

Condensed Interim Consolidated Financial Statements (Unaudited)

Aureus Mining Inc.

For the Three and Nine Months Ended September 30, 2011
(Stated in US dollars)

Registered office: Suite 2300
Toronto-Dominion Centre TD Waterhouse Tower
79 Wellington Street West
Toronto
Ontario M5K 1H1
Canada

Company registration number: 776831-1

Company incorporated on: 1 February 2011

Notice to Reader:

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2011.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Aureus Mining Inc.

Interim Consolidated Statements of Financial Position (Unaudited)

(stated in US dollars)

	September 30, 2011 \$	December 31, 2010 \$
Assets		
Current assets		
Cash and cash equivalents	37,869,058	-
Trade and other receivables	184,526	-
	<u>38,053,584</u>	<u>-</u>
Non-current assets		
Intangible assets		
- Resource properties (Note 4)	5,519,965	-
- Deferred exploration costs (Note 4)	37,481,734	-
Property, plant and equipment (Note 5)	856,527	-
Available-for-sale investments	1,987,134	-
	<u>45,845,360</u>	<u>-</u>
Total assets	<u>83,898,944</u>	<u>-</u>
Liabilities		
Current liabilities		
Trade and other payables	3,028,481	-
Due to related parties (Note 8)	50,404	-
Derivative warrant liability (Note 7)	23,554	-
	<u>3,102,439</u>	<u>-</u>
Total liabilities	<u>3,102,439</u>	<u>-</u>
Equity		
Share capital (Note 6b)	39,049,697	-
Capital contribution (Note 3)	48,234,972	-
Share based payment reserve (Note 6c)	2,023,050	-
Available-for-sale investment reserve	(1,837,208)	-
Cumulative translation reserve	95,851	-
Deficit	(6,769,857)	-
Total equity	<u>80,796,505</u>	<u>-</u>
Total liabilities and equity	<u>83,898,944</u>	<u>-</u>

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

Aureus Mining Inc.**Interim Consolidated Statements of Comprehensive Loss (Unaudited)**

(stated in US dollars)

	3 months ended September 30, 2011 \$	9 months ended September 30, 2011 \$
Expenses		
Legal and professional	(399,522)	(1,023,607)
Depreciation (Note 5)	(77,167)	(136,537)
Wages and salaries	(264,978)	(511,140)
Share based payments (Note 6c)	(440,302)	(2,023,050)
Foreign exchange loss	(2,210,541)	(2,368,667)
Other expenses	(402,488)	(962,986)
Loss from operations	(3,794,998)	(7,025,987)
Derivative gain	1,184	240,730
Finance income	14,309	15,400
Loss for the period	(3,779,505)	(6,769,857)
Other comprehensive (loss)/income		
Available-for-sale financial instruments	(972,223)	(1,837,208)
Currency translation differences	78,701	95,851
Total comprehensive loss for the period	(4,673,027)	(8,511,214)
Weighted average number of shares outstanding, basic and diluted	117,551,445	107,607,367
Loss per share, basic and diluted	(0.032)	(0.063)

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

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

	9 months ended September 30, 2011
	\$
Operating activities	
Loss for the period	(6,769,857)
Items not affecting cash:	
Share-based payments	2,023,050
Depreciation, depletion, and amortization	136,537
Unrealized foreign exchange loss	1,601,090
Derivative gain	(240,730)
Changes in non-cash working capital	
Trade and other receivables	(153,092)
Trade and other payables	40,420
Due to related party	50,404
Cash flows from operating activities	(3,312,178)
Investing activities	
Payments for resource properties	(60,350)
Payments for deferred exploration expenditure	(7,019,705)
Payments to acquire property, plant and equipment	(324,403)
Cash flows used in investing activities	(7,404,458)
Financing activities	
Proceeds from issue of share capital (net of costs)	38,996,268
Exercise of stock options	317,713
Cash flows from financing activities	39,313,981
Impact of foreign exchange on cash balance	(1,505,239)
Net increase in cash and cash equivalents	27,092,106
Cash and cash equivalents at beginning of period (Note 3)	10,776,952
Cash and cash equivalents at end of period	37,869,058

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

Aureus Mining Inc.

Interim Consolidated Statements of Changes in Equity (Unaudited)

(stated in US dollars)

	Share capital	Capital contribution	Share based payment reserve	Available for sale financial instruments	Currency translation reserve	Deficit	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2011	-	-	-	-	-	-	-
Transferred from Afferro	-	48,234,972	-	-	-	-	48,234,972
Loss for the period	-	-	-	-	-	(6,769,857)	(6,769,857)
Comprehensive loss for period	-	-	-	(1,837,208)	95,851	-	(1,741,357)
Shares issued	41,485,392	-	-	-	-	-	41,485,392
Share issue costs	(2,753,408)	-	-	-	-	-	(2,753,408)
Share-based payments	-	-	2,023,050	-	-	-	2,023,050
Exercise of stock options	317,713	-	-	-	-	-	317,713
Balance at September 30, 2011	39,049,697	48,234,972	2,023,050	(1,837,208)	95,851	(6,769,857)	80,796,505

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

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

1 Nature of operations and basis of preparation

Aureus Mining Inc. ("Aureus Mining" or the "Company") is a new company incorporated under the Canada Business Corporations Act on February 1, 2011 in order to facilitate the Plan of Arrangement (the "Arrangement" – see Note 2). Following completion of the Arrangement, Aureus Mining holds gold assets and an investment in Stellar Diamonds plc. ("Stellar Diamonds") previously owned by Afferro Mining Inc. ("Afferro Mining", formerly African Aura Mining Inc. ("African Aura")). The focus of Aureus Mining's business is the exploration and development of such gold assets, particularly the New Liberty Gold Project.

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", they do not include all disclosures that would otherwise be required in a complete set of financial statements. They follow accounting policies and methods of their application consistent with the interim consolidated financial statements for the period ending June 30, 2011. Accordingly, they should be read in conjunction with the Company's June 30, 2011 interim consolidated financial statements.

The consolidated financial statements of Aureus Mining for the year ending December 31, 2011, will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). As these interim financial statements represent Aureus Mining's initial presentation of its results and financial position under IFRS, they were prepared in accordance with IAS 34, Interim Financial Reporting, and use the accounting policies which Aureus Mining expects to adopt in its consolidated financial statements for the year ending December 31, 2011 based on currently effective standards. These interim financial statements may differ from those presented in Aureus Mining's first annual IFRS financial statements for the year ending December 31, 2011 due to changes to the IFRS standards, if any.

These interim financial statements were authorized by the Board of Directors on November 10, 2011.

2 Plan of Arrangement

On April 13, 2011 African Aura completed the Arrangement under the British Columbia Business Corporation Act pursuant to which it transferred its gold assets, 30,792,770 shares in Stellar Diamonds and \$10.6 million cash (the "Transferred Assets") to Aureus Mining and African Aura was renamed Afferro Mining Inc.

The Arrangement was approved by the Board of Directors of African Aura and by African Aura's shareholders at a special meeting held on April 5, 2011.

Under the Arrangement, among other things, the Transferred Assets were acquired by Aureus Mining and each Participating Shareholder received new common shares in Afferro and Aureus Mining in exchange for the African Aura common shares held by such shareholder on the basis of one new Afferro common share and one Aureus Mining common share for each African Aura common share held by such shareholder.

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

3 Capital contribution

As described in Note 2, on April 13 2011, upon completion of the Arrangement Aureus Mining received the Transferred Assets from Afferro Mining. As there was no substantive change in ultimate ownership of the Transferred Assets as a result of the transaction, the transaction has been accounted for as a capital contribution and the Transferred Assets have been brought into Aureus Mining at the carrying values recorded by Afferro Mining at the date of transfer as follows:

	April 13, 2011 \$
Assets	
Current assets	
Cash and cash equivalents	10,776,952
Trade and other receivables	31,434
	<u>10,808,386</u>
Non-current assets	
Intangible assets	
- Resource properties	5,459,615
- Deferred exploration costs	27,924,114
Property, plant and equipment	668,662
Available-for-sale investments	3,824,342
	<u>37,876,733</u>
Total assets	<u>48,685,119</u>
Liabilities	
Current liabilities	
Trade and other payables	450,147
Total liabilities	<u>450,147</u>
Equity	
Capital contribution	48,234,972
Total equity	<u>48,234,972</u>
Total liabilities and equity	<u>48,685,119</u>

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

4 Intangible assets

	Transferred from Afferro April 13, 2011 \$	Additions \$	September 30, 2011 \$
Resource properties:			
Liberia			
Bea	210,000	-	210,000
Ndablama extension	141,349	-	141,349
Leopard Rock	-	60,350	60,350
	351,349	60,350	411,699
Sierra Leone			
Sonfon	1,017,000	-	1,017,000
Cameroon			
Batouri	4,091,266	-	4,091,266
	5,459,615	60,350	5,519,965
Deferred exploration costs:			
Liberia			
New Liberty	23,767,650	8,828,069	32,595,719
Weaju	1,201,561	282,063	1,483,624
Gondoja	34,348	1,600	35,948
Silver Hills	48,107	-	48,107
Ndablama	452,435	417,769	870,204
	25,504,101	9,529,501	35,033,602
Sierra Leone			
Sonfon	1,993,865	-	1,993,865
Cameroon			
Batouri	426,148	28,119	454,267
	27,924,114	9,557,620	37,481,734

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

4 Intangible assets (continued)

	3 months ended September 30, 2011 \$	9 months ended September 30, 2011 \$
Deferred exploration costs		
Assays incl. shipment	279,220	375,876
Communications	10,211	30,108
Community relations	22,029	47,943
Consultants and professional fees	545,011	816,221
Drilling	3,070,415	4,814,024
Geophysical	279,536	282,067
Infrastructure incl. roads and bridges	376,302	749,493
Licenses and permit fees	400,389	402,331
Project/field office costs	333,096	641,230
Salaries and wages	622,145	1,119,861
Subsistence	19,011	42,443
Transportation	126,603	236,023
Net expenditure during the period	6,083,968	9,557,620
Balance, beginning of the period	31,397,766	27,924,114
Balance, end of the period	37,481,734	37,481,734

5 Property, plant and equipment

	Machinery and equipment	Vehicles	Total
	\$	\$	\$
Cost			
Transferred from Afferro – April 13, 2011	288,208	528,250	816,458
Additions	50,709	273,693	324,402
At September 30, 2011	338,917	801,943	1,140,860
Depreciation			
Transferred from Afferro – April 13, 2011	48,238	99,558	147,796
Charge for the period	42,574	93,963	136,537
At September 30, 2011	90,812	193,521	284,333
Net book value			
Transferred from Afferro – April 13, 2011	239,970	428,692	668,662
At September 30, 2011	248,105	608,422	856,527

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

6 Equity

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued

	Shares	Amount \$
Issued pursuant to the Arrangement	86,252,592	-
Shares cancelled	(444)	-
Shares issued in public offering	31,050,000	41,485,392
Share issuance costs	-	(2,753,408)
Exercise of stock options	458,967	317,713
Balance at September 30, 2011	117,761,115	39,049,697

On May 19, 2011, the Company concluded a public offering issuing 27,000,000 new common shares of Cdn\$1.30 each raising gross proceeds of Cdn\$35.1 million. The direct costs to issue that have been charged to share capital amounted to Cdn\$2.4 million (including compensation warrants valued at Cdn\$0.2 million (see Note 7)).

On June 3, 2011, the over-allotment option attached to the public offering was exercised upon which the Company issued 4,050,000 new common shares of Cdn\$1.30 each raising gross proceeds of Cdn\$5.3 million. The direct costs to issue that have been charged to share capital amounted to Cdn\$0.3 million (including compensation warrants valued at Cdn\$ 26,882 (see Note 7)).

In the quarter ended September 30, 2011, the Company issued 421,467 new common shares in exchange for the exercise of 421,467 stock options at a weighted average exercise price of Cdn\$0.66.

(c) Stock options

In connection with the Arrangement, each African Aura option outstanding immediately prior to the completion was exchanged for one Afferro option and one Aureus Mining option and the African Aura option so exchanged was immediately thereupon cancelled.

The Aureus Mining options were granted pursuant to the Aureus Mining Stock Option Plan. The issuance of Afferro options and Aureus Mining options is intended to put the holders of the options in the same position (or as close as possible thereto) as each shareholder of African Aura who participated in the Arrangement as if such holders of African Aura options had exercised such options prior to the effective time of the Arrangement. Therefore it is not necessary to value the African Aura options prior to the effective time of the Arrangement and Afferro and Aureus options after the effective time using an option pricing model as these options are not a new grant or a re-pricing.

The exercise price of each Afferro option and each Aureus Mining option was determined in accordance with the following formulae, in each case rounded up to the nearest whole cent:

- the exercise price of each Afferro option represents the product of (a) the original exercise price of the African Aura option multiplied by (b) the difference between one (1) and the Exercise Price Proportion, an amount determined in accordance with the fraction A/B where: (A) is the one day volume weighted average trading price of one Aureus common share following the completion of the Arrangement; and (B) is the aggregate of the one day volume

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

6 Equity (continued)

weighted average trading price of one Aureus common share and one Afferro common share following the completion of the Arrangement; and

- the exercise price of each Aureus Mining option represents the product of (a) the original exercise price of the African Aura option multiplied by (b) the Exercise Price Proportion.

The Exercise Price Proportion was calculated as 0.3978

Information relating to stock options outstanding and vested at September 30, 2011 is as follows:

	September 30, 2011	
	Number of options	Weighted average exercise price per share Cdn\$
Options granted per Arrangement	7,465,994	0.70
Options granted	2,950,000	1.52
Options exercised	(458,967)	0.66
Options cancelled	(21,906)	0.90
End of the period	9,935,121	0.95

	September 30, 2011	
Expiry date	Exercise price per share Cdn\$	Number of stock options outstanding and vested
March 16, 2012	0.73	75,000
May 20, 2012	0.73	37,500
January 17, 2013	0.64	787,500
March 1, 2013	1.42	15,000
January 19, 2014	0.32	554,375
January 8, 2015	0.49	1,157,750
May 13, 2015	0.50	1,250,000
June 6, 2015	0.16	147,187
November 1, 2015	0.90	240,000
December 1, 2015	0.33	166,811
December 1, 2015	0.50	98,124
December 1, 2015	0.66	29,437
January 10, 2016	1.09	2,255,000
May 23, 2016	1.55	2,435,000
August 18, 2016	1.27	200,000
September 1, 2016	1.42	300,000
January 1, 2017	0.57	19,625
June 28, 2017	0.91	166,812
	0.95	9,935,121

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

6 Equity (continued)

The fair value of the stock options granted in the three months ended September 30, 2011 was estimated at Cdn\$0.85 per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	3 months ended June 30, 2011
Dividend yield	0%
Risk free interest rate	1.85%
Expected life	0.5 - 5 years
Expected volatility	78.1%

7 Compensation warrants

	September 30, 2011	
	Number of options	Weighted average exercise price per warrant per share Cdn\$
Beginning of period	-	-
Compensation warrants granted	931,500	1.30
End of the period	931,500	1.30

During the nine months ended September 30, 2011 the Company issued 931,500 compensation warrants in relation to its public offering. Each compensation warrant is exercisable at a price per common share of Cdn\$1.30 and expire between November 19, 2011 and December 3, 2011. These warrants have been treated as a derivative liability and are fair valued at each reporting date using the Black-Scholes option pricing model with changes in fair value being taken directly to the statement of comprehensive loss.

8 Related party transactions

During the three months ended September 30, 2011, the Company incurred management and office service fees of \$134,996 payable to Afferro Mining and environmental consulting fees of \$10,694 payable to a Company with a common Director. The payable to related parties as at September 30, 2011 was \$50,404.

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

Aureus Mining Inc.

Notes to Interim Consolidated Financial Statements (Unaudited)

For the period ended September 30, 2011

(in US dollars unless otherwise stated)

9 Segment information

The Company is engaged in the acquisition, exploration and development of gold properties in the West African countries of Liberia, Cameroon, and Sierra Leone. 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 exploration and development;
- Cameroon exploration;
- Sierra Leone exploration; and
- Corporate.

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended September 30, 2011:

	Liberia exploration and development	Cameroon exploration	Sierra Leone exploration	Corporate	Total
	\$	\$	\$	\$	\$
Loss for the period	87,286	-	-	3,692,219	3,779,505
Segment assets	36,536,929	4,545,534	3,016,147	39,800,334	83,898,944
Segment liabilities	(2,497,840)	-	-	(604,599)	(3,102,439)
Depreciation of property, plant and equipment	77,167	-	-	-	77,167
Capital additions – property, plant and equipment	29,585	-	-	-	29,585
– intangible assets	6,130,260	14,058	-	-	6,144,318

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the nine month period ended September 30, 2011:

	Liberia exploration and development	Cameroon exploration	Sierra Leone exploration	Corporate	Total
	\$	\$	\$	\$	\$
Loss for the period	155,691	-	-	6,614,166	6,769,857
Depreciation of property, plant and equipment	136,537	-	-	-	136,537
Capital additions – property, plant and equipment	324,402	-	-	-	324,402
– intangible assets	9,589,851	28,119	-	-	9,617,970