

AUREUS MINING INC.

**Management's Discussion and Analysis
For the quarter ended September 30, 2016**

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2016
(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 three and nine months ended September 30, 2016. This management discussion and analysis has been prepared based on information available to the Company as at November 12, 2016. 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, development and operation of gold mining assets. 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 category and 5.7 million tonnes grading 3.2 g/t for 593,000 ounces in the inferred category. The Project

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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.

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.

Supportive Majority Shareholder

On June 14, 2016 the Company entered into an agreement for an equity financing with MNG Gold Jersey Ltd. ("MNG Gold") to strengthen the Company's balance sheet and fund working capital as it completed the restart of the processing plant at the New Liberty Gold Mine.

On June 21, 2016 the Company closed the Initial Tranche of the equity financing with MNG Gold pursuant to which the Company issued 59,533,674 new common shares in the Company ("Shares") at a price of \$0.045302 per Share and a promissory note for the aggregate principal amount of US\$12,303,006 to MNG Gold ("the Promissory Note"), raising gross proceeds of \$15 million.

On July 15, 2016 the Company closed the Final Tranche of the equity financing with MNG Gold pursuant to which the Company issued 331,111,209 new Shares at a price of \$0.045302 per Share to MNG Gold, raising gross proceeds of \$15 million.

Further, the Promissory Note issued by the Company to MNG Gold pursuant to the Initial Tranche of the equity financing automatically converted into 271,577,546 Shares (also at a price of \$0.045302 per Share) concurrently with the closing of the Final Tranche of the equity financing. An aggregate of 662,222,429 Shares were issued pursuant to the two tranches and the automatic conversion of the Promissory Note following which MNG Gold became a 55% shareholder of the Company.

In October 2016, the Company announced that it has raised, conditional on minority shareholder and TSX approval, approximately \$76 million with MNG Gold subscribing for \$60 million and the balance from existing and new shareholders. The equity financing is conditionally expected to close on December 6, 2016.

MNG Gold becoming a major shareholder provides Aureus with an exciting future as it restarts production at New Liberty and aims to optimise the asset to deliver on its full potential. MNG Gold has strong financial backing, operational experience and is an existing operator in Liberia.

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2. PROJECTS

(A) NEW LIBERTY GOLD MINE, LIBERIA

Introduction

The key asset in Aureus' portfolio is the New Liberty Gold Mine, which declared commercial production on March 1, 2016. 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.

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

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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

Operational review for the quarter ended September 30, 2016 ("Q3 2016")

Operating data	Unit	Post commercial production March 1 to September 30,	Three months ended September 30,	
		2016	2016	2015
Ore mined	Kt	576	303	173
Waste mined	Kt	4,746	1,598	2,354
Total mined	Kt	5,322	1,900	2,527
Strip ratio	waste:ore	8.2	5.3	13.6
Ore milled	t	404,543	221,360	129,519
Feed grade	g/t Au	2.9	2.9	3.3
Recovery	%	84	77	84
Gold ounces produced	oz	30,858	14,392	8,519
Gold ounces sold	oz	32,483	14,139	8,519
Average realised price	US\$/oz	1,286	1,332	1,124
Operating cash cost, pre-shutdown	US\$/oz sold	1,533	1,971	n/a
All-in-sustaining cash cost including shutdown costs	US\$/oz sold	1,837	2,153	n/a

Note

- 1 - Operating cash cost and all-in sustaining cash cost are non-GAAP financial performance measure.
Refer to the "non-IFRS Financial Measures" section for a reconciliation of these amounts. Cash costs are presented post declaration of commercial production.

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During Q3 2016, mining operations continued at New Liberty with 1,900,326 tonnes mined including 302,822 tonnes of ore at an average grade of 2.61 grams of gold per tonne (g/t). Mining operations were focused upon the Kinjor stage 1 and stage 2 pits opening access to fresh high grade ore with limited tonnage coming from the Larjor starter pit. Excavation work was completed for the current phase of the flood bund early in the quarter and the channel has worked well allowing mining to continue in the pits throughout the wet season, without the risk of flooding from inflowing storm water run-off.

Grade control drilling progressed throughout the period with a focus on the Larjor pit to ensure that ore requirements in early Q4 can be met. This programme will resume in November 2016 with the assistance of a drilling contractor following the completion of mining on the current benches in the Larjor pit.

During early September, the Company announced that the mining services contract between Bea and MonuRent (Liberia) Limited ("MonuRent") together with all underlying MonuRent supplier contracts had been novated to Atmaca Services (Liberia) Inc. ("ASLI"), a Liberian company that is wholly owned by MNG Gold, the Company's 55% shareholder. After completion of the equity fundraising as discussed in Section 1(C), the Company will acquire the mining equipment and inventory from ASLI to effect transition to an owner-operator mining model.

The decision to transition to an owner-operator mining model was a direct result of the review of the Company's cost base undertaken following MNG Gold's investment in the Company. It is anticipated that the adoption of owner-operator mining at New Liberty will significantly reduce the ongoing costs of mining operations and improve the operational and financial flexibility of the Company. This is based on the fact that MNG Gold are successful and experienced owner-operators of the mining fleet at the Kokoya Gold Mine in Liberia and can offer the Company experience to ensure that the transition to owner-operator mining at New Liberty is successful.

During the period, the Company also entered into a contract with an established explosives supplier in Liberia, reducing the costs of explosives to US\$1,350 per tonne from recent costs of up to US\$2,200 per tonne whilst importing. It is anticipated that during Q4 2016 the supplier will establish itself at New Liberty.

As previously reported, following the suspension of processing operations in Q2 2016, the New Liberty processing plant was successfully restarted in late June 2016 and the performance of the detoxification circuit has been closely monitored since then. Since the restart of operations, the Company has experienced periods of unscheduled plant downtime which disrupted gold production in Q3 2016. Despite this, 221,360 tonnes of ore were milled during the quarter at an average feed grade of 2.92g/t, resulting in the production of 14,392 ounces of gold. Gold sales for Q3 2016 were 14,139 ounces which generated sales revenue of \$18.8 million. The average realised gold price for the quarter was \$1,332 per ounce.

Plant modifications, optimisation and preventative maintenance activities continued throughout the period, with the Company's existing operating team being supplemented by MNG Gold's expertise. In the final month of the quarter, plant utilisation had increased to 88% with gold recovery levels moving towards steady state levels. The process plant detoxification circuit was modified to recycle process plant effluent to reduce discharges from the tailings storage facility ("TSF") and changes were made to both the design and operation of the TSF, converting it from an overflow to a closed system with controlled discharges, which ensured that all recent discharges from the TSF were within permitted levels in accordance with the International Cyanide Management Code. The Company also commenced design work with its consultants to enable construction to commence during the dry season so as to establish a longer-term more sustainable TSF solution.

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Exploration

During Q3 2016, exploration activities focused on analysis of the previous years' work and planning activities for after the rainy season (at the start of Q4 2016). Pitting and regolith mapping undertaken around New Liberty and around the western portion of the Bea Mining Licence continued. This work aimed to test major structures around the mine.

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. Pitting work has been undertaken in order to check underneath these regimes and sample representative saprolite. The focus of this work is along major and secondary structures identified by airborne geophysics.

The results from some of the pits along major structures have shown that there are several new targets with indicators of gold mineralisation which were not previously detected during soil sampling programmes. Further pitting and detailed geological mapping planned for Q4 2016 to follow this gold anomalism along with detailed field based geological mapping to constrain the anomalism, with the aims of finding concealed mineralisation along major and secondary structures close to the New Liberty Plant site.

(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.

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.

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 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%.

During the quarter, work was undertaken to identify other potential structures near to Ndablama which can be followed up in future as well as assessing the pitting work done during the previous quarter.

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(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.

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 the quarter, a review of the 2016 mapping along the southwestern area of the Weaju Project identified two zones of surface mineralisation which can be traced along the SW, and remain open along strike, additional mapping and sampling will be completed 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") located immediately south of the Bea Mining Licence and host to 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 kilometres.

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.

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.

(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.

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. Pitting was undertaken along the entire extent of the Yambesei shear zone and identified the continuation of mineralised zones.

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(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 kilometres which remains open at both ends.

Detailed mapping of the 8 kilometre extent of the Yambesei shear zone was completed during Q4 2015. Pitting along the entire length of the Yambesei shear was completed in Q3 2016 and has been completed over Gondoja, Musa and Gbalidee. Further follow up work will be completed later in the year once field activities recommence after the rainy season.

(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. Channel samples highlighted the potential for high grade zones, associated with intense silicification along strike of previously sampled areas.

Work focused along the strike of the Belgium target during Q3 2016. Pitting and mapping has highlighted a north-east trending shear, and has the potential to extend over 3 km up to the Bruges target located in the north-east. During Q4 2016 pitting and mapping will follow this structure towards the east with the aim of extending the strike of mineralisation.

(H) MATAMBO CORRIDOR, LIBERIA

During Q4 2015, the Company entered into an agreement to acquire Sarama Investments Liberia Limited ("Sarama") which held three Liberian exploration licences. These licences, referred as to Cape Mount West (116.6 km²), Cape Mount (96.6 km²) and Cape Mount East (67.7 km²), 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 increased to 1,683 km².

Cape Mount and Cape Mount East licences host a 15 km gold in soil anomaly. 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 geophysics survey followed by regional soil sampling. This programme led to the identification of the 15 km gold in soil anomaly that straddles the two licences and that corresponds to the westerly extension of the Bea Mountain Greenstone Belt, the "Matambo Corridor". This Belt is interpreted as being folded over the licence areas with the southern limb corresponding to the Silver Hills target, located in the Company's Bea Mining Licence.

Follow up undertaken by Sarama included trenching in several locations along the part of the gold corridor that is located within the Cape Mount license. This work demonstrated in situ mineralisation with best intercepts of 16 m grading 1.7 g/t Au and 6 m grading 2.3 g/t Au. In 2014 Sarama undertook a 1,600 m reconnaissance diamond drilling programme comprising 15 holes targeting the three main targets, namely Bangoma, Saanor and Bomafa prospects. Gold mineralisation intersected by drilling included intercepts of 7.5 m grading 3.9 g/t and 5 m grading 2.3 g/t.

The acquisition of Sarama was completed by the Company in January 2016 for a total consideration of 6,645,070 common shares of the Company.

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During Q2 2016 geological mapping covered the majority of the 15 km gold corridor. The Bomafa, Bangoma, Saanor prospects were all mapped and sampled. Locating a main band of greenstone which underlies the soil anomalism with lithosamples confirming multiple bands of mineralisation at surface. Work on the area will continue in Q4 2016 (after the rainy season) on further testing the areas with identified mineralisation.

(I) YAMBESSEI, 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 by acquiring four new exploration licences referred to as Yambesei (759 km²), Archean 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 Archean gold mineralisation systems discovered in Liberia.

Over 80 km of north-east to south-west trending structural zones referred to as the Yambesei, Lofa and Mafa 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. A regional soils program is planned for Q4 2016 to cover some of these shears within the SW of the Yambesei licence

In the West Mafa licence, regolith mapping was completed covering most of the area, including the Goja target (located 9 km north-west of the New Liberty Gold Mine). Previous 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.

(I) CAMEROON

The Batouri licence (168 km²) is located 436 km east of Yaoundé, the administrative capital of Cameroon. 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.

3. UPDATE ON EBOLA

Liberia was declared free of Ebola Virus Disease ("EVD") transmission by the World Health Organisation (WHO) for the fourth time on June 9, 2016, following a period of 42 days (two 21-day incubation cycles of the virus) after the last confirmed Ebola patient in Liberia tested negative for the disease for the second time. Liberia then entered a 90-day period of heightened surveillance, which ended on September 7, 2016. The surrounding countries of Sierra Leone and Guinea declared the end of Ebola human-to-human transmission on March 17, 2016 and on June 1, 2016 respectively. This brought an end to the outbreak of the EVD that began in West Africa in December 2013. The WHO cautions that the 3 countries remain vigilant for new infections.

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4. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

US\$'000 except loss per Common Share	Quarter ended September 30, 2016	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015
Loss for the quarter	(22,182)	(9,235)	(5,629)	(56,991)
Loss per Common Share, basic and diluted	(0.020)	(0.017)	(0.010)	(0.139)
Total comprehensive income/(loss) for the quarter	(22,260)	(9,368)	(5,566)	(57,093)
Total assets	287,369	288,557	280,879	280,994
	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014
Profit/(Loss) for the quarter	522	(2,172)	(2,697)	(2,697)
Profit/(Loss) per Common share, basic and diluted	0.001	(0.006)	(0.008)	(0.008)
Total comprehensive income/(loss) for the quarter	307	(2,133)	(3,015)	(3,015)
Total assets	316,160	302,011	287,217	287,217

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

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(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended September 30, 2016 ("Q3 2016")

The loss for Q3 2016 was US\$22.2 million, compared to a net income US\$0.5 million in the quarter ended September 30, 2015 ("Q3 2015"). The increase in quarterly loss is predominantly due to an operating loss at New Liberty of US\$14.8 million, increase in administrative and other expenses of US\$3.3 million predominantly due to the arbitration process with the Company's earthworks and civils contractor (US\$0.6 million), legal and professional costs related to the MNG Gold transaction (US\$1.3 million) and subsequent contractual change of control/termination costs (US\$1.8 million), finance charges of US\$2.6 million and a decrease in the gain from the change in fair value of the derivative liability of US\$1.6 million.

The comprehensive loss for Q3 2016 amounted to US\$22.3 million (Q3 2015: income of US\$0.3 million).

Revenues of US\$18.8 million (Q3 2015: US\$nil) was generated from the sale of 14,139 ounces of gold.

Cost of sales of US\$33.7 million relating to production costs, inventory impairment and mine depreciation have been recognised in the income statement during the quarter. Production costs of US\$28.5 million (Q3 2015: US\$nil) include costs associated with mining, processing, refining, royalties and mine administration of US\$25.2 million, a credit of US\$1.6 million for the increase in inventories and an impairment of low grade oxide ore stockpile of US\$4.9 million. Depreciation during the period was US\$5.1 million, or US\$358 per ounce produced.

Administrative and other expenses of US\$5.1 million was US\$3.3 million higher than Q3 2015 due to the arbitration process with the Company's earthworks and civils contractor, transaction costs and change in control payments related to the MNG equity financing resulting in increases in wages, salaries and termination benefits of US\$1.8 million and legal and professional fees of US\$1.3 million.

The derivative liability gain of US\$0.5 million (Q3 2015: US\$2.1 million) relates to the decrease in fair value of the warrants mainly as a result of the decline in the Company share price.

Interest expense of US\$2.6 million represents the effective interest on Tranches A and B of the Senior Facility, Subordinated Facility, finance lease liabilities and the unwinding of the discount on the mine closure provision.

The variation in profit and loss over the eight quarters disclosed above is predominantly driven by impairment charges, the declaration of commercial production on March 1, 2016 following which all revenues and costs of sales are recognised in the income statement rather than capitalised and fees related to the change in ultimate control of the Company. All other items of profit and loss are relatively consistent.

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

Statement of financial position at September 30, 2016

Trade and other receivables increased from US\$0.8 million as at December 31, 2015 to US\$5.8 million as at September 30, 2016 predominantly due to gold sales receivable for the last September 2016 shipment, prepaid insurance costs and an increase in UK VAT and Canadian HST receivable.

Inventories of US\$16.5 million includes 392 ounces of gold doré (US\$0.5 million), gold in circuit (US\$2.9 million), ore stockpile (US\$10 million) and consumables (US\$3 million).

Intangible assets of US\$38 million as at September 30, 2016 (December 31, 2015: US\$35.7 million) relate to the exploration and evaluation costs incurred on the Company's projects. Additions to intangible assets in Q3 2016 were US\$0.6 million (Q3 2015: US\$0.8 million) predominantly for near mine exploration at New Liberty

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(US\$0.1 million), Silver Hills (US\$0.1 million), Cape Mount (US\$0.1 million), Ndablama (US\$0.1 million) and Batouri.

Property, plant and equipment of US\$220.6 million as at September 30, 2016 (December 31, 2015: US\$222.2 million) relates predominantly to New Liberty Gold Mine assets of US\$209.3 million, diesel-powered generators and fuel storage facility at New Liberty held as finance leases of US\$9.1 million and mine closure and rehabilitation cost of US\$1.6 million. An additional US\$0.7 million was capitalised during Q3 2016 which relates mainly to water diversion works (US\$0.2 million), wetland construction (US\$0.2 million) and road infrastructure (US\$0.1 million).

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\$58 thousand at September 30, 2016 (December 31, 2015: US\$83 thousand).

Current liabilities of US\$57.1 million as at September 30, 2016 (December 31, 2015: US\$33.3 million) includes trade and other payables of US\$27.9 million (December 31, 2015: US\$19.6 million) arising mainly from New Liberty mining and plant operations and including US\$11.9 million payable to a related party (see Section C(iii)), current portion of borrowings of US\$27.7 million (December 31, 2015: US\$11.3 million), finance lease liabilities of US\$1.3 million (December 31, 2015: US\$1.2 million) and derivative liability of US\$0.3 million (December 31, 2015: US\$1.2 million) being the fair value of the warrants issued.

Non-current liabilities of US\$89.5 million (December 31, 2015: US\$100.5 million) includes borrowings of US\$80.6 million (December 31, 2015: US\$91.5 million), finance lease liabilities of US\$7.2 million (December 31, 2015: US\$7.7 million) and provision for rehabilitation of New Liberty mine of US\$1.7 million (December 31, 2015: US\$1.4 million). The finance lease liabilities are in respect of power generators and a fuel storage facility at New Liberty.

Borrowings include a Senior Facility of US\$98 million, a Subordinated Facility of US\$12 million and related interest.

Liquidity, Capital Resources and Financial Instruments

As at September 30, 2016, the Company had cash and cash equivalents of US\$5.9 million, net current liabilities of US\$29 million and approximately US\$24 million of debt repayments due in the next twelve months.

During the current quarter, 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).

In October 2016, the Company announced that it has raised, conditional on minority shareholder and TSX approval, approximately US\$76 million via an equity fundraising to finance the Company's transition to an owner-operator mining model, repay amounts due to Nedbank Limited and FirstRand Bank Limited (the "Lenders") and to strengthen its balance sheet.

MNG Gold, the Company's majority shareholder, is in discussions with the Lenders with regards to potentially providing a corporate guarantee in exchange for the re-sculpting of debt repayments and the relaxation of loan covenants. 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. The Company received an extension from the Lenders for a default waiver and standstill agreement up to December 14, 2016 during which time the Company will work with the Lenders to reschedule the debt repayment profile. The waivers encompass all

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existing, as well as future breaches of the loan documentation that may occur during the standstill period, and a deferral by the Lenders of all principal and interest payments during this time.

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.

The majority (c.99%) 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 nine months ended September 30, 2016

Net cash used from operations during the period amounted to US\$5.2 million (nine months ended September 30, 2015: US\$15.2 million) and is due predominantly to cash outflows from the New Liberty operations, corporate expenses and movements in operating working capital.

Net cash used in investing activities during the period was US\$23.6 million (nine months ended September 30, 2015: US\$46.7 million) and predominantly relates to pre-commercial production operating costs at New Liberty including finance charges and exploration costs partly off-set by proceeds from pre-production gold sales.

Net cash inflows from financing activities during the period of US\$27.7 million (nine months ended September 30, 2015: US\$35.0 million) was generated from the net proceeds of the equity financing with MNG (US\$29.8 million) offset by borrowing costs of US\$2.1 million. Cash raised from financing activities was predominantly expended on trade creditors.

(C) OTHER INFORMATION

(i) Outstanding Share Data

As at the date hereof, the Company had an unlimited number of common shares authorized for issuance with 1,204,039,001 Common Shares issued and outstanding.

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

	Number	Exercise Price	Expiry Date
Stock Options	30,945,956	C\$0.058-C\$1.05	Jan 2017 – Aug 2021
Warrants	60,472,175	GBP0.07-GBP0.378	Oct 2017 – Apr 2019

(ii) Going concern

As at September 30, 2016, the Company has net current liabilities of US\$29 million and has approximately US\$24 million of debt repayments due in the next twelve months. The net current liability position is as a result of commissioning and ramp up issues at New Liberty and the recent processing plant stoppage required to optimise the detoxification circuit at New Liberty.

In October 2016, the Company announced that it had raised, conditional on minority shareholder and TSX approval, approximately US\$76 million via an equity fundraising to finance the Company's transition to an owner-

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operator mining model, repay amounts due to Nedbank Limited and FirstRand Bank Limited (the "Lenders") and to strengthen its balance sheet.

The Company received an extension until December 14, 2016 for a default waiver and standstill agreement during which time the Company will work with the Lenders to reschedule the debt repayment profile. The waivers encompass all existing, as well as future breaches of the loan documentation that may occur during the standstill period, and a deferral by the Lenders of all principal and interest payments during this time.

MNG Gold, the Company's majority shareholder, is also in discussions with the Lenders with regards to potentially providing a corporate guarantee in exchange for the re-sculpting of debt repayments and the relaxation of loan covenants. Should these negotiations not result in an amendment to the terms of the Company's project finance facilities then the Company may be in breach of certain covenants once covenant testing recommences.

Based on discussions and the support received to date, there is a reasonable expectation that an appropriate debt repayment schedule will be achieved, however there can be no absolute certainty that the negotiations will be successful or that the Company will be able to raise or generate the necessary funds, from either the recently announced equity fund raise or from operating cash flow, 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.

(ii) Subsequent events

On October 13, 2016, the Company received from the Lenders an extension of the default waiver and standstill agreement to December 14, 2016.

On October 14, 2016, the Company announced that it has conditionally raised approximately US\$72 million via an equity fundraising to finance the Company's transition to an owner-operator mining model, repay amounts due to the Lenders and to strengthen its balance sheet.

On October 28, 2016, the Company received a letter of notice from its broker, Numis Securities Limited, on the exercise of an option which was available for all existing shareholders and employees of the Company to increase the size of the equity fundraising by US\$3.9 million.

(iii) Related party transactions

During Q3 2016 the Company provided certain management services performed by its directors and employees to the Company's parent company, MNG Gold Jersey Limited. The amount charged for such services was US\$46 thousand (Q3 2015: US\$nil) and the receivable at September 30, 2016 was US\$46 thousand (December 31, 2015: US\$nil).

During Q3 2016, a subsidiary within the MNG Gold Jersey Limited group, Atmaca Services Liberia Inc. ("ASLI"), purchased the receivables held by MonuRent (Liberia) Limited and as a result historic payables of US\$9.8 million were assigned to ASLI on September 5, 2016. Subsequent to September 5, 2016 ASLI provided and maintained heavy mining equipment charging a total of US\$2.1 million in the quarter. The payable to ASLI as at September 30, 2016 was US\$11.9 million (December 31, 2015: US\$nil).

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During Q3 2016 environmental consulting fees of US\$13 thousand (Q3 2015: US\$25 thousand) were invoiced by a company which had a common director. The related party relationship ceased on July 15, 2016 when the director resigned from the Company and there was no payable as at September 30, 2016.

The total salaries and contractual change of control payments to key management personnel during the quarter amounted to US\$1.4 million (Q3 2015: US\$0.3 million).

(iv) Off balance sheet arrangements

As part of the settlement for legacy mining claims at Weaju a third party is entitled to receive a 7.5% net profit interest ("NPI") on life-of-mine production at Weaju.

As part of the agreement to acquire Sarama Investments Liberia Limited, a third party is entitled to receive a royalty equal to 1% net smelter returns from the Cape Mount permit.

Other than the NPI interests disclosed above the Company does not have any off-balance sheet arrangements and does not contemplate having any in the foreseeable future.

(v) Request for arbitration

In November 2015 the Company received a request for arbitration from International Construction & Engineering (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 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 continues to vigorously defend itself against the claims made by ICE and believes that 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.

(vi) Operating segments

The Company is engaged in the acquisition, exploration, development and operations 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:

- New Liberty operations;
- Liberia exploration;
- Cameroon exploration; and
- Corporate.

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Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended September 30, 2016:

	New Liberty operations	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	(18,488)	(110)	-	(3,584)	(22,182)
Gold sales	18,839	-	-	-	18,839
Production costs					
- Mine operating costs	(25,218)	-	-	-	(25,218)
- Change in inventories	1,637	-	-	-	1,637
- Impairment of ore stockpiles	(4,933)	-	-	-	(4,933)
	(28,514)	-	-	-	(28,514)
Depreciation	(5,146)	(108)	(2)	(4)	(5,260)
Segment assets	245,296	32,428	6,221	3,424	287,369
Segment liabilities	(144,186)	(99)	-	(2,383)	(146,668)
Capital additions					
– property, plant and equipment	756	-	-	-	756
– intangible assets	-	599	54	-	653

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(vii) Non-IFRS financial measures

Operating cash costs and all-in-sustaining cash costs are a common financial performance measure but has no standard definition under IFRS. The Company reports cash costs on an ounces of gold sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, investors use this information to evaluate the Company's performance and ability to generate cash flow from its operations. Other companies may calculate these measures differently and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measures:

In US\$'000 except per ounce figures	Post commercial production March 1 to September 30, 2016	Three months ended September 30, 2016
Gold ounces sold	32,483	14,139
Mine operating costs	49,545	24,576
Change in inventories	(4,675)	(1,637)
Impairment of inventory	4,933	4,933
Total operating cash costs - pre-shutdown	49,803	27,872
Operating costs during plant shutdown*	4,383	-
Total operating cash costs - post-shutdown	54,186	27,872
Total operating cash costs per ounce sold - pre-shutdown *	1,533	1,971
Total operating cash costs per ounce sold - post-shutdown	1,668	1,971
Total production cash costs	54,186	27,872
Royalty, freight and refining	1,465	642
Corporate administrative costs **	3,356	1,585
Share based compensation	315	138
Sustaining exploration	243	142
Accretion and depreciation on reclamation provision	113	58
Total all-in sustaining costs	59,678	30,437
Total all-in sustaining costs per ounce sold	1,837	2,153

* Plant processing operations were suspended from May 7 to June 29, 2016 as a consequence of operating problems with the detoxification circuit in the process plant.

** Corporate administrative costs exclude non-recurring arbitration costs with the Company's earthworks and civils contractor and transaction costs related to the MNG Gold equity financing and subsequent change of control.

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(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 period ended March 31, 2016:

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 and 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.

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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 is Mark J. Pryor, who holds a BSc (Hons) in Geology & Mineralogy from Aberdeen University, United Kingdom and is a Fellow of the Geological Society of London, a Fellow of the Society of Economic Geologists and a registered Professional Natural Scientist (Pr.Sci.Nat) of the South African Council for Natural Scientific Professions. Mark Pryor is an independent technical consultant with over 30 years of extensive global experience in exploration, mining and mine development and is a "Qualified Person" as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators and has reviewed and consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Assay and sampling information are taken from the Company's database as prepared on 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 any possible expenses related to future remediation and rehabilitation and the quantity and quality of mineral resource and mineral reserve estimates at the New Liberty Gold Mine), 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-

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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; that Aureus will be able to advance and complete any remediation, rehabilitation and restoration activities that may be required within expected timeframes; that there will be no significant delay or other material impact on the expected timeframes for completion of any remediation and restoration of the New Liberty Gold Mine and the recommencement of processing operations; that any required permits, approvals and arrangements to proceed with planned remediation and restoration will be obtained in a timely manner; that there will be no interruptions that will materially delay Aureus' progress with any remediation plans; that Aureus will have access to any additional capital if required; 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 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; uncertainty regarding the outcome of any sample testing and analysis to be conducted on the area affected by the overflow from the TSF; risks relating to the timely receipt of necessary approvals and consents to proceed with any required remediation plan; risks relating to the timing, costs and liabilities relating to the modifications to the detoxification circuit and overflow from the TSF; uncertainty as to actual timing of completion of any remediation and restoration activities and the recommencement of processing operations at the New Liberty Gold Mine; risks relating to the impact of the overflow from the TSF on Aureus' reputation; the quantum of any claims, fines or penalties that may become payable by Aureus and the risk that current sources of funds are insufficient to fund any such liabilities; risks that Aureus will be unsuccessful in defending against any legal claims or potential litigation; risk of costs arising from any unforeseen longer-term environmental consequences of the overflow from the TSF at the New Liberty Gold Mine; risks that additional financing that may be required may not be available to Aureus on terms acceptable to Aureus or at all; 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;

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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.

6. RISKS AND UNCERTAINTIES

In the event any rehabilitation and restoration may be required, there would be inherent risks and uncertainties related to the scope, timing and cost of any rehabilitation and restoration, and the recommencement of processing operations at the New Liberty Gold Mine may be further delayed. Furthermore there may be unforeseen or long term environmental consequences as a result of the cause of any rehabilitation and restoration requirements.

It is also unknown at this time whether the Company may become subject to regulatory or civil claims, fines and penalties or the potential quantum thereof. The Company may be unsuccessful in defending against any legal claims that may arise, and current sources of funds may be insufficient to fund liabilities arising from such claims. Any additional financing that may be required may not be available to the Company on terms acceptable to the Company or at all.

Aureus is also 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

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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'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.

8. OUTLOOK

The immediate focus of the management team is to continue to stabilise and then improve both operational and financial performance at New Liberty. The Company's management team are currently focused on undertaking a comprehensive review of the Company's cost base with a view to improving cash costs and operating margins. The first stage of this cost reduction is expected to complete in late Q4 2016 when the New Liberty mine plans to transition to an owner operator mining model following the previously announced conditional equity raise. The equity raise, expected to close in December 2016, will also allow capital investment in order to achieve stronger future operational performance.

The Company confirms that it remains committed to maintaining its listing on both the AIM and TSX markets, and its management team intends to produce a revised life of mine plan following both the completion of the ongoing operational and financial performance reviews and the achievement of steady state operations at New Liberty.