

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes an offering of these securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.

This document contains no offer of transferable securities to the public in the United Kingdom within the meaning of sections 85(1) and 102B of the United Kingdom Financial Services and Markets Act 2000, as amended ("FSMA"). This document is not a prospectus for the purposes of Section 85(1) FSMA. Accordingly, this document has not been examined or approved as a prospectus by the United Kingdom Financial Services Authority (the "FSA") under Section 87A FSMA or by the London Stock Exchange and has not been filed with the FSA pursuant to the rules published by the FSA implementing the Prospectus Directive (2003/71/EC) (the "United Kingdom Prospectus Rules") nor has it been approved by a person authorized under FSMA, for the purposes of Section 21 FSMA.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company at c/o Norton Rose Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, P.O. Box 84, Toronto, ON M5J 2Z4 Canada, telephone +44 (0) 207 010 7690 and facsimile +44 (0) 207 010 7699 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

November 13, 2012



aureus mining

AUREUS MINING INC.

\$12,000,000

15,000,000 Units

\$0.80 per Unit

This short form prospectus qualifies the distribution (the "Offering") of 15,000,000 units (each, a "Unit" and collectively, the "Units") of Aureus Mining Inc. ("Aureus Mining" or the "Company") at a price of \$0.80 per Unit (the "Offering Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Common Share") and one-quarter of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share (each, a "Warrant Share") at a price of £0.625 (which may be satisfied at the option of the holder in Canadian dollars at the noon buying rate for one British Pound Sterling expressed in Canadian dollars as quoted by the Bank of Canada on the business day immediately prior to the date of exercise) at any time up to 5:00 p.m. (Toronto time) on the date which is 18 months from the Closing Date (as defined below). For the purposes of this short form prospectus, "business day" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks in Toronto, Ontario are not open for business. The Units are being sold pursuant to the underwriting agreement (the "Underwriting Agreement") entered into between Aureus Mining, GMP Securities L.P. ("GMP"), RBC Dominion Securities Inc. ("RBC", and together with GMP, the "Lead Underwriters") and Clarus Securities Inc. ("Clarus", and together with the Lead Underwriters, the "Underwriters") on November 2, 2012. The Offering Price was determined by arm's length negotiation between Aureus Mining and the Lead Underwriters. See "Plan of Distribution".

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Unit	\$0.80	\$0.04	\$0.76
Total ⁽³⁾	\$12,000,000	\$600,000	\$11,400,000

- (1) In consideration of the services rendered by the Underwriters in connection with the Offering, the Company will pay the Underwriters a fee equal to 5% of the gross proceeds of the Offering (the "Underwriters' Fee"), payable in cash upon closing of the Offering.
- (2) After deducting the Underwriters' Fee, but before deducting expenses of the Offering, which are estimated to be \$200,000 and which will be paid from the proceeds of the Offering.
- (3) The Company has granted the Underwriters an Over-Allotment Option to acquire, at the Underwriters' election, any combination of: (i) up to 2,250,000 additional Common Shares, at a price of \$0.78 per additional Common Share; and (ii) up to 562,500 additional Warrants, at a price of \$0.08 per additional Warrant, provided that the aggregate number of additional Common Shares and additional Warrants acquired pursuant to the exercise of the Over-Allotment Option shall not exceed 15% of the number of Common Shares and 15% of the number of Warrants comprising the Units issued pursuant to the Offering. The Over-Allotment Option is exercisable in whole or in part at any time up to 30 days from the Closing Date. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Company will be \$13,800,000, \$690,000 and \$13,110,000, respectively. A purchaser who acquires any additional Common Shares or additional Warrants issued pursuant to the exercise of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This short form prospectus qualifies the grant of the Over-Allotment Option, the distribution of the additional Common Shares and the additional Warrants issued pursuant to the exercise of the Over-Allotment Option and the distribution of the Warrant Shares issuable upon exercise of the additional Warrants issued pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution".

The following table sets forth the number of securities issuable under the Over-Allotment Option:

<u>Underwriters' Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	2,250,000 Common Shares and 562,500 Warrants	30 days from the Closing Date	\$0.78 per Common Share and \$0.08 per Warrant

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "AUE" and are also admitted to trading on the AIM market operated by the London Stock Exchange ("AIM") under the symbol "AUE". On November 12, 2012, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX and the closing mid-price of the Common Shares on AIM was \$0.83 and £0.5162, respectively.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Plan of Distribution" and "Risk Factors".

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by Norton Rose Canada LLP and on behalf of the Underwriters by Stikeman Elliott LLP.

In connection with the Offering, the Underwriters may over-allot or effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. GMP will be the Stabilization Manager. Such transactions may only be commenced within the period between the date of the announcement of the Offering Price and the date which falls no later than 30 calendar days from the Closing Date (the "Stabilization Period"). Such transactions, if commenced, may be discontinued at any time. Neither the Company nor any of the

Underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Common Shares. In addition, neither the Company nor any of the Underwriters make any representation that the Underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. **Furthermore, the Underwriters may offer the Units to the public at a price lower than the Offering Price. See “Plan of Distribution”.**

The Underwriting Agreement provides that the Company will, concurrently with closing of the Offering, complete a private placement (the **“Concurrent Private Placement”**) with purchasers in jurisdictions outside of Canada including, without limitation, the United Kingdom and the United States, of 84,700,000 units (the **“Placement Units”**) of Aureus Mining at £0.50 per Placement Unit (the **“Placement Price”**) for gross proceeds of £42,350,000. Each Placement Unit will consist of one Common Share and one-quarter of one common share purchase warrant (each whole common share purchase warrant, a **“Placement Warrant”**). Each Placement Warrant will entitle the holder thereof to purchase one Common Share (each, a **“Placement Warrant Share”**) at a price of £0.625 (which may be satisfied at the option of the holder in Canadian dollars at the noon buying rate for one British Pound Sterling expressed in Canadian dollars as quoted by the Bank of Canada on the business day immediately prior to the date of exercise) at any time up to 5:00 p.m. (Toronto time) on the date which is 18 months from the Closing Date.

The Placement Units will be sold pursuant to the Underwriting Agreement and the Underwriters will receive a fee of 5% of the gross proceeds from the Concurrent Private Placement. The Underwriters will also be reimbursed for their legal and other expenses. This short form prospectus does not qualify the distribution of the Placement Units or the Common Shares and Placement Warrants comprising the Placement Units. The Common Shares and Placement Warrants comprising the Placement Units will be subject to Canadian resale restrictions and a four-month hold period. The Concurrent Private Placement is subject to a number of conditions including, but not limited to, the concurrent closing of the Offering, certain customary conditions and the admission of the Common Shares comprising part of the Units and the Placement Units, the Warrant Shares underlying the Warrants comprising part of the Units, and the Placement Warrant Shares underlying the Placement Warrants comprising part of the Placement Units to trading on AIM. No over-allotment or market stabilization activities will occur in respect of the Concurrent Private Placement. See “Concurrent Private Placement”.

Closing of the Offering and the Concurrent Private Placement is expected to take place on or about November 16, 2012 or such other date as may be agreed upon by the Company and the Underwriters, but in any event no later than the latest date for closing the Offering as may be prescribed pursuant to applicable securities laws or the rules and policies of the TSX (such actual closing date herein referred to as the **“Closing Date”**).

On the Closing Date, the certificates representing the Common Shares and the Warrants offered pursuant to the Offering will be issued in book-entry only form and registered in the name of CDS Clearing and Depository Services Inc. (**“CDS”**) or its nominee and deposited with CDS. Holders of Common Shares and Warrants, will, in lieu of receiving certificates registered in their names, receive only a customer confirmation from one of the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in such securities is acquired. See “Plan of Distribution”.

All of the Company’s assets are located outside of Canada. All of the Company’s subsidiaries are formed in jurisdictions outside of Canada. In addition, a majority of the Company’s directors and officers and all of the experts named in this short form prospectus reside outside of Canada and some or all of the assets of those persons may be located outside of Canada. Although the Company has appointed Norton Rose Canada LLP, TD Waterhouse Tower, Suite 2300, 79 Wellington Street West, Toronto, Ontario, Canada, M5K 1H1 as its agent for service of process in Canada, it may not be possible for purchasers to enforce judgments obtained in Canadian courts predicated upon civil liability provisions of applicable Canadian securities laws against the Company, its directors and officers and the experts named in this short form prospectus. Moreover, it may not be possible for purchasers to effect service of process within Canada upon the directors and/or officers of the Company and the experts referred to herein. See “Risk Factors.”

An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers. The Company is subject to risks due to the nature of the Company's business, its early stage of development and its geographic focus. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information".

Purchasers should rely only on the information contained in or incorporated by reference in this short form prospectus. The Company has not authorized anyone to provide purchasers with different information. The Company is not offering the Units in any jurisdiction in which the Offering is not permitted. Purchasers should not assume that the information contained in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus.

References to "Aureus Mining" or the "Company" refer to Aureus Mining Inc. and may include, collectively or individually, one or more of the direct or indirect subsidiaries of the Company.

The Company's head and registered office is located at Suite 2300, 79 Wellington Street West, Toronto, Ontario, Canada M5K 1H1. The Company also maintains a UK representative office at Burleigh House, 355-359 Strand, London, WC2R OH3, United Kingdom.

TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE.....	6
TECHNICAL INFORMATION.....	7
CURRENCY AND FINANCIAL STATEMENT PRESENTATION	7
CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION.....	8
ELIGIBILITY FOR INVESTMENT	10
CERTAIN RISK FACTORS.....	11
THE COMPANY	14
USE OF PROCEEDS.....	17
PRICE RANGE AND TRADING VOLUME	18
DIVIDEND POLICY.....	19
CONSOLIDATED CAPITALIZATION	19
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	20
PRIOR SALES	22
PLAN OF DISTRIBUTION	23
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	26
LEGAL MATTERS	29
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	30
INTEREST OF EXPERTS.....	30
PURCHASERS' STATUTORY RIGHTS.....	30
AUDITORS CONSENT	C-1
CERTIFICATE OF THE COMPANY	C-2
CERTIFICATE OF THE PROMOTER	C-3
CERTIFICATE OF THE UNDERWRITERS.....	C-4

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been filed by the Company with securities commissions or similar authorities in each of the provinces and territories of Canada (other than Québec) are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- the material change report dated March 14, 2012, regarding the Company's adoption of a shareholder rights protection plan;
- the material change report dated March 19, 2012, regarding the filing of a technical report on the New Liberty Gold Project (as defined below), such report being superseded by the New Liberty Feasibility Study (as defined below);
- the annual information form of the Company dated March 23, 2012 (the "AIF") for the financial year ended December 31, 2011;
- the audited consolidated statements of financial position of the Company as at December 31, 2011 and the consolidated statement of comprehensive income, cash flows and changes in equity for the period from incorporation to December 31, 2011, together with the notes thereto (the "Annual Financial Statements") and the auditors' report thereon;
- management's discussion and analysis of the financial condition and results of operations of the Company for the period from incorporation to December 31, 2011;
- the unaudited interim consolidated statement of financial position as at June 30, 2012 and the unaudited consolidated statements of comprehensive income, cash flows and changes in equity for the six month period ended June 30, 2012, together with the notes thereto (the "Interim Financial Statements");
- management's discussion and analysis of the financial condition and results of operations of the Company for the six month period ended June 30, 2012;
- the management information circular of the Company dated May 14, 2012 in connection with the annual and special meeting of shareholders of the Company held on June 15, 2012;
- the technical report for the feasibility study dated October 22, 2012 and entitled "New Liberty Gold Project, Liberia, West Africa, Technical Report on Updated Mineral Resources and Mineral Reserves" (the "New Liberty Feasibility Study");
- the material change report dated October 22, 2012, regarding the filing of the New Liberty Feasibility Study; and
- the material change report dated November 8, 2012, regarding the Company's entry into the Underwriting Agreement.

Any material change reports (excluding confidential material change reports), annual information forms, unaudited interim consolidated financial statements of the Company (including the related management's discussion and analysis), audited annual consolidated financial statements of the Company (including the auditors' report thereon and the related management's discussion and analysis), business acquisition reports, information circulars, and any other disclosure documents required to be incorporated by reference herein under National Instrument 44-101 — *Short Form Prospectus Distributions* which are filed by the Company with the securities commissions or similar authorities in each of the provinces and territories of Canada (other than Québec) after the date of this short form prospectus and prior to the

termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in this short form prospectus or in a document (or part thereof) incorporated by reference herein or therein, or deemed to be incorporated by reference herein or therein, shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained in this short form prospectus or in any subsequently filed document (or part thereof) that also is, or is deemed to be, incorporated by reference in this short form prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

TECHNICAL INFORMATION

All scientific and technical information contained or incorporated by reference in this short form prospectus relating to the Company's New Liberty Gold Project in Liberia (the "**New Liberty Gold Project**") is supported by the New Liberty Feasibility Study. Reference should be made to the full text of the New Liberty Feasibility Study which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and is available for review under the Company's profile on SEDAR at www.sedar.com. See "Interests of Experts".

CURRENCY AND FINANCIAL STATEMENT PRESENTATION

Unless otherwise specified or the context otherwise requires, all references to dollar amounts in this short form prospectus and any document incorporated by reference herein or therein are references to Canadian dollars. References to "\$" are to Canadian dollars, references to "US\$" are to United States dollars and references to "£" are to British Pound Sterling.

Amounts denominated in a currency other than Canadian dollars relating to the acquisition, holding and disposition of the Common Shares and Warrants must be converted into Canadian dollars based on the applicable noon day rate of exchange quoted by the Bank of Canada for the date the amount first arose or such other rate of exchange that is acceptable to the Canada Revenue Agency (the "**CRA**").

Unless otherwise indicated, all financial information included or incorporated by reference in this short form prospectus and any document incorporated by reference herein and therein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The following table sets forth, for the British Pound Sterling, expressed in Canadian Dollars, (i) the high and low exchange rates during each period, (ii) the average of the exchange rates on the last day of each month during each period, and (iii) the exchange rate at the end of each period. These rates are based on the noon buying rate published by the Bank of Canada.

	Six Month Period Ended June 30, 2012	Year Ended December 31,		
		<u>2011</u>	<u>2010</u>	<u>2009</u>
Highest rate during period.....	1.6187	1.6332	1.7268	1.9148
Lowest rate during period.....	1.5510	1.5297	1.4876	1.6368
Average rate during period.....	1.5857	1.5861	1.5918	1.7804
Rate at the end of period.....	1.5984	1.5799	1.5513	1.6918

On November 9, 2012 the noon buying rate for one British Pound Sterling expressed in Canadian dollars, as quoted by the Bank of Canada, was £1.00=\$1.5922 (or \$1.00=£0.6281).

The following table sets forth, for the United States dollar, expressed in Canadian dollars, (i) the high and low exchange rates during each period, (ii) the average of the exchange rates on the last day of each month during each period, and (iii) the exchange rate at the end of each period. These rates are based on the noon buying rate published by the Bank of Canada.

	Six Month Period Ended June 30, 2012	Year Ended December 31,		
		<u>2011</u>	<u>2010</u>	<u>2009</u>
Highest rate during period.....	1.0418	1.0604	1.0778	1.3000
Lowest rate during period.....	0.9807	0.9449	0.9946	1.0292
Average rate during period.....	1.0058	0.9891	1.0299	1.1420
Rate at the end of period.....	1.0191	0.9833	0.9946	1.0466

On November 9, 2012 the noon buying rate for one United States dollar expressed in Canadian dollars, as quoted by the Bank of Canada, was US\$1.00=\$1.0006 (or \$1.00=US\$0.9994).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this short form prospectus (including through incorporation by reference) constitutes 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 short form prospectus should not be unduly relied upon. This information speaks only as of the date of this short form prospectus. Such forward-looking statements include, among other things, statements relating to: the New Liberty Gold Project (including the quantity and quality of mineral resource and mineral reserve estimates, the potential to upgrade inferred mineral resources, opportunities to optimize the New Liberty Gold Project, the preparation of an update to the New Liberty Feasibility Study, the ability of the Company to develop the New Liberty Gold Project into a mine and the proposed plans relating thereto regarding operations and mine design, estimates relating to tonnage, grades, waste ratios, recovery rates and future gold production, life-of-mine estimates, assay results, gravity concentration test results, metallurgical test results, expectations regarding throughput gold production, mill treatment and plant feed, estimates of capital and operating costs and start-up costs, 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 relocations, community development and water management, transportation methods, plans regarding the diversion of the Marvoe Creek, the proposed budget for the work program at the New Liberty Gold Project, 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-cultural impacts of the New Liberty Gold Project, as well as the other forecasts, estimates and expectations relating to the New Liberty Gold Project included in this short form prospectus and in the documents incorporated herein by reference); the future market price of commodities; strategic plans; production targets; timetables; the continued listing of the Common Shares on the TSX and AIM; financing plans and alternatives (including the timing thereof); proposed exploration activities on the Company's other target areas (including the proximal targets of Weaju, Ndablama, Leopard Rock and Gondoja), the timing related thereto and the Company's plans to utilize its cash on hand to advance its exploration programs on these target areas; and targets, goals, objectives and plans and the timing associated therewith.

With respect to forward looking information contained in this short form prospectus, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; mineral resource and reserve estimates; geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources and reserves) and cost estimates on which the mineral resource and reserve estimates are based; the parameters and assumptions employed in the New Liberty Feasibility Study (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, and future exploration plans and objectives); the supply and demand for commodities and precious 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 (including the Company's ability to obtain, during 2013, the additional financing required to fund the balance of the project construction and development costs recommended in the New Liberty Feasibility Study); 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.

Actual results could differ materially from those anticipated in the forward looking information contained in this short form prospectus as a result of the risk factors set forth below and included elsewhere in this short form prospectus under "Risk Factors" (including through incorporation by reference), including: risks normally incidental to exploration and development of mineral properties; the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all (including the inability of the Company to obtain, during 2013 and/or on acceptable terms or at all, the additional financing required to fund the balance of the project construction and development costs recommended in the New Liberty Feasibility Study in 2013); risks related to operating in West Africa; health risks associated with the mining workforce in West Africa; risks related to the Company's title to its mineral properties; adverse changes in commodity prices; risks related to current global financial conditions; risks that the Company's exploration for and development of mineral deposits may not be successful; risks normally incidental to exploration and development of mineral properties; the inability of the Company to obtain, maintain, renew and/or extend required licences, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the legal and regulatory frameworks in Liberia and Cameroon, 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 New Liberty Feasibility Study and that the completion of additional work at the New Liberty Gold Project could result in changes to the forecasts, estimates and expectations contained in the New Liberty Feasibility Study; risks related to the legal systems in Liberia and Cameroon; 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; and future unforeseen liabilities and other factors.

Information relating to "resources" and "reserves" is deemed to be forward looking information as it involves the implied assessment based on certain estimates and assumptions that the resource and 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, purchasers 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 short form prospectus is expressly qualified by this cautionary statement and is made as of the date of this short form prospectus. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Canada LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), the regulations thereunder (the "**Regulations**") and the proposals to amend the Tax Act and the Regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Common Shares and the Warrants will be, at a particular time, "qualified investments" within the meaning of the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered education savings plans, registered retirement income funds ("**RRIFs**"), registered disability savings plans, deferred profit sharing plans and tax-free savings accounts ("**TFSAs**"), provided that:

- (a) in the case of the Common Shares (including Warrant Shares), such Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) at the particular time; and
- (b) in the case of the Warrants, the Warrant Shares to be issued on the exercise of the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) at the particular time and the Company is not a "connected person" (as defined in the Regulations) under the governing plan of the trust.

Notwithstanding the foregoing, if a Common Share or a Warrant is a "prohibited investment" for a RRSP, RRIF or TFSA, the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) may be subject to a penalty tax under the Tax Act. A Common Share or a Warrant will not be a "prohibited investment" for these purposes unless: (i) the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) the holder or annuitant (as applicable) has a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company or a corporation, partnership or trust with which the Company does not deal at arm's length for purposes of the Tax Act. Holders of a TFSA and annuitants under an RRSP or RRIF should consult their own tax advisors as to whether Common Shares will be prohibited investments in their particular circumstances, including with respect to any potential relief under an

undated “comfort letter” of the Department of Finance provided in 2012 by it to the Joint Committee on Taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants.

CERTAIN RISK FACTORS

An investment in the Units involves risk. In addition to the other information contained in this short form prospectus and the documents incorporated by reference herein and therein, including without limitation, the risk factors referred to in the AIF under the heading “Risk Factors”, prospective purchasers should carefully consider the factors set out below in evaluating the Company and its business before making an investment in the Units. If any event arising from these risks occurs, the Company’s business, prospects, financial condition, results of operations or cash flows could be adversely affected, the trading price of the Common Shares could decline and all or part of any investment in the Units may be lost. Additional risks and uncertainties not currently known to the Company or that the Company currently deems immaterial may also materially and adversely affect the Company’s business, financial condition or results of operations.

Risks Related to the Offering

Future sales or issuances of equity securities could decrease the value of the Common Shares and dilute purchasers’ voting power

The Company may sell additional equity securities in subsequent offerings (including through the sale of debt securities or other securities convertible into equity securities) and may issue additional equity securities to finance future acquisitions and other projects.

Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, purchasers will suffer dilution of their voting power.

The Common Shares are publicly traded and are subject to various factors that have historically made the Company’s share price volatile

The trading price of the Common Shares has been, and may continue to be, subject to large fluctuations, which may result in losses to purchasers. The trading price of the Common Shares may increase or decrease in response to a number of events and factors, including:

- the results of the Company’s exploration and development programs and the performance of competitors and other similar companies;
- volatility in gold and expectations for future prices;
- volatility in currency exchange rates;
- the public’s reaction to the Company’s press releases, other public announcements, including news coverage of Liberia, and the Company’s filings with the various securities regulatory authorities;
- changes in recommendations by research analysts who track the Common Shares or the shares of other companies in the mineral resource sector;
- changes in general economic and/or political conditions, including changes to the fiscal terms and government ownership rights in Liberia and Cameroon;

- the number of Common Shares to be publicly traded after the Offering and the Concurrent Private Placement and any additional offering;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and
- the factors listed under the heading “Cautionary Note Regarding Forward-Looking Information”.

In addition, the market price of the Common Shares is affected by many variables not directly related to the Company’s success and that are, therefore, not within the Company’s control, including other developments that affect the market for all mineral resource sector securities, the breadth of the public market for the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares on the exchanges on which the Common Shares trade has historically made the Company’s share price volatile and suggests that the Company’s share price could continue to be volatile in the future.

No Market for the Warrants

There is no market for the Warrants and it is unlikely that one will develop. Purchasers may not be able to resell the Warrants purchased under this short form prospectus.

Allocation of use of proceeds

The Company currently intends to allocate the net proceeds received from the Offering as described under “Use of Proceeds”; however, management will have discretion in the actual application of the net proceeds, and may elect to allocate the net proceeds differently from that described under “Use of Proceeds” if it believes it would be in the Company’s best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a material adverse effect on Company’s business, financial condition or results of operations and consequently could affect the trading price of the Common Shares.

Ability to Enforce Judgments

All of the Company’s assets are located outside of Canada. All of the Company’s subsidiaries are formed in jurisdictions outside of Canada. In addition, a majority of the Company’s directors and officers and all of the experts named in this short form prospectus reside outside of Canada and some or all of the assets of those persons may be located outside of Canada. It may not be possible for purchasers to enforce judgments obtained in Canadian courts predicated upon civil liability provisions of applicable Canadian securities laws against the Company, its directors and officers and the experts named in this short form prospectus. Moreover, it may not be possible for purchasers to effect service of process within Canada upon the directors and/or officers of the Company and the experts referred to herein.

Risks Related to the Company

Operating in West Africa

The Company’s operations in West Africa are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation of funds; restrictions on the Company’s ability to access or deal with its assets; and changing political conditions, currency controls

and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. The Company's operations may also be adversely affected in varying degrees by economic instability; economic or other sanctions imposed by other nations; terrorism; crime; and risk of corruption, including violations under U.S. and Canadian foreign corrupt practices statutes.

Changes, if any, in natural resource or investment policies or shifts in political attitude may adversely affect the Company's business, financial condition and results of operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in the loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Feasibility Studies and Production Risks

Feasibility study activities involve estimates of capital expenditures, future production, revenues, operating costs and taxes. Failure to meet these estimates could have a material or other adverse effect the Company's profitability, cash flows and financial position. There can be no assurance that such estimates will be fully achievable. Variances between actuals and estimates may occur for a variety of reasons, including changes in capital costs due to market conditions or essential alterations in scope encountered during advanced engineering design work; actual mineable ore differing from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments. Occurrences such as those above could result in damage to mineral properties, interruptions in construction or production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit destined for production or that has been mined profitably in the past to become unprofitable, forcing the Company to cease construction or operating activities. It is not unusual for new mining and processing activities to experience unexpected problems during construction or start-up.

The results of the New Liberty Feasibility Study may not be realized

The Company announced the results of the New Liberty Feasibility Study on October 1, 2012. The results of the New Liberty Feasibility Study are dependent on, among other things, the accuracy of mineral reserve estimates, the accuracy of assumptions regarding gold composition and yields, the accuracy of the estimated rates and cost of mining and processing at the New Liberty Gold Project, the accuracy of the estimates of the initial capital costs for the New Liberty Gold Project and an average price of gold of US\$1,400 per ounce. The Company cannot therefore guarantee that the results of the New Liberty Feasibility Study will be realized. The actual future production and actual future costs may differ materially from the results of the New Liberty Feasibility Study for any number of reasons, including, but not limited to, material changes to the Company's mineral resources and mineral reserves estimates due to the actual results of current exploration activities, changes in gold prices, changes in exchange rates, the possibility of equipment breakdowns, delays and availability, changes in mine plans, exploration cost overruns, unexpected increases in the costs of equipment, steel, cement and consumables such as diesel and fuel oil, unexpected environmental liabilities or social charges, title defects, the failure of contract parties to perform, the unavailability of capital and financing, adverse general economic, market

or business conditions, regulatory changes and permitting issues. The occurrence of any of these events may have a material adverse effect on the Company's ability to achieve the results of the New Liberty Feasibility Study. In addition, the Company will require substantial additional financing in order to fund the development and construction activities recommended in the New Liberty Feasibility Study. The Company plans to perform optimization work in respect of the New Liberty Gold Project, the results of which are expected to be announced in the first quarter of 2013. The New Liberty Feasibility Study may be updated following the completion of such optimization work.

Negative Operating Cash Flow

The Company generates no operating revenue from the exploration activities on its properties and has negative cash flow from operating activities. Aureus Mining anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at the New Liberty Gold Project. The Company will need to obtain sufficient financing to fund its proposed construction and development plans at the New Liberty Gold Project. There can be no assurance that the Company's proposed construction and development activities will result in profitable mining operations.

Capital Requirements

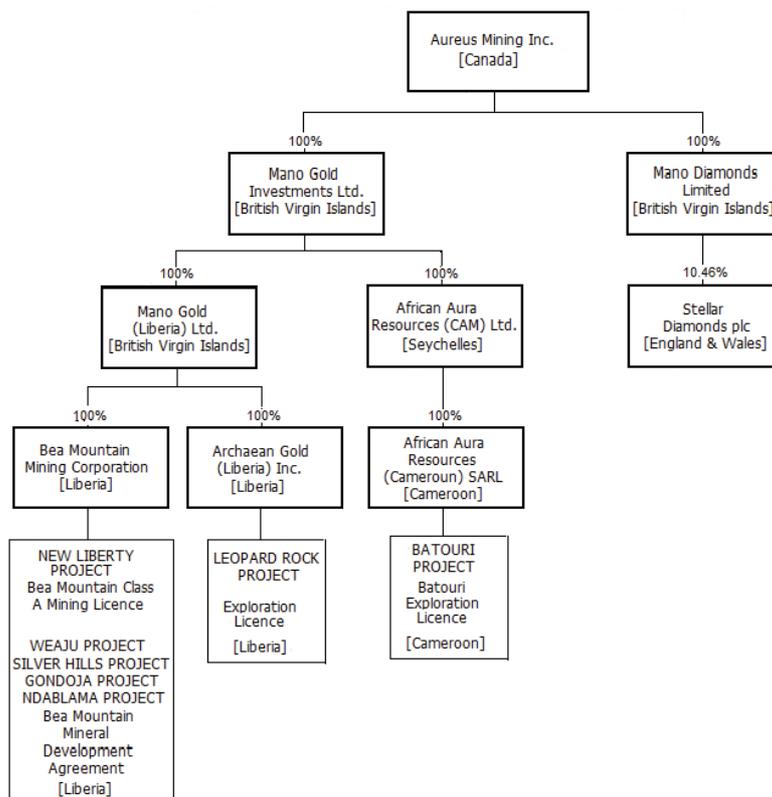
The total capital cost required to develop the New Liberty Gold Project is expected to be approximately US\$140 million (excluding contingencies). The Company intends to satisfy the estimated funding requirements for the New Liberty Gold Project with the proceeds of the Offering and by obtaining additional financing, potentially including project debt financing. There can be no assurance that the Offering will be completed. In addition, even if the Offering is completed, additional financing will be required to fund the balance of the project construction and development costs recommended in the New Liberty Feasibility Study, and such financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company. Failure to obtain financing when needed would have a material adverse effect on the Company's business, financial condition and results of operations. In addition, there can be no guarantee that the actual capital cost of the New Liberty Gold Project will not exceed the current estimate. A failure to obtain financing when needed or an increase in the capital cost of the New Liberty Gold Project may require the Company to finance the continued development of the New Liberty Gold Project in whole, or in part, through the issuance of additional securities, and this may result in dilution to shareholders. An increase in the capital cost of the New Liberty Gold Project could have a material adverse effect on the Company's business, financial condition and results of operations.

THE COMPANY

Corporate Structure

The Company was incorporated as Aureus Mining Inc. under the *Canada Business Corporations Act* ("CBCA") on February 1, 2011. On April 13, 2011, the Company completed an arrangement (the "**Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), whereby certain assets (including gold and diamond assets) of Afferro Mining Inc. (formerly African Aura Mining Inc.) ("**Afferro**") were transferred to the Company. Pursuant to the Arrangement, each shareholder of Afferro received one new common share of Afferro and one common share of the Company for each common share of Afferro held by such shareholder at the effective time of the Arrangement.

The following table illustrates the Company's current corporate structure and material intercorporate relationships, and sets out the jurisdictions of incorporation of each relevant entity and the percentage of each such entity's voting securities beneficially owned, or controlled or directed, directly or indirectly, by Aureus Mining.



Description of the Business

Aureus Mining, through its subsidiaries, is engaged in the exploration and development of gold deposits in, what it believes, are highly prospective and under-explored areas of Liberia and Cameroon.

Pursuant to the Arrangement, the Company became the owner of the shares of Mano Gold Investments Ltd., which indirectly holds gold assets in Liberia and Cameroon, including the Company's principal project, the 100% owned New Liberty Gold Project.

As set out in the New Liberty Feasibility Study, the New Liberty Gold Project has estimated proven and probable mineral reserves of 8,680 Kt of ore grading at 3.3 g/t Au, estimated measured and indicated mineral resources of 9,796 Kt of ore grading at 3.6 g/t Au and estimated inferred mineral resources of 5,730 Kt of ore grading at 3.2 g/t Au. The New Liberty Gold Project is expected to have an eight and a half year mine life and annual production of 120,000 ounces of gold for the first four years of production.

Other highlights of the New Liberty Gold Project are as follows:

- the New Liberty Feasibility Study confirms a technically feasible and economically robust project, with the following economics based on a discount rate of 5%:

Gold Price (US\$/oz)	Pre-tax NPV (US\$M)	Post-tax NPV (US\$M)	Pre-tax IRR (%)	Post-tax IRR (%)	Capital payback (years)
1,400 (average)	234	187	37	33	2.2
1,750 (flat)	444	334	52	45	1.8

- projected average annual gold production of 120,000 oz over the first four years of production at an average grade of 3.7g/t Au with total gold production of 846,000 oz over the life-of-mine;
- life-of-mine operating cash cost is expected to average US\$685/oz (using contract mining);
- initial capital cost estimate of US\$140 million (excluding contingency);
- total revenue of US\$1.2 billion and pre-tax cash flow of US\$338 million based on an average gold price of US\$1,400/oz;
- feasibility work has been completed to within 10% cost accuracy based on firm tenders received from suppliers and contractors;
- multiple, further opportunities to optimize the New Liberty Gold Project; optimization work is currently underway and results are expected to be announced in the first quarter of 2013; the Company also plans to outline a mine build and production schedule in the first quarter of 2013;
- proven and probable mineral reserves of 8.7 Mt at 3.3g/t for 910 koz of contained gold, which is an increase of 4% from the Company's maiden mineral reserve estimate in February 2012;
- there is scope to increase current mineral reserves further through drilling of inferred resources on hanging wall lenses within the pit as well as drilling of inferred resource blocks just below the bottom of the current optimised pit;
- open pit mine and gold plant designed to treat 1.1 Mtpa of primarily unweathered ore; the plant design incorporates two stage crushing, ball milling, gravity concentration and a Carbon-in-Leach circuit for a full steady state recovery rate of 93%;
- experienced senior management team being developed; GM Construction, a Metallurgical Manager and an Environmental Manager have been recruited by the Company in the last 12 months;
- 25 year, renewable, Mineral Development Agreement and mining licence in place and an Environmental Impact Statement permit was received on October 15, 2012, following the completion and submission of the Environmental Impact Assessment to the Environmental Protection Agency of Liberia in July 2012; the Company expects that it will be in a position to move quickly to obtain any other procedural and functional permits required for construction; and
- there is strong interest in financing the project from various banks and financial institutions; indicative financing terms have been received from a number of financial institutions, giving the Company optionality on debt financing.

The New Liberty Gold Project is located within the Bea Mountain mining licence, which covers 457 km² and is subject to a 25 year, renewable, mineral development agreement. The Bea Mountain mining licence also hosts the proximal gold targets of Weaju, Ndablama, and Gondoja, which have been and will continue to be the focus of the Company's exploration programs in 2012. The contiguous Archaen Gold exploration licence, acquired on September 21, 2011, which covers 89km², is also an exploration target in 2012, with Leopard Rock being the Company's main focus. The Company will continue to use its cash on hand to advance its exploration programs on these target areas.

On July 26, 2012, the Company entered into an agreement for the acquisition of certain legacy mining rights from Weajue Hill Mining Corporation ("**WHMC**"). As part of the transaction, WHMC released to the Company all claims pertaining to the legacy mining rights and received from the Company an initial cash payment of US\$1.3 million and 1,550,930 Common Shares. Upon the completion of a feasibility study for

the Weaju project, WHMC will also receive payments equivalent to US\$5 per ounce of measured, indicated and inferred resources, as disclosed in the feasibility study, within the claims area and the surrounding 200 metre perimeter (“Payable Area”). If commercial production is achieved within the Payable Area, WHMC will also receive a one-time payment equivalent to 2.5% of the net present value (using an 8% discount rate) of a project within the Payable Area, and also receive a 7.5% net profit interest on life-of-mine production within the Payable Area.

In addition to the New Liberty Gold Project and other gold targets in Liberia, the Company has interests in exploration permits in Cameroon.

Additional information on the business and properties of the Company is contained in the AIF. See “Documents Incorporated By Reference”.

USE OF PROCEEDS

Assuming completion of the Offering and no exercise of the Over-Allotment Option, the net proceeds to the Company from the Offering are estimated to be \$11,200,000 after deducting the Underwriters’ Fee and the expenses of the Offering, estimated to be \$800,000. Assuming completion of the Offering and the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering are estimated to be \$12,910,000 after deducting the Underwriters’ Fee and the expenses of the Offering, estimated to be \$890,000. The net proceeds received by the Company from the Concurrent Private Placement, after deducting the commission payable to the Underwriters of £2,117,500 and the expenses of the Concurrent Private Placement, estimated to be £125,000, will be £40,107,500. The estimated net proceeds received by the Company from both the Offering (assuming the Over-Allotment is not exercised) and the Concurrent Private Placement will be approximately US\$75,400,000. The estimated net proceeds received by the Company from both the Offering (assuming the Over-Allotment is exercised in full) and the Concurrent Private Placement will be approximately US\$77,100,000.

The estimated net proceeds of the Offering, together with the net proceeds of the Concurrent Private Placement, will be used towards funding the Company’s development of the New Liberty Gold Project and general corporate purposes, as detailed in the table below:

<u>Expenditure</u>	<u>Estimated Budget (US\$ million)</u>
New Liberty Gold Project	
<i>Earthworks</i>	
Creek Diversion	\$9.0
Tailings Dam Construction	\$2.9
Plant and Other Earthworks	\$8.7
<i>Processing Plant</i>	
Mechanical Supply and Erection	\$14.0
Plate Work	\$8.7
Structural, Civils, Material Transportation and Other Costs	\$9.6
<i>Infrastructure and Owner Cost</i>	\$8.0
<i>EPCM and Project Services</i>	\$9.1
<i>Village Relocation</i>	\$3.5
General Corporate Purposes	\$1.9
Total	<u>\$75.4</u>

The net proceeds of the Offering and the Concurrent Private Placement will allow the Company to proceed with its proposed development and construction activities at the New Liberty Gold Project; however, further financing will be required to complete the project. The total capital cost required to develop the New Liberty Gold Project is expected to be approximately US\$140 million (excluding

contingencies). For further information please see the chapter entitled “Capital and Operating Costs” in the New Liberty Feasibility Study.

The Company plans to use the net proceeds from the Offering and the Concurrent Private Placement to complete the following milestones at the New Liberty Gold Project during the first half of 2013:

- *Earthworks*
 - Creek diversion
 - Tailings dam construction
 - Plant and Other earthworks
- *Processing Plant*
 - Mechanical Supply and Erection
 - Long Lead Equipment Ordering
- *EPCM and Project Services*
 - Plant Engineering Design
- *Village Relocation*

In addition to the net proceeds of the Offering and the Concurrent Private Placement, the Company is currently seeking additional financing in order to fund the balance of the project construction and development costs recommended in the New Liberty Feasibility Study, and the Company expects to secure such financing in 2013. If the Company does not secure additional financing in 2013, it will review and, if appropriate, revise the New Liberty Gold Project expenditures timetable.

It is expected that the net proceeds of the Offering and the Concurrent Private Placement will enable the Company to utilize its existing cash resources to maintain planned exploration programmes at the New Liberty Gold Project and other prospects on the Bea Mountain licence area including the proximal gold targets of Weaju, Ndablama, and Gondoja.

The Company intends to spend the available funds as set forth above based on budgets approved by the Company’s board of directors and in accordance with the recommendations in the New Liberty Feasibility Study. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under “Risk Factors”.

The Company generates no operating revenue from the exploration activities on its properties and has negative cash flow from operating activities. The Company anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at the New Liberty Gold Project. See “Risk Factors”.

PRICE RANGE AND TRADING VOLUME

The Common Shares are listed for trading on the TSX and AIM under the trading symbols “AUE” and “AUE”, respectively. The following table sets out the reported high and low prices and trading volumes of

the Common Shares on the TSX (as reported by TSX Datalinx) and on AIM (as reported by Euroland.com) for the periods indicated:

	AIM			TSX		
	High (£)	Low (£)	Volume	High (\$)	Low (\$)	Volume
2011						
November.....	0.73	0.58	3,810,520	1.24	0.95	239,280
December.....	0.72	0.61	6,201,398	1.18	0.95	346,212
2012						
January.....	0.91	0.67	5,729,073	1.50	1.05	283,736
February.....	0.87	0.79	9,113,848	1.50	1.20	295,542
March.....	0.80	0.70	6,295,657	1.25	1.12	359,474
April.....	0.75	0.62	3,807,262	1.21	0.98	233,297
May.....	0.69	0.52	6,771,698	1.10	0.86	594,499
June.....	0.57	0.52	3,671,389	0.93	0.80	92,850
July.....	0.61	0.45	1,325,109	0.92	0.75	211,895
August.....	0.61	0.47	3,841,071	0.94	0.71	199,365
September.....	0.78	0.53	5,785,508	1.25	0.88	525,532
October.....	0.82	0.56	5,468,051	1.20	0.90	265,527
November (1-12).....	0.58	0.48	10,148,675	0.83	0.83	50,325

On November 12, 2012, the closing price of the Common Shares on the TSX was \$0.83 and the closing mid-price of the Common Shares on AIM was £0.5162.

DIVIDEND POLICY

It is not anticipated that the Company will pay any dividends on the Common Shares in the near future. The actual timing, payment and amount of any dividends will be determined by the Company's board of directors from time to time based upon, among other things, cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and such other business considerations as the board of directors may consider relevant. As of the date of this short form prospectus, the Company has not paid any dividends on the Common Shares.

CONSOLIDATED CAPITALIZATION

There has been no material change in the consolidated capitalization of the Company since the date of the Interim Financial Statements. The following table sets forth the capitalization of the Company as at June 30, 2012, and as at June 30, 2012 after giving effect to the Offering and the Concurrent Private Placement, as though the Offering and the Concurrent Private Placement had occurred on June 30, 2012. The table should be read in conjunction with the Interim Financial Statements which are incorporated by reference in this short form prospectus. See "Documents Incorporated By Reference".

Description	As at June 30, 2012	
	Actual	After giving effect to the Offering and the Concurrent Price Placement ⁽²⁾⁽³⁾
Long term debt.....	nil	nil
Common Shares ⁽¹⁾	\$40,124,796 (119,478,488 common shares)	\$117,890,796 (219,178,488 common shares)
Total capitalization	\$40,124,796	\$117,890,796

(1) Based on the number of Common Shares outstanding as of June 30, 2012.

- (2) Does not include any Common Shares issuable upon the exercise of Warrants or Placement Warrants.
- (3) Assumes that the Over-Allotment Option is not exercised. Assuming the Over-Allotment Option is exercised in full, after giving effect to the Offering and the Concurrent Private Placement, the Company will have 221,428,488 Common Shares outstanding.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Authorized Capital

The Company's authorized share capital currently consists of an unlimited number of Common Shares, of which as at the date hereof, 121,535,043 Common Shares are issued and outstanding. Assuming that the Over-Allotment Option is not exercised, upon completion of the Offering and the Concurrent Private Placement there will be 221,235,043 Common Shares issued and outstanding. Assuming that the Over-Allotment Option is exercised in full, upon completion of the Offering and the Concurrent Private Placement there will be 223,485,043 Common Shares issued and outstanding.

Common Shares

Each holder of a Common Shares is entitled to (i) notice of and the right to vote at all meetings of shareholders of the Company, (ii) receive any dividend declared by the board of directors of the Company, and (iii) receive the remaining property of the Company in the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, or any other distribution of its assets among its shareholders for the purposes of winding up its affairs.

The Company's by-laws provide for certain rights of its shareholders in accordance with the provisions of the CBCA. Such by-laws may be amended either by a majority vote of the shareholders or by a majority vote of the board of directors. Any amendment of the by-laws by action of the board of directors must be submitted to the next meeting of the shareholders whereupon the by-law amendment must be confirmed as amended by a majority vote of the shareholders voting on such matter. If the by-law amendment is rejected by the shareholders, the by-law ceases to be effective and no subsequent resolution of the board of directors to amend a by-law having substantially the same purpose or effect shall be effective until it is confirmed or confirmed as amended by the shareholders.

Shareholders do not have cumulative voting rights for the election of directors. Therefore, the holders of more than 50% of the Common Shares voting for the election of directors could, if they choose to do so, elect all of the directors and, in such event, the holders of the remaining Common Shares would not be able to elect any directors.

On March 13, 2012, the board of directors of the Company approved a shareholder rights plan agreement (the "**Rights Plan**") dated as of March 13, 2012, entered into between the Company and Computershare Investor Services Inc. as rights agent. The purpose of the Rights Plan is to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any initiative to acquire control of the Company. The Rights Plan was confirmed by the shareholders of the Company at the Company's 2012 annual and special meeting of shareholders.

The foregoing description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's constituting documents, as amended.

Warrants

Each whole Warrant is transferable and entitles the holder (each, a "**Warrantholder**") to purchase one Warrant Share at a price of £0.625 (which may be satisfied at the option of the Warrantholder in Canadian dollars at the noon buying rate for one British Pound Sterling expressed in Canadian dollars as quoted by the Bank of Canada on the business day immediately prior to the date of exercise) at any time up to 5:00 p.m. (Toronto time) on the date which is 18 months from the Closing Date, after which time the Warrants will expire.

The Warrants will be issued under an indenture (the "**Warrant Indenture**") to be entered into between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**") as of the Closing Date. The Company intends to appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario and Vancouver, British Columbia as the locations at which the Warrants may be surrendered for exercise, transfer or exchange.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; or
- (e) the issuance or distribution to all or substantially all of the holders of the Common Shares or other securities of the Company, (including rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares), or any property or assets of the Company including evidence of indebtedness.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (a) reclassifications of the Common Shares or capital reorganizations of the Company;
- (b) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity; or
- (c) sales or conveyances of the property and assets of the Company as an entirety or substantially as an entirety.

No adjustment in the exercise price or the number of Warrant Shares issuable upon exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 business days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Any subscription for fractional Warrant Shares will be deemed to be a subscription for the closest whole number of Warrant Shares rounding down. With respect to any Warrants held, Warrantheolders will not have any voting rights or any other rights that a holder of Warrant Shares may have.

The Warrant Indenture will provide that, from time to time, the Company and the Warrant Agent, without the consent of the Warrantheolders, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not prejudice the rights of any Warrantheolder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the Warrantheolders may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the Warrantheolders at which there are Warrantheolders present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to a lack of quorum, at which adjourned meeting the Warrantheolders present in person or by proxy shall form a quorum) and passed by the affirmative vote of Warrantheolders representing not less than 75% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the Warrantheolders representing not less than 75% of the aggregate number of all the then outstanding Warrants.

The Company will covenant in the Warrant Indenture that, for so long as the Warrants remain outstanding, it will, among other things:

- (a) make all requisite filings and under applicable Canadian securities legislation, including those necessary to remain a reporting issuer not in default, in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer; and
- (b) use its reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time, including the Warrant Shares issuable on the exercise of the Warrants, continue to be or are listed and posted for trading on the TSX (or such other stock exchange acceptable to the Company).

Warrants issued pursuant to the Offering may not be exercised within the United States or by any person in the United States and no Warrant Shares may be delivered to any address in the United States.

The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties. The Warrant Indenture will be available on SEDAR under the Company’s profile at www.sedar.com.

PRIOR SALES

During the twelve-month period prior to the date of this short form prospectus, the Company issued the following Common Shares and securities convertible into Common Shares.

<u>Date of Issue/Grant</u>	<u>Type of Securities</u>	<u>Issue/Exercise Price per Security</u>	<u>Number of Securities</u>	<u>Reason for Issue</u>
December 19, 2011	Common Shares	\$0.16	39,250	Exercise of Options
December 19, 2011	Common Shares	\$0.33	29,437	Exercise of Options
January 4, 2012	Stock Options	\$1.05	1,741,000	Stock Options
February 21, 2012	Common Shares	\$0.33	19,625	Exercise of Options
February 21, 2012	Common Shares	\$0.50	29,437	Exercise of Options
February 21, 2012	Common Shares	\$0.66	29,437	Exercise of Options
February 21, 2012	Common Shares	\$0.91	43,175	Exercise of Options

<u>Date of Issue/Grant</u>	<u>Type of Securities</u>	<u>Issue/Exercise Price per Security</u>	<u>Number of Securities</u>	<u>Reason for Issue</u>
December 19, 2011	Common Shares	\$0.16	39,250	Exercise of Options
December 19, 2011	Common Shares	\$0.33	29,437	Exercise of Options
January 4, 2012	Stock Options	\$1.05	1,741,000	Stock Options
February 21, 2012	Common Shares	\$0.33	19,625	Exercise of Options
February 21, 2012	Common Shares	\$0.50	29,437	Exercise of Options
February 21, 2012	Common Shares	\$0.66	29,437	Exercise of Options
February 21, 2012	Common Shares	\$0.91	43,175	Exercise of Options
March 8, 2012	Common Shares	\$0.57	19,625	Exercise of Options
March 8, 2012	Common Shares	\$0.91	54,950	Exercise of Options
March 19, 2012	Common Shares	\$0.73	75,000	Exercise of Options
March 23, 2012	Common Shares	\$0.32	46,875	Exercise of Options
March 23, 2012	Common Shares	\$0.49	9,375	Exercise of Options
March 23, 2012	Common Shares	\$0.64	125,000	Exercise of Options
April 13, 2012	Stock Options	\$1.05	350,000	Stock Options
April 16, 2012	Common Shares	\$0.16	39,250	Exercise of Options
April 16, 2012	Common Shares	\$0.33	49,062	Exercise of Options
April 16, 2012	Common Shares	\$0.49	150,000	Exercise of Options
April 16, 2012	Common Shares	\$0.50	200,000	Exercise of Options
April 16, 2012	Common Shares	\$0.64	131,250	Exercise of Options
April 16, 2012	Common Shares	\$0.73	37,500	Exercise of Options
April 16, 2012	Common Shares	\$0.91	19,625	Exercise of Options
April 16, 2012	Common Shares	\$1.09	225,000	Exercise of Options
April 20, 2012	Common Shares	\$0.49	7,000	Exercise of Options
June 29, 2012	Common Shares	\$0.32	87,500	Exercise of Options
June 29, 2012	Common Shares	\$0.64	250,000	Exercise of Options
August 15, 2012	Stock Options	\$0.74	250,000	Stock Options
August 24, 2012	Common Shares	\$0.78	1,550,930	Asset Acquisition
October 4, 2012	Common Shares	\$0.32	46,875	Exercise of Options
October 4, 2012	Common Shares	\$0.64	43,750	Exercise of Options
October 15, 2012	Common Shares	\$0.49	125,000	Exercise of Options
October 15, 2012	Common Shares	\$0.50	150,000	Exercise of Options
October 18, 2012	Common Shares	\$0.49	70,000	Exercise of Options
October 18, 2012	Common Shares	\$0.50	70,000	Exercise of Options

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement entered into between the Company and the Underwriters, the Company will sell and the Underwriters will purchase, on the Closing Date, all but not less than all of the Units offered hereunder at the Offering Price, payable in cash to the Company against delivery of certificates and/or customer confirmations in respect of the Common Shares and Warrants comprising the Units, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement.

The Offering Price was determined by arm's length negotiation between the Company and the Lead Underwriters.

The Company has granted the Underwriters an Over-Allotment Option to acquire, at the Underwriters' election, any combination of: (i) up to 2,250,000 additional Common Shares, at a price of \$0.78 per additional Common Share; and (ii) up to 562,500 additional Warrants, at a price of \$0.08 per additional Warrant, provided that the aggregate number of additional Common Shares and additional Warrants acquired pursuant to the exercise of the Over-Allotment Option shall not exceed 15% of the number of Common Shares and 15% of the number of Warrants comprising the Units issued pursuant to the Offering. The Over-Allotment Option is exercisable in whole or in part at any time up to 30 days from the Closing Date. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Company will be \$13,800,000, \$690,000 and \$13,110,000, respectively. A purchaser who acquires any additional Common Shares or additional Warrants issued pursuant to the

exercise of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This short form prospectus qualifies the grant of the Over-Allotment Option, the distribution of the additional Common Shares and the additional Warrants issued pursuant to the exercise of the Over-Allotment Option and the distribution of the Warrant Shares issuable upon exercise of the additional Warrants issued pursuant to the exercise of the Over-Allotment Option.

The Underwriting Agreement provides that the obligations of the Underwriters thereunder may be terminated upon the occurrence of certain stated events. The Underwriters will, however, be obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Company will pay the Underwriters a fee equal to 5% of the gross proceeds of the Offering received from the sale of Units (including any additional Common Shares and additional Warrants issued pursuant to the exercise of the Over-Allotment Option) and certain expenses of the Underwriters in connection with the Offering.

The Offering is being made concurrently in each of the provinces and territories of Canada (other than Québec) through those Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters.

The Company will indemnify the Underwriters against certain liabilities in connection with the Offering, or contribute to payments that the Underwriters may be required to make in respect of those liabilities pursuant to the terms of the Underwriting Agreement.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to approval of certain legal matters on behalf of the Company by Norton Rose Canada LLP and on behalf of the Underwriters by Stikeman Elliott LLP.

The Underwriters propose to offer the Units to the public initially at the Offering Price. After a reasonable effort has been made to sell all of the Units distributed under this short form prospectus at the Offering Price, the Underwriters may subsequently reduce the selling price to purchasers from time to time in order to sell any of the Units remaining unsold. Any such reduction will not affect the proceeds received by the Company, which will still receive \$0.76 per Unit, but will decrease the compensation to be received by the Underwriters by the amount that the aggregate price paid by purchasers for such Units is less than the gross proceeds paid by the Underwriters to the Company.

The Warrants will not be listed on any stock exchange. **There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this short form prospectus.** This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the securities. The Company has received conditional approval from the TSX to list the Common Shares, the Warrant Shares and the Placement Warrant Shares, on the TSX. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

Application for admission to trading on the AIM market pursuant to Rule 29 of the AIM Rules for Companies published by London Stock Exchange plc ("**AIM Rules**") of the Common Shares, the Warrant Shares and the Placement Warrant Shares has been submitted to AIM. The admission of such securities to trading on AIM will be subject to the Company fulfilling all of the admission requirements of AIM.

Pursuant to the rules of certain Canadian provincial securities commissions and the Universal Market Integrity Rules for Canadian marketplaces of the Investment Industry Regulatory Organization of Canada ("**UMIRs**"), the Underwriters may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions for bids or purchases made through the facilities of the TSX, in accordance with the UMIRs, including: (a) market stabilization or market balancing activities on the TSX where the bid for or purchase of the Units is for the purpose of maintaining a fair and orderly

market in the Units, subject to price limitations applicable to such bids or purchases; (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriters, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period.

The Underwriters may, in connection with the Offering, and subject to applicable laws, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels that might not prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Such transactions may only be commenced within the Stabilization Period.

Neither the Company nor any of the Underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Units. In addition, neither the Company nor any of the Underwriters make any representation that the Underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Some of the Underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company. They have received, and may in the future receive, customary fees and commissions for these transactions.

The certificates representing the Common Shares and the Warrants will be issued in book-entry only form and registered in the name of CDS or its nominee and deposited with CDS. No certificates representing the Common Shares and Warrants are expected to be issued to purchasers, and registration will be made through the depository services of CDS. Holders of Common Shares and Warrants will receive only a customer confirmation from one of the Underwriters or other registered dealers who are CDS participants and from or through whom a beneficial interest in such securities is acquired.

United Kingdom Restrictions

This document contains no offer of transferable securities to the public in the United Kingdom within the meaning of sections 85(1) and 102B of the FSMA. This document is not a prospectus for the purposes of Section 85(1) FSMA. Accordingly, this document has not been examined or approved as a prospectus by the FSA under Section 87A FSMA or by the London Stock Exchange and has not been filed with the FSA pursuant to the United Kingdom Prospectus Rules nor has it been approved by a person authorized under FSMA, for the purposes of Section 21 FSMA.

Concurrent Private Placement

The Underwriting Agreement provides that Aureus Mining will, concurrently with closing of the Offering, complete the Concurrent Private Placement to purchasers in jurisdictions outside of Canada, including without limitation, the United Kingdom and the United States on a "private placement" basis, of 84,700,000 Placement Units at £0.50 per Placement Unit for gross proceeds of £42,350,000. Pursuant to the Underwriting Agreement, the Company will sell and the Underwriters will purchase, on the Closing Date, all but not less than all of the Placement Units offered under the Concurrent Private Placement at the Placement Price, payable in cash to the Company against delivery of the certificates and/or customer confirmations in respect of the Common Shares and Placement Warrants comprising the Placement Units, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. No over-allotment or market stabilization activities will occur in respect of the Concurrent Private Placement.

The Company will pay the Underwriters a fee of 5% of the gross proceeds from the Concurrent Private Placement. The Underwriters will also be reimbursed for their legal and other expenses. This short form prospectus does not qualify the distribution of the Placement Units or the Common Shares and

Placement Warrants comprising the Placement Units. The Common Shares and Placement Warrants comprising the Placement Units will be subject to Canadian resale restrictions. The Concurrent Private Placement is subject to certain conditions including, but not limited to, the concurrent closing of the Offering, certain customary conditions and the admission of the Common Shares comprising part of the Units and the Placement Units, the Warrant Shares underlying the Warrants comprising part of the Units, and the Placement Warrant Shares underlying the Placement Warrants comprising part of the Placement Units, to trading on AIM.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Canada LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations applicable to a purchaser who beneficially acquires Common Shares or Warrants pursuant to the Offering. This summary is applicable only to a purchaser who, at all relevant times and for purposes of the Tax Act, deals at arm's length with the Company and with the Underwriters, is not affiliated with the Company or with any of the Underwriters, and who will acquire and hold such Common Shares and Warrants as capital property (a "**Holder**"). Common Shares and Warrants will generally be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure in the nature of trade.

This summary does not apply to a Holder (a) that is a "financial institution" for purposes of the mark-to-market provisions of the Tax Act; (b) that is a "specified financial institution" for purposes of the Tax Act; (c) an interest in which would be a "tax shelter investment" for purposes of the Tax Act; or (d) that has made a functional currency reporting election for purposes of the Tax Act to use a currency other than Canadian dollars as its functional currency for Canadian federal income tax purposes. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable where (i) the Holder is a corporation resident in Canada; (ii) the Holder is, or becomes, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in proposed section 212.3 of the Tax Act; (iii) any corporation that is a "foreign affiliate" of the Company for purposes of the Tax Act is, or becomes, a "foreign affiliate" of the Holder for purposes of the Tax Act; and (iv) the Holder acquires Common Shares. Such Holders should consult their tax advisors with respect to the consequences of acquiring Common Shares.

This summary assumes that the Company is not a non-resident of Canada for purposes of the Tax Act. The Company has advised that it believes that it is resident solely in Canada for income tax purposes. The Company's residency for tax purposes is, however, affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company were not resident in Canada for tax purposes, the income tax consequences to Holders would be different from those described in this summary.

This summary is based upon the current provisions of the Tax Act and the Regulations, specific proposals to amend the Tax Act (the "**Tax Proposals**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares and Warrants. The following description of

income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

Allocation of Purchase Price

A Holder who acquires Units will be required to allocate the purchase price of each Unit between the Common Share and the one-quarter of one Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Company intends to allocate \$0.78 of the issue price of each Unit as consideration for the issue of the Common Share and \$0.02 for the issue of the one-quarter of one Warrant comprising each Unit. Although the Company believes such allocation is reasonable, such allocation will not be binding on the CRA or a Holder.

Adjusted Cost Base of Common Shares

The adjusted cost base to a Holder of a Common Share acquired hereunder will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Exercise of Warrants

A Holder will not realize a gain or loss upon the exercise of a Warrant. The Holder's cost of Warrant Shares acquired by exercising Warrants will be equal to the aggregate of the Holder's adjusted cost base of the Warrants exercised plus the exercise price paid for the Warrant Shares. The Holder's adjusted cost base of the Warrant Shares so acquired will be determined by averaging the cost of those Warrant Shares with the adjusted cost base (determined immediately before the acquisition of the Warrant Shares) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Residents of Canada

The following section of this summary applies to a Holder who, for purposes of the Tax Act, is, or is deemed to be, resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders to whom Common Shares might not constitute capital property may, in certain circumstances, make the irrevocable election under subsection 39(4) of the Tax Act to deem the Common Shares, and every other "Canadian security" as defined in the Tax Act, held by such Resident Holder in the taxation year of the election and all subsequent taxation years, to be capital property. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Resident Holder of a Warrant (other than upon the exercise thereof) will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Resident Holder's adjusted cost base of the Warrant. In the event of the expiry of an unexercised Warrant, the Resident Holder will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed under the sub-heading "*Capital Gains and Capital Losses*".

Dividends on Common Shares

Dividends received or deemed to be received on Common Shares will be included in computing the Resident Holder's income. In the case of an individual Resident Holder (including certain trusts), such

dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from “taxable Canadian corporations” (as defined in the Tax Act) including an enhanced gross-up and dividend tax credit for “eligible dividends” received from the Company. Dividends received or deemed to be received on Common Shares by a Resident Holder that is a corporation will normally be deductible in computing such Resident Holder’s taxable income.

A Resident Holder that is a “private corporation” or a “subject corporation”, each as defined in the Tax Act, may be liable to pay a 33 ⅓% refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent that such dividends are deductible in computing the Resident Holder’s taxable income.

Disposition of Common Shares

A disposition or deemed disposition by a Resident Holder of a Common Share will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Resident Holder’s adjusted cost base of the Common Share. The tax treatment of capital gains and capital losses is discussed under the sub-heading “*Capital Gains and Capital Losses*”.

Capital Gains and Capital Losses

One-half of any capital gain (a “taxable capital gain”) realized must be included in the Resident Holder’s income and one-half of any capital loss (an “allowable capital loss”) must generally be deducted against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in any of the three prior years or in any subsequent year in the circumstances and to the extent provided in the Tax Act.

A capital loss realized on the disposition of a Common Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends that have been previously received or deemed to have been received by the Resident Holder on such shares or shares substituted for such shares to the extent and in the circumstances described by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly through a partnership or trust.

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 ⅔% on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains.

Alternative Minimum Tax

Capital gains realized and taxable dividends received or deemed to be received by a Resident Holder that is an individual (including certain trusts) may give rise to alternative minimum tax under the Tax Act.

Non-Residents of Canada

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act, are not, and are not be deemed to be, resident in Canada at any time while they hold the Common Shares or Warrants, and do not and will not use or hold the Common Shares or Warrants in carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares are subject to Canadian withholding tax at a rate of 25%, unless reduced by the terms of an applicable tax treaty. Under the Canada-United States Income Tax Convention (1980) (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and entitled to full benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares). Under the Canada-United Kingdom Income Tax Convention (the “**U.K. Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.K. for purposes of the U.K. Treaty (a “**U.K. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.K. Holder that is a company beneficially owning at least 10% of the Company’s voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Common Shares and Warrants

A Non-Resident Holder who disposes of or is deemed to have disposed of a Common Share or a Warrant will not be subject to income tax under the Tax Act unless, at the time of disposition: (i) the Common Share or the Warrant, as the case may be, is, or is deemed to be, “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder, and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the Common Shares are listed on a “designated stock exchange” (which currently includes the TSX), the Common Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition, unless (i) at any time during the 60 month period immediately preceding the disposition (a) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (b) at such time, more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) or an option in respect of, an interest in, or for civil law a right in, any such property, whether or not such property exists; or (ii) the Common Shares or Warrants are deemed to be taxable Canadian property.

In the event that a Common Share or Warrant constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax convention or treaty, the income tax consequences discussed under “*Residents of Canada – Capital Gains and Capital Losses*” would generally apply to the Non-Resident Holder.

Non-Resident Holders whose Common Shares or Warrants are taxable Canadian property should consult their own tax advisors.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon on behalf of the Company by Norton Rose Canada LLP and on behalf of the Underwriters by Stikeman Elliott LLP. As at the date hereof, each of Norton Rose Canada LLP and Stikeman Elliott LLP and their designated professionals, as a group, beneficially own, directly or indirectly, less than one percent of the outstanding securities of the Company and its associates and affiliates.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are BDO LLP, Chartered Accountants, at its office in the United Kingdom at 55 Baker Street, London, W1U 7EU. BDO LLP is independent of the Company as defined by Canadian Auditing Standards. BDO LLP reports that it is independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

Computershare Investor Services Inc. is the registrar and transfer agent of the Common Shares in Canada at its principal offices in each of Vancouver, British Columbia and Bristol, United Kingdom. Computershare Trust Company of Canada will be the Warrant Agent at its principal offices in Toronto, Ontario and Vancouver, British Columbia.

INTEREST OF EXPERTS

The New Liberty Feasibility Study was prepared by Christopher G. Arnold (MAusIMM, CP) of AMC Consultants (UK) Limited, Martin W. Staples (FAusIMM) of AMC Consultants (UK) Limited, Stuart R. Lawrence (FSAIMM) of Mineral Development Services Ltd., Robin M. Welsh (Pr. Eng., MSAIEE) of DRA Mineral Projects, Laurent F. Gareau (P. Eng.) of Golder Associates Ghana Ltd. and Daniel J. Otto (Pr.Sci.Nat.) of Digby Wells Environmental, each of whom is an independent "qualified person" as defined in NI 43-101. To management's knowledge, as of the date hereof, none of the aforementioned persons, or any of their respective employers, has any registered or beneficial interests, direct or indirect, in any securities or other property of the Company. None of the aforementioned persons, nor any director, officer or employee, as applicable, of the aforementioned companies, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITORS CONSENT

We have read the short form prospectus dated November 13, 2012 (the "**Prospectus**") of Aureus Mining Inc. (the "**Company**") relating to the sale and issue of 15,000,000 units (each unit consisting of one common share and one-quarter of one common share purchase warrant) of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2011, the consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for the period from incorporation to December 31, 2011 and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated March 7, 2012.

London, United Kingdom
November 13, 2012

(signed) BDO LLP
Chartered Accountants

CERTIFICATE OF THE COMPANY

Dated: November 13, 2012

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada (other than Québec).

(signed) David Reading
President & Chief Executive Officer

(signed) Paul Thomson
Chief Financial Officer

On behalf of the Board of Directors

(signed) Luis da Silva
Director

(signed) David Netherway
Director

CERTIFICATE OF THE PROMOTER

Dated: November 13, 2012

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada (other than Québec).

AFFERRO MINING INC.

(signed) Luis da Silva
Director, President & Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: November 13, 2012

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada (other than Québec).

GMP SECURITIES L.P.

(signed) Mark Wellings
Managing Director

RBC DOMINION SECURITIES INC.

(signed) Gavin Ezekowitz
Managing Director

CLARUS SECURITIES INC.

(signed) John Jentz
Managing Director