory frameworks in Liberia and Cameroon with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities and the ability of the Company to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand. Assumptions used in the preparation of such information, although considered reasonable by Aureus at the time of preparation, may prove to be incorrect.

Actual results could differ materially from those anticipated in the forward looking information contained in this MD&A as a result of the risk factors, including: risks normally incidental to exploration and development of mineral properties; the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all; risks that the cost of implementing the Mine Plan and the operating cash costs of the New Liberty Gold Mine exceed those estimated in the Mine Plan; risks related to operating in West Africa; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; adverse changes in commodity prices; risks related to current global financial conditions; risks that the Company's exploration for and development of mineral deposits may not be successful; risks normally incidental to exploration and development of mineral properties; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory framework in Liberia, including adverse changes in applicable laws; competitive conditions in the mineral exploration and mining industry; risks related to obtaining insurance or adequate levels of insurance for the Company's operations; uncertainty of mineral resource and reserve estimates; the inability of the Company to delineate additional mineral resources; risks related to environmental regulations; uncertainties in the interpretation of results from drilling; uncertainties in the estimates and assumptions used, and risks in the methodologies employed, in the DFS and that the completion of additional work at the New Liberty Gold Mine could result in changes to the forecasts, estimates and expectations contained in the DFS; risks related to the legal systems in Liberia; risks related to the tax residency of the Company; the possibility that future exploration, development or mining results will not be consistent with expectations; delays in construction; inflation; changes in exchange and interest rates; risks related to the activities of artisanal miners; actions of third parties that the Company is reliant upon; lack of availability at a reasonable cost or at all, of plants, equipment or labour; the inability to attract and retain key management and personnel; political risks; the inability to enforce judgments against the Company's directors and officers; risks related to the Ebola crisis; and future unforeseen liabilities and other factors.

Disclosure herein of exploration information and of mineral resources and mineral reserves is derived from the respective technical reports. Information relating to "mineral resources" and "mineral reserves" is deemed to be forward looking information as it involves the implied assessment based on certain estimates and assumptions that the mineral resource and mineral reserves can be profitable in the future. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Accordingly, readers should not place undue reliance on forward looking information. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

The forward looking information included in this MD&A is expressly qualified by this cautionary statement and is made as of the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter and year ended December 31, 2015
(stated in US dollars)

6. RISKS AND UNCERTAINTIES

Aureus is exposed to a number of potential risks due to the nature of the mining and exploration business in which it is engaged, the countries in which it operates and adverse movements in gold prices. Readers are referred to the Company's Annual Information Form, located on SEDAR at www.sedar.com, for a full list of applicable risk factors.

7. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (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 maintains an effective control environment and has used the *Internal Control - Integrated Framework* (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission to design the Company's internal controls over financial reporting.

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. The Company's CEO and CFO believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities legislation is recorded, processed, summarized and reported in a timely manner.

8. OUTLOOK

Since the declaration of commercial production at the New Liberty Gold Mine, the New Liberty Plant continues to operate in line with original design specifications and recovery levels in excess of 90% continue to be achieved. On-going optimisation activities continue at the process plant and as a result Management fully expect further operational improvements to be realised in the coming months.

The key focus for the Company now turns to finalising an updated mine plan to maximise the returns of the New Liberty Gold Mine and which will form the basis of discussions between the Company and its Lenders to agree an appropriate debt repayment schedule, whilst mining activities continue to progress in both the Kinjor and Larjor pits with a focus on the completion of the southern water diversion bund to facilitate the continuation of mining activities during the 2016 wet season.

Aureus has now made the transition from project developer to producer with all key operating personnel in place, each with extensive African gold mining experience. Generative exploration work continues to progress over Aureus' prospective licences with a focus upon delineating satellite ounces in close proximity to the New Liberty Gold Mine.