

Condensed Interim Consolidated Financial Statements (Unaudited)

Aureus Mining Inc.

For the Three Months Ended March 31, 2013

(Stated in thousands of US dollars)

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

Company registration number: 776831-1

Company incorporated on: 1 February 2011

Aureus Mining Inc.**Interim Consolidated Statements of Financial Position (Unaudited)**

(stated in thousands of US dollars)

	March 31, 2013 \$'000	December 31, 2012 \$'000
Assets		
Current assets		
Cash and cash equivalents	68,915	79,411
Trade and other receivables	2,638	3,365
	71,553	82,776
Non-current assets		
Intangible assets (Note 2)	19,384	16,269
Property, plant and equipment (Note 3)	61,912	52,771
Available-for-sale investments	994	1,306
	82,290	70,346
Total assets	153,843	153,122
Liabilities		
Current liabilities		
Trade and other payables	5,492	2,572
Due to related parties (Note 5)	92	485
Warrant derivative liability (Note 6)	602	1,938
Total liabilities	6,186	4,995
Equity		
Share capital (Note 4b)	113,095	112,977
Capital contribution	48,235	48,235
Share based payment reserve (Note 4c)	3,214	2,957
Available-for-sale investment reserve	(2,831)	(2,519)
Cumulative translation reserve	224	(150)
Deficit	(14,280)	(13,373)
Total equity	147,657	148,127
Total liabilities and equity	153,843	153,122

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

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

(stated in thousands of US dollars)

	Three months ended March 31	
	2013	2012
	\$'000	\$'000
Expenses		
Legal and professional	(362)	(142)
Depreciation (Note 3)	(92)	(65)
Wages and salaries	(408)	(447)
Share based payments (Note 4c)	(257)	(432)
Foreign exchange gain / (loss)	(818)	592
Other expenses	(320)	(401)
Loss from operations	(2,257)	(895)
Derivative liability gain (Note 6)	1,336	-
Finance income	14	-
Loss for the period	(907)	(895)
Other comprehensive (loss)/income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial instruments	(312)	2,083
Currency translation differences	374	(145)
Total comprehensive (loss)/income for the period	(845)	1,043
Weighted average number of shares outstanding, basic and diluted	221,379	117,951
Loss per share, basic and diluted	(0.004)	(0.008)

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

Aureus Mining Inc.**Interim Consolidated Statements of Cash Flows (Unaudited)**

(stated in thousands of US dollars)

	Three months ended March 31,	
	2013	2012
	\$'000	\$'000
Operating activities		
Loss for the period	(907)	(895)
Items not affecting cash:		
Share-based payments	257	432
Depreciation, depletion, and amortization	92	65
Unrealized foreign exchange (gain) / loss	741	(671)
Derivative liability (gain)	(1,336)	-
Changes in non-cash working capital		
Trade and other receivables	(54)	(100)
Trade and other payables	(426)	(4)
Due to related parties	(393)	85
Cash flows from operating activities	(2,026)	(1,088)
Investing activities		
Payments to acquire intangible assets	(2,515)	(4,799)
Payments to acquire property, plant and equipment	(5,720)	(132)
Cash flows from investing activities	(8,235)	(4,931)
Financing activities		
Exercise of stock options	118	297
Cash flows from financing activities	118	297
Impact of foreign exchange on cash balance	(353)	526
Net decrease in cash and cash equivalents	(10,496)	(5,196)
Cash and cash equivalents at beginning of period	79,411	31,045
Cash and cash equivalents at end of period	68,915	25,849

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

Aureus Mining Inc.**Interim Consolidated Statements of Changes in Equity (Unaudited)**

(stated in thousands of US dollars)

	Share capital \$'000	Capital contribution \$'000	Share-based payment reserve \$'000	Available-for sale investment reserve \$'000	Currency translation reserve \$'000	Cumulative deficit \$'000	Total equity \$'000
Balance at January 1, 2012	39,065	48,235	2,023	(2,397)	74	(7,499)	79,501
Loss for the period	-	-	-	-	-	(895)	(895)
Comprehensive loss for period	-	-	-	2,083	(145)	-	1,938
Share-based payments	-	-	432	-	-	-	432
Exercise of stock options	297	-	-	-	-	-	297
Balance at March 31, 2012	39,362	48,235	2,455	(314)	(71)	(8,394)	81,273
Balance at January 1, 2013	112,977	48,235	2,957	(2,519)	(150)	(13,373)	148,127
Loss for the period	-	-	-	-	-	(907)	(907)
Comprehensive income/(loss) for period	-	-	-	(312)	374	-	62
Share-based payments	-	-	257	-	-	-	257
Exercise of stock options	118	-	-	-	-	-	118
Balance at March 31, 2013	113,095	48,235	3,214	(2,831)	224	(14,280)	147,657

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

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2013

(in thousands of US dollars unless otherwise stated)

1 Nature of operations and basis of preparation

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

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", they do not include all disclosures that would otherwise be required in a complete set of financial statements. They follow accounting policies and methods of their application consistent with the audited consolidated financial statements for the period ended December 31, 2012. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the period ended December 31, 2012. New accounting standards or interpretations that became effective in the period ended March 31, 2013 had no material impact on the financial statements.

These interim financial statements were authorised by the Board of Directors on May 8, 2013.

Aureus Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2013

(in thousands of US dollars unless otherwise stated)

2 Intangible assets

	December 31, 2011	Additions	Impairment	Transfers	December 31, 2012	Additions	March 31, 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred exploration and evaluation costs:							
Liberia (a)							
New Liberty (i)	37,394	11,156	-	(48,550)	-	158	158
Weaju (ii)	1,603	3,822	-	-	5,425	1,880	7,305
Gondoja	36	847	-	-	883	226	1,109
Silver Hills	48	2	-	-	50	37	87
Ndablama	1,304	1,346	-	-	2,650	667	3,317
Leopard Rock (iii)	678	1,439	-	-	2,117	-	2,117
	41,063	18,612	-	(48,550)	11,125	2,968	14,093
Sierra Leone (b)							
Sonfon	3,270	(259)	(3,011)	-	-	-	-
Cameroon (c)							
Batouri	4,545	599	-	-	5,144	147	5,291
	48,878	18,952	(3,011)	(48,550)	16,269	3,115	19,384

(a) Liberia

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

- i) During the year ended December 31, 2012 the Company demonstrated the technical feasibility and commercial viability of the New Liberty property and as a result \$48,550,000 of deferred exploration and evaluation costs were transferred to property, plant and equipment.
- ii) On July 26, 2012, the Company announced settlement of Weaju legacy mining claims from the Weaju Hill Mining Corporation ("WHMC"). As part of the settlement, WHMC agreed to release all claims pertaining to the legacy mining rights covering 1.7km² of the total 457km² Class A Bea Mountain Mining Licence in Liberia and received an initial payment of US\$1.3m and the share equivalent of US\$1.2m in common shares of the Company. These costs have been capitalised as resource property costs.
- iii) During the period ended December 31, 2011 the company entered into an agreement to purchase all of the shares of Archaen Gold (Liberia) Inc. ("Archaen Gold"), a company holding the exploration rights to a license area covering 89 km². The Archaen Gold exploration license is contiguous with and

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2 Intangible assets (continued)

immediately south of the Company's Bea Mountain mining license and currently contains the Leopard Rock property. The transaction was accounted for as an asset acquisition and in addition to the purchase price of \$60,350 a 2.5% net profit interest ("NPI") in relation to any future production was granted.

(b) Sierra Leone

During the year ended December 31, 2012 the Company withdrew from the Sonfon joint venture agreement in Sierra Leone for commercial reasons. The Sonfon project was subject to a joint venture agreement with Golden Star Resources Ltd. ("GSR"). As a result the Sonfon project has been written off.

(c) Cameroon

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

3 Property, plant and equipment

	Mining and development property \$'000	Machinery and equipment \$'000	Vehicles \$'000	Leasehold improvement \$'000	Total \$'000
Cost					
At December 31, 2011	-	378	795	-	1,173
Additions	3,014	480	136	102	3,732
Transfers (Note 2a(i))	48,550	-	-	-	48,550
At December 31, 2012	51,564	858	931	102	53,455
Additions	9,230	14	-	1	9,245
Foreign exchange	1	(20)	(7)	(7)	(33)
At March 31, 2013	60,795	852	924	96	62,667
Accumulated depreciation					
At December 31, 2011	-	117	245	-	362
Charge for the period	-	128	187	6	321
Foreign exchange	-	-	1	-	1
At December 31, 2012	-	245	433	6	684
Charge for the period	-	48	37	7	92
Foreign exchange	-	(17)	(3)	(1)	(21)
At March 31, 2013	-	276	467	12	755
Net book value					
At December 31, 2012	51,564	613	498	96	52,771
At March 31, 2013	60,795	576	457	84	61,912

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4 Equity

(a) Authorised

Unlimited number of common shares without par value.

(b) Issued

	Shares	Amount \$'000
Balance at December 31, 2011	117,829,802	39,065
Shares issued on Weaju settlement	1,550,930	1,202
Share issued on prospectus offering and private placement	99,700,000	75,789
Share issue costs	-	(4,391)
Exercise of stock options	2,154,311	1,312
Balance at December 31, 2012	221,235,043	112,977
Exercise of stock options	196,250	118
Balance at March 31, 2013	221,431,293	113,095

(c) Stock options

Information relating to stock options outstanding at March 31, 2013 is as follows:

	March 31, 2013		December 31, 2012	
	Number of options	Weighted average exercise price per share Cdn\$	Number of options	Weighted average exercise price per share Cdn\$
Beginning of the period	9,144,748	1.04	9,866,434	0.95
Options granted	3,338,680	0.72	2,291,000	1.02
Options exercised	(196,250)	0.59	(2,154,311)	0.61
Options expired	(320,000)	1.20	(834,375)	1.03
Options cancelled	-	-	(24,000)	1.05
End of the period	11,967,178	0.96	9,144,748	1.04

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4 Equity (continued)

Expiry date	Exercise price per share Cdn\$	Number of stock options outstanding and vested	
		March 31, 2013	December 31, 2012
June 15, 2013	0.64	75,000	218,750
March 1, 2013	1.42	-	15,000
October 13, 2013	1.05	-	50,000
January 19, 2014	0.32	354,375	366,875
January 8, 2015	0.49	767,000	787,000
May 13, 2015	0.50	660,000	680,000
June 6, 2015	0.16	68,687	68,687
November 1, 2015	0.90	200,000	200,000
December 1, 2015	0.33	68,687	68,687
December 1, 2015	0.50	68,687	68,687
January 10, 2016	1.09	1,620,000	1,720,000
May 23, 2016	1.55	2,210,000	2,285,000
August 18, 2016	1.27	200,000	200,000
September 1, 2016	1.42	300,000	300,000
January 4, 2017	1.05	958,004	522,333
April 13, 2017	1.05	83,334	250,000
June 28, 2017	0.91	49,062	49,062
August 15, 2017	0.74	250,000	250,000
January 14, 2018	0.72	350,000	-
	1.03	8,282,836	8,100,081

The fair value of the 3,338,680 stock options granted in the three months ended March 31, 2013 was estimated at C\$ 0.27 per option at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	Three months ended March 31, 2013	Year ended December 31, 2012
Dividend yield	0%	0%
Risk free interest rate	1.05%	0.50 – 0.97%
Expected life	5 years	0.5 – 5 years
Expected volatility	42%	42 – 57%

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5 Related party transactions

During the three months ended March 31, 2013, the Company incurred management and office service fees of \$58,420 (period ended March 31, 2012, \$89,981) payable to Afferro Mining and environmental consulting fees of \$6,000 (period ended March 31, 2012, \$51,158) payable to a Company with a common Director. The payable to related parties as at March 31, 2013 was \$92,478 (December 31, 2012, \$484,926).

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

6 Warrant derivative liability

	Number of warrants	Weighted average exercise price per warrant per share £
Balance at January 1, 2013	24,925,000	0.625
Balance at March 31, 2013	24,925,000	0.625

Pursuant to the prospectus offering completed in 2012, the Company issued 15,000,000 Units, comprising 15,000,000 common shares and 3,750,000 warrants. Pursuant to the private placement, the Company issued 84,700,000 units comprising 84,700,000 common shares and 21,175,000 warrants. The warrants are exercisable for a period of 18 months from issue at a price of £0.625.

These warrants were treated as a derivative liability and were fair valued at each reporting date using the Black-Scholes option pricing model with changes in fair value being taken directly to the statement of comprehensive income using the following assumptions:

	March 31, 2013	December 31, 2012
Dividend yield	0%	0%
Risk free interest rate	0.5%	0.5%
Expected life	1.13 years	1.38 years
Expected volatility	42%	44%
Fair value (US\$'000's)	602	1,938

7 Segment information

The Company is engaged in the acquisition, exploration and development of gold properties in the West African countries of Liberia and Cameroon. Information presented to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the geographical location. The reportable segments under IFRS 8 are as follows:

- Liberia development (New Liberty);
- Liberia exploration;
- Cameroon exploration; and
- Corporate.

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Notes to Condensed Interim Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2013

(in thousands of US dollars unless otherwise stated)

7 Segment information (continued)

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended March 31, 2013:

	Liberia development (New Liberty)	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss/(gain) for the period	-	52	28	827	907
Segment assets	63,070	15,054	5,452	70,267	153,843
Segment liabilities	3,956	1,079	-	1,151	6,186
Depreciation of property, plant and equipment	-	68	10	14	92
Capital additions					
– property, plant and equipment	8,130	13	-	2	8,145
– intangible assets	-	2,969	146	-	3,115

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the three month period ended March 31, 2012:

	Liberia exploration and development	Cameroon exploration	Sierra Leone exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss/(gain) for the period	126	2	-	767	895
Segment assets	46,458	4,692	3,066	29,311	83,527
Segment liabilities	1,255	28	-	970	2,253
Depreciation of property, plant and equipment	63	2	-	-	65
Capital additions					
– property, plant and equipment	31	58	-	42	131
– intangible assets	4,285	56	(258)	-	4,083