

AUREUS MINING INC.

**Management's Discussion and Analysis
For the quarter ended September 30, 2014**

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

The following discussion is management's assessment and analysis of the results and financial condition of Aureus Mining Inc. (the "Company" or "Aureus" or "Aureus Mining") prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the accompanying condensed interim consolidated financial statements and related notes for the three months and nine months ended September 30, 2014 and 2013. This management discussion and analysis has been prepared based on information available to the Company as at November 7, 2014. Unless otherwise indicated all amounts are in US dollars.

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website at www.aureus-mining.com.

1. OVERVIEW

(A) DESCRIPTION OF BUSINESS

Aureus Mining is an exploration and development company focused on gold projects in West Africa and operates in Liberia and Cameroon. Its most advanced project is the New Liberty Gold Project in Liberia ("New Liberty" or the "Project") which is well progressed in the course of construction. The Company has a loyal and strong workforce and supports the local communities in which it operates by sourcing services and supplies, creating job opportunities and participating in social programmes. The Company is listed on the Toronto Stock Exchange ("TSX") (Ticker AUE) and the AIM Market of the London Stock Exchange ("AIM") (Ticker AUE).

(B) STRATEGY

Aureus Mining's strategy to increase shareholder value will be to: (i) develop the New Liberty Gold Project into a producing gold mine; and (ii) progress exploration on promising assets in both Liberia and Cameroon.

The Company's management believes it is well placed to implement its strategy through the business strengths discussed below:

A Strong Portfolio of Assets

The Company has a strong portfolio of gold assets:

- The fully financed New Liberty Gold Project (the "Project") in Liberia has a National Instrument 43-101 "Standards of Disclosure for Mineral Project", of the Canadian Securities Administrators ("NI 43-101") compliant reserve estimate of 8.5 million tonnes grading 3.4 g/t for 924,000 contained ounces of gold in the proven and probable category and a NI 43-101 compliant resource estimate comprised of 9.8 million tonnes grading 3.6 g/t for 1,143,000 ounces in the measured and indicated category and 5.7 million tonnes grading 3.2 g/t for 593,000 ounces in the inferred category. The Project Definitive Feasibility Study ("DFS") has been completed and an NI 43-101 compliant technical report has been filed on SEDAR.
- A promising portfolio of exploration stage gold projects in Liberia and Cameroon, including the Ndablama Project with a NI 43-101 compliant resource estimate comprised of 6.8 million tonnes grading 2.1 g/t for 451,000 ounces in the inferred category and the Weaju Project with a NI 43-101 compliant resource estimate comprised of 2.7 million tonnes grading 2.1 g/t for 178,000 ounces in the inferred category.

Experienced Board

The directors of the Company have extensive experience of mining operations in Africa and taking projects through development and into production. There is a balanced representation of directors with operational, corporate and financial backgrounds. The majority of directors are independent.

AUREUS MINING INC.

Management's Discussion and Analysis For the quarter ended September 30, 2014 (stated in US dollars)

Technically Strong

The Company has experienced exploration teams in the countries in which it operates with the flexibility to work across the region in areas where the geological setting is well understood. The Company employs up-to-date technological tools to better focus its exploration efforts.

Fully financed through to production at New Liberty

In April 2014 the Company achieved financial close on the \$88 million project finance loan facility agreement with Nedbank Limited and Rand Merchant Bank (the "Senior Facility") and on the subordinated loan facility agreement for \$12 million with RMB Resources (the "Subordinated Facility"). These loan facilities will assist with the financing of the development of the Company's New Liberty Gold Project, located within the Southern Block of the Company's 100% owned Bea Mountain Mining licence in Liberia.

First drawdown on the Senior Facility occurred in early Q2 2014 upon satisfaction of all conditions precedent and the balance of New Liberty capital expenditures will be funded from these loan facilities. As at September 30, 2014 \$69.5 million of the Senior Facility had been drawn down.

An additional \$11 million of equity was raised through International Finance Corporation ("IFC") in July 2014 to further strengthen the Company's balance sheet.

2. PROJECTS

(A) NEW LIBERTY GOLD PROJECT, LIBERIA

Introduction

The key asset in the Aureus portfolio is the New Liberty Gold Project upon which the Company has completed a DFS, financed and is well progressed with development. New Liberty is a greenfield development with the advantage of having excellent access from the capital and main port of Liberia, Monrovia. From the capital there is a predominantly tarmac road covering the 100 km to the project site, providing excellent all year round access.

The Company holds its interests in the New Liberty Gold Project through its subsidiary Bea Mountain Mining Corporation ("Bea"). During 2013 the Government of Liberia ("GoL") ratified a Restated and Amended Mineral Development Agreement ("Restated and Amended MDA") for its Bea Mountain mining licence, which covers 457 km² and includes the New Liberty Gold Project (the "New Liberty Gold Project" or the "Project") in the Southern Block, along with the Ndablama, Gondoja and Weaju exploration targets in the Northern Block.

On July 29, 2009 Bea was granted a Class A Mining Licence ("Bea Mining Licence") within the Bea MDA by the Government of Liberia. The Bea Mining Licence permits mining within a 457 km² area which encompasses the New Liberty Gold Project.

Reserve Estimate

In May 2013, the Company announced the completion of the DFS which resulted in the reserve for the New Liberty Gold Project increasing to 924,000 ounces grading at 3.4 g/t and identified areas of capital and operating cost savings.

The reserves support an open pit operation with an average annual production rate of 1.1 million tonnes of ore over an eight year production life. Plant production over the first six years averages 119,000 ounces per annum. All of the reserve at New Liberty is located within 220 metres of surface and is extractable by open pit mining methods.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

The total reserve estimate of 8.5 million tonnes grading 3.4 g/t (for 923,716 ounces) is comprised of 0.7 million tonnes grading 4.4 g/t (for 99,470 ounces) in the proven category and 7.8 million tonnes grading 3.3 g/t (for 824,246 ounces) in the probable category, as detailed in the table below. The proven and probable ore reserves are contained within open pits of depths between 180 and 220 metres below surface. The ore body is still open at depth.

The reported reserve estimate is shown in the following table:

Reserve Classification	Tonnes (million)	Gold (g/t)	Gold (koz)
Proven	0.7	4.4	99
Probable	7.8	3.3	825
Total Proven and Probable	8.5	3.4	924

Notes

1. CIM definitions were used for mineral reserves
2. A cut-off of 0.8 g/t Au is applied for all zones
3. Due to rounding, some columns or rows may not add up exactly to the computed totals

New Liberty Resource Estimate

A mineral resource estimate ("MRE") was undertaken by AMC Consultants UK Limited ("AMC") in accordance with the requirements of NI 43-101. The MRE incorporates all the results from drilling as at April 4, 2012, being 438 holes for 65,276 metres and was calculated on the basis of a 1.0 g/t cut-off grade.

The total resource estimate is comprised of 651,000 tonnes grading 4.77 g/t (for 100,000 ounces) in the measured category, 9,145,000 tonnes grading 3.55 g/t (for 1,043,000 ounces) in the indicated category, and 5,730,000 tonnes grading 3.2 g/t (for 593,000 ounces) in the inferred category, as detailed in the table below. The measured and indicated resources are located generally within the first 200 metres below surface. The inferred resource remains open at depth.

Mineral Resource	Tonnes (million)	Average Grade (g/t)	Contained Gold (koz)
Measured	0.7	4.77	100
Indicated	9.1	3.55	1,043
Subtotal M+I	9.8	3.63	1,143
Inferred	5.7	3.2	593

Notes

1. CIM definitions were used for Mineral Resources
2. A cut-off grade of 1.0 g/t Au is applied for all zones
3. Due to rounding, some columns or rows may not add up exactly to the computed totals

Development update for the quarter ended September 30, 2014

A key focus for the third quarter of 2014 was to progress the processing plant build with completion of foundations and the erection of structural steel.

The Run-of Mine ("ROM") wall was progressed and tipping bin was completed at the primary crusher. The steelwork for the secondary crusher is 95% complete. Good progress was made on the mill building. The CIL tanks are at final level and all bund walls have been completed. The detox tanks are at final levels. The laying of the water line from the dam has commenced. The store sheeting has been completed and sheeting of the workshop has commenced. Construction of the reagent store has started. Two generators and their diesel tanks have arrived and been placed.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars)

Key staff were appointed to site by the mining equipment supplier and four 100 tonne dump trucks arrived at site for assembly in preparation for mining in Q4 2014. Bush clearance was completed in the pit area and the ground was prepared for pre-strip mining.

Grade control drilling commenced in the Larjor pit area (west), with a grid of 12x12m spaced inclined RC holes designed to provide grade information in the mineralisation contained within the first year pit. The aim of the drilling is to provide information that would enable grade blocks to be calculated and marked out during mining.

Recruitment of key roles commenced in this quarter. A number of key mining, engineering and technical posts were filled.

Exploration

The wet season provided an opportunity to consolidate and interpret all the exploration data for the West Mafa gold in soil anomaly in the western portion of the license area, 6km west of New Liberty. No field work was undertaken during this period.

Trench results showed gold spikes associated with narrow quartz veins in amphibolites, gneisses and iron rich formations. A geology fact map was produced for the area and interpretive geology maps developed.

(B) NDABLAMA GOLD PROJECT, LIBERIA

The Ndablama prospect is located in the north-east corner of the Northern Block of the Bea MDA property and is approximately 40 km north-east of the Company's New Liberty deposit. The Ndablama prospect is defined by the presence of extensive artisanal mining activity and a 2 km gold in soil anomaly which trends in a north-south direction.

Exploration activities at Ndablama include extensive trenching and diamond drilling. Phase one, two and three drilling programmes were completed in 2011, 2012 and 2013 respectively with a total of 54 diamond holes for 8,339 metres and 63 trenches for 3,967 metres.

In November 2013 an Inferred Mineral Resource of 451,000 ounces at 2.1 g/t Au was estimated using a 0.5 g/t cut-off grade. The Ndablama resource estimate was prepared by AMC Consultants (UK) Limited in accordance with the requirements of NI-43-101.

Mineral Resource	Tonnes (million)	Grade (g/t)	Contained Gold (koz)
Inferred	6.8	2.1	451

- (1) Mineral Resources for the Ndablama deposit are reported at a cut-off grade of 0.5 g/t Au
- (2) The effective date of the Ndablama gold deposit mineral resource estimates is 11 November 2013
- (3) Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
- (4) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as indicated and measured mineral resources

Phase four drilling commenced in the middle of Q4 2013 and was completed in Q3 2014. The whole programme consisted of 39 reverse circulation ("RC") holes and 61 diamond drill holes totalling 18,844m. Drilling concentrated in the Central Zone expanding the known mineralisation along strike and down dip.

Drilling and trench results to date have outlined multiple gold intercepts associated with three mineralised zones referred to as the North Zone, Central Zone and South East Zone. In each zone the mineralised system strikes in a northerly direction and dips westwards at shallow angles ranging between 30 and 15 degrees. The Central Zone has been defined for over 650 metres and down dip for 450 metres (vertical depth 240m) and is

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

open in all directions. The South East Zone can be followed for 200 metres and hosts thin zones of 3 to 10 metres which can be traced down dip for up to 220 metres and are still open down dip to the west and to the south. In addition Phase 4 drilling contained in-fill RC programme with the aim to increase and raise the resource to an indicated category.

The Ndablama target is similar in geology and style of gold mineralisation to Leopard Rock which is located 500 metres south-east of the South East Zone. In Q3 2014 Phase 4 drilling campaign at Ndablama was extended to the Ndablama North and Ndablama South with 6 diamond holes to test gold mineralisation observed in soil and trenches.

(C) WEAJU GOLD PROJECT, LIBERIA

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

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

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

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

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

In Q3 2014 an additional 6 diamond holes totalling 1,142m were drilled. These holes explored down dip and along strike as well as testing the mineralisation model. Assay results for these holes are pending.

(D) LEOPARD ROCK, LIBERIA

The Archaean Gold exploration licence covering 89 km² is contiguous with and immediately south of the Company's Bea Mountain mining licence and hosts the south eastern extension to the gold bearing rocks associated with the Ndablama prospect. The shear structure hosting the Leopard Rock target can be traced in the north-west to Ndablama over a distance of 3 km.

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

Gold mineralisation occurs within folded, deformed and metamorphosed ultramafic and mafic rocks along a north-west trending shear zone. A geology and mineralisation model was completed in 2012 using the recent drill and trench data. This was done to help further in exploration planning and understand the geology and structural setting of the area. Infill drilling programme for phase two is planned for the future.

AUREUS MINING INC.

Management's Discussion and Analysis For the quarter ended September 30, 2014 (stated in US dollars)

In 2012 a ground geophysical survey was completed in the gap area between Leopard Rock and Ndablama covering an area of 1.65 km². The geology and structural map was updated for the gap area between Leopard Rock and Ndbalama from mapping done this quarter.

Leopard Rock South is a continuation of the Leopard Rock projection, as is identified by a series of gold anomalies to the south and west of Leopard Rock. Detailed geological mapping has been able to extend lithological interpretation in this quarter and 99 soil samples were taken to infill gaps in existing data.

(E) GONDOJA, LIBERIA

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

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

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

A broad zone of shearing has been mapped for 600 metres in an east-north-east to west-north-west orientation. The borehole and trench results outline multiple intercepts over 500 metres and appear to close off the mineralisation to the east-north-east. The mineralised system is still open to the west-south-west and at depth. A preliminary geology and ore model was completed in 2012.

Gold in soil anomalies have been defined for over 4 km in a north-east direction in this area. It is related to the Yambesei shear corridor and represents the north-east continuation of the Koinja-Gbalidee soil anomalies.

Mapping continued at Gondoja target and has extended to Welinkua which is a target that has been identified 1 km north-east of the Gondoja drilled area.

At Welinkua, positive grades returned from altered and weathered mafic rocks exposed in an artisanal pit. New pitting has also returned positive grades in altered amphibolites. Based on these results the target now extends over a 300 metres strike length. Pitting work and lithosampling will continue over this target and at Gondoja with the aim of defining possible continuity between both targets.

(F) KOINJA AND GBALIDEE, LIBERIA

Koinja and Gbalidee are located on the Yambesei shear corridor and are part of an 8 km continuous zone of gold in soil anomalies that extends up to Gondoja and Welinkua.

At the Gbalidee target, located 2 km south east of Gondoja, 4 trenches for 237 metres and 5 diamond drill holes totalling 780 metres were completed in 2012. A total of 884 drill sample results were received in 2012. The geology of Gbalidee is very similar to that of Gondoja. To date less than 15% of the gold corridor has been drill tested.

Detailed geological mapping and trenching are required to further define the full potential of this corridor.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

(G) SILVER HILLS, LIBERIA

The Silver Hills targets are situated approximately 13 km north-east of the New Liberty Gold Project. There has been artisanal activity in the past. Lithology consists mainly of granite biotite gneisses, BIFs, ultramafics and amphibolite talc sericite schists. Quartz veins occur at the contact of the granitic gneisses and the ultramafics. The rocks are mainly folded and sheared.

Soil results were integrated with the field data. Anomalism is associated with the greenstone belts (altered amphibolites and ultramafics) and trends seem to be structurally controlled. The western soil anomalies have a main east-west trend with duplication. There is a north-west trend inflexion observed which is related to the regional dolerite event. North-east trending anomalies are also observed suggesting influence of the sinistral north-east shear that is seen in the North Central Zone. Eastern Zone soil anomalies have a regular north-east trend and additional targets have been generated for future work.

To date, the work completed at Silver Hills underlines the presence of regional scale gold mineralisation trends. The Silver Hills project may correspond to an intermediate mineralisation province between the Ndablama Gold corridor to the north-east and the New Liberty gold mine project to the south-west.

Lithosamples and channel samples returned good grades in artisanal mining areas such as at Belgium, New Belgium, Kpokolo and Wesse. Gold mineralisation is related to silica-sericite alteration within amphibolites.

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

In November 2013 the Company increased its contiguous ground holdings around its New Liberty Project. The Company's ground holding portfolio has now increased from 547 km² to 1,470 km². The four new exploration licences were issued by the Ministry of Land, Mines and Energy and are referred to as Yambesei (759 km²), Archean West (112.6 km²), Mabong (36.6 km²) and Mafa West (15.6 km²).

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

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

In Q1 2014 regional mapping on the Yambesei license confirmed additional potential mineralisation along greenstone belts including the Mafa and Yambesei shears as well as the NE extension from Gondoja. New regional targets were defined based on the presence of artisanal workings and anomalous lithosample results and a soil grid completed in Q2 2014.

Regional mapping continued with emphasis on the Yambesei shear corridor. Two prospective zones have been identified based on artisanal workings and geology. BLEG sampling was also completed with 279 samples collected in the Yambesei license identifying targets for future follow up.

Mapping and lithosampling was undertaken in the Archean West license at Lofa Congo and South Tahn targets which host alluvial mining for gold and diamonds. Lofa Congo is dominated by east-west trending folds whilst north-east shear trends are observed at South Tahn.

At Mabong, mapping and lithosampling continued showing the geology dominated by amphibolite-granite intercalations with late dolerite dykes. There seems to be an interpreted north-east shear trend with BIF found at East Zokuhe.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars)

(I) CAMEROON

The Batouri licence (168 km²) is located 436 km east of Yaoundé, the administrative capital of Cameroon. A renewal of the license was granted in November 2013 for a two year period. The licence is a window of the Pan-African north equatorial fold belt composed of Paleo-Proterozoic and Neoproterozoic series and known as a result of collision between the West African craton and Congo craton. The region is affected by the Central African Shear Zone system generally following a north-east to south-west trend, and along which syn to post-tectonic granitoid plutons are common. The auriferous zones within the granite are considered to be controlled by the shear zone.

The Batouri project is defined by three prospects; i) Kambele (3.5 km long), ii) Dimako-Mongonam (3.5 km long) and iii) Amndobi (5 km long).

In Q3 2014 exploration work focused on the interpretation of the mineralised system of Kambele and Dimako targets following on from the relogging. The work was recommended in order to produce a new interpretation of the mineralisation model and determine the potential of Kambele and Dimako to host economic deposits.

A ground induced polarisation or ground magnetic survey is planned to be conducted at the Amndobi prospect followed by a first pass RC drill programme.

3. UPDATE ON EBOLA

As the Ebola virus continues to affect Liberia, Aureus has established and implemented the appropriate precautionary measures and contingency plans to ensure the Company, its employees, contractors and visitors are not placed under unnecessary risks.

Such precautionary measures include access control to Aureus' operations, temperature screening, education and collaboration with local villages and village elders, detailed and regular communication with employees, contractors and visitors, heightened medical provisions and medical assistance at the New Liberty medical clinic and travel restrictions.

Furthermore, Aureus is working closely with the Government of Liberia and supporting their proactive actions in minimising the impact of Ebola. The Government is addressing the issue as a matter of the utmost importance and has assigned a devoted Task Force to address and implement key measures. Aureus is working with this Task Force both at national and local levels, combining our efforts to increase education on the disease.

Aureus continues to work with the Government of Liberia and remains an active member in the Ebola Private Sector Mobilisation Group. The New Liberty site and the procedures and precautions Aureus has implemented to reduce the risk of the Ebola situation affecting the Project and its local communities were recently subject to an audit by representatives from the United States Centre for Disease Control and Prevention.

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

3. SUMMARY OF PERFORMANCE

(A) SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

\$'000 except loss per share	Quarter ended September 30, 2014	Quarter ended June 30, 2014	Quarter ended March 31, 2014	Quarter ended December 31, 2013
Loss for the quarter	(286)	(1,421)	(1,358)	(5,075)
Basic & diluted loss per share	(0.001)	(0.003)	(0.005)	(0.02)
Total comprehensive loss for the quarter	(434)	(972)	(1,110)	(1,726)
Total assets	258,781	233,234	170,975	166,076
	Quarter ended September 30, 2013	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended December 31, 2012
Income / (loss) for the quarter	(830)	(609)	(907)	458
Basic & diluted income / (loss) per share	(0.004)	(0.003)	(0.004)	0.003
Total comprehensive income / (loss) for the quarter	(1,218)	(1,143)	(845)	214
Total assets	150,155	152,293	153,843	153,122

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

(B) RESULTS OF OPERATIONS

(i) CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

Quarter ended September 30, 2014

The comprehensive loss for Q3 2014 reduced by \$0.8 million to \$0.4 million compared to the quarter ended September 30, 2013 ("Q3 2013"). The decrease in loss is mainly due to the increased fair value gains on warrant derivatives of \$1.2 million and decline in legal and professional fees of \$0.2 million off-set by higher net foreign exchange losses of \$0.7 million.

Legal and professional expenses declined by \$0.2 million with the comparative quarter and totalled \$0.2 million (Q3 2013: \$0.4 million). Legal and arrangement fees directly attributable to the project finance loan facility have been offset against the long term borrowings liability and will be amortised over the tenor of the loan.

Wages and salaries increased from \$0.5 million in Q3 2013 to \$0.6 million in Q3 2014 mainly due to additional staff numbers and wage inflation.

AUREUS MINING INC.

Management's Discussion and Analysis For the quarter ended September 30, 2014 (stated in US dollars)

The foreign exchange loss for Q3 2014 was \$0.2 million (Q3 2013: gain of \$0.7 million). The loss during the current quarter is mainly due to decreased UK sterling (from \$1.71 to \$1.62) and Canadian dollar (from \$0.94 to \$0.90) rates against the US dollar. The gain in the comparative period predominantly represents the appreciation of the UK sterling denominated cash balances and was largely unrealised.

Other expenses for Q3 2014 of \$0.3 million (Q3 2013: \$0.4 million) comprises mainly of office rent and service charges, travel and general and administrative expenses.

Changes to the fair value of the warrants for Q3 2014 resulted to a gain of \$1.1 million in Q3 2014 (Q3 2013: loss of \$0.1 million).

The rise in the share price of Stellar Diamonds from 1.20p to 1.43p led to a gain in the value of available-for-sale investment of \$0.1 million in Q3 2014 (Q3 2013: \$20,000).

Currency differences on translation amounted to \$0.2 million (Q3 2013: \$0.4 million) mainly due to the UK sterling rate used to translate a UK subsidiary's operations to the US dollar.

Nine months ended September 30, 2014

The comprehensive loss for the nine months ended September 30, 2014 was \$2.5 million (nine months ended September 30, 2013: \$3.2 million) and is predominantly due to wages and salaries of \$1.7 million (nine months ended September 30, 2013: \$1.3 million), legal and professional fees of \$0.6 million (nine months ended September 30, 2013: \$1.0 million), a share based payment charge of \$0.6 million (nine months ended September 30, 2013: \$0.6 million) off-set by a fair value gain on the derivative warrants of \$1.6 million (nine months ended September 30, 2013: \$1.8 million) and a fair value gain on the Company's investment in Stellar Diamonds of \$0.2 million (nine months ended September 30, 2013: loss of \$0.8 million) which is marked to market.

Foreign exchange loss of \$0.2 million (2013: loss of less than \$0.1 million) is due to the decline in UK sterling and Canadian dollar against the US dollar and is predominantly unrealised in respect of the cash balances.

Other expenses of \$0.9 million (2013: \$1.1 million) comprises mainly of rent and services (\$0.2 million), travel costs (\$0.2 million) and general and administrative expenses (\$0.5 million).

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

Statement of financial position at September 30, 2014

Property, plant and equipment ("PPE") of \$171.9 million as at September 30, 2014 (December 31, 2013: \$96.4 million) relates predominantly to mining and development costs on the New Liberty Project. An additional \$25.3 million was capitalised to New Liberty mining and development costs during the quarter which includes costs incurred on earthworks and civils (\$5.2 million), mechanical supply (\$2.7 million), electrical and instrumentation (\$1.6 million), structural supply and installation (\$4.3 million), consultants including EPCM contractor (\$1.8 million), mining infrastructure (\$1.5 million), capitalised wages and salaries (\$1.9 million), owners costs (\$1.9m) and capitalised borrowing costs (\$0.9 million).

Intangible assets of \$30.5 million as at September 30, 2014 (December 31, 2013: \$24.4 million) relate to deferred exploration and evaluation costs incurred on the Company's projects. Additions to intangible assets in Q3 2014 were \$1.6 million (Q3 2013: \$1.2 million) and predominantly related to the diamond and RC drilling programmes at the Ndablama and Weaju project.

The Company's investment in Stellar Diamonds is carried at its fair value (derived from the prevailing market price) which was \$0.7 million at September 30, 2014 (December 31, 2013: \$0.5 million).

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

Trade and other receivables of \$4.9 million as at September 30, 2014 (December 31, 2013: \$5.4 million) includes an advance payment of \$2.5 million to the Company's earthworks and civils contractor. The Company has a performance bond covering the prepaid amount. Also included in trade and other receivables is \$0.5 million of prepaid arrangement fees attributable to the undrawn Subordinated Facility and \$1.6 million attributable to the fair value of the warrants issued with the Subordinated Facility. These amounts will be offset against the loan facility on first drawdown and will be amortised over the tenor of the loan using the effective interest rate method.

Current liabilities of \$11.6 million as at September 30, 2014 (December 31, 2013: \$6.9 million) includes trade payables and accruals of \$10.2 million arising predominantly from New Liberty development activities and fair value of warrant derivatives of \$1.4 million.

Non-current liabilities of \$64.5 million (December 31, 2013: \$nil) relate to the Senior Facility. The Senior Facility bears interest at the United States LIBOR rate plus a 1.8% margin plus a 2.5% ECIC premium for a six year term repayable from January 31, 2016.

The Company also has a Subordinated Facility for \$12 million with RMB Resources. The Subordinated Facility bears interest at the United States LIBOR rate plus 7.5% for a six and a half year term and was undrawn at September 30, 2014.

Liquidity, capital resources and financial instruments

The Company's primary source of funding to date has been the issue of equity securities and the Senior and Subordinated Facilities detailed above. The Company is not yet in production and does not generate cash flows from operations. As at September 30, 2014 the Company had cash and cash equivalents of \$50.4 million included within the working capital balance of \$43.7 million.

The Company has no significant financial instruments other than its cash and cash equivalents and its investment in Stellar Diamonds which is carried at fair value. The majority (99.7%) of the Company's cash and cash equivalents are invested with a leading multi-national bank with a Standard & Poor's A credit rating.

Cash flows for nine months ended September 30, 2014

Net cash used in operations amounted to \$3.2 million for the nine months ended September 30, 2014 (nine months ended September 30, 2013: \$3.8 million) and is due predominantly to corporate expenses, movements in working capital and realised foreign exchange gains/losses.

Net cash used in investing activities was \$74.2 million for the nine months ended September 30, 2014 (nine months ended September 30, 2013: \$35.4 million) and predominantly relates to development expenditures on the New Liberty Project and exploration drilling at Ndablama.

Net cash proceeds from financing activities were \$88.5 million for the nine months ended September 30, 2014 (nine months ended September 30, 2013: \$0.1 million) relating to the issue of shares and the related warrants as discussed below, the drawdown on the Senior Facility and the exercise of stock options off-set by interest paid on the Senior Facility.

On April 22, 2014, the Company completed a transaction to sell 33,375,000 Units at a price of £0.27 per Unit. Each Unit is comprised of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at a price of £0.378 (or the prevailing Cdn\$ equivalent thereof) up to and including October 22, 2017. The direct costs to issue the Units that have been charged to share capital amounted to \$2.9 million including a non-cash fair value of \$2.0 million allocated to the Warrants which are recorded as a derivative warrant liability.

On July 29, 2014 the Company closed a subscription by International Finance Corporation, the private sector arm of the World Bank Group, for 24,520,296 Units at an issue price of £0.27 per Unit to raise gross

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars)

proceeds of approximately £6.6 million (approximately \$11.2 million). Each Unit comprises of one Common Share and a half Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at a price of £0.378 for a period of 42 months. The direct costs to issue the Units that have been charged to share capital amounted to US\$1.1 million including US\$1.0 million allocated to the Warrants which are recorded as a derivative warrant liability.

During the nine months ended September 30, 2014 the Company drew down \$69.5 million of loan proceeds from the Senior Facility. Direct issue costs of \$5.4 million have been offset against the loan proceeds and is amortised over the tenor of the loan using the effective interest rate method.

The Company issued 415,000 new common shares following the exercise of share options at a weighted average exercise price of Cdn\$0.35 raising proceeds of \$0.1 million.

(C) OTHER INFORMATION

(i) Outstanding share data

	Shares	Amount \$'000
Balance at January 1, 2013	221,235,043	112,977
Exercise of stock options	205,625	121
Shares issued on private placement	30,900,000	15,823
Share issue costs	-	(763)
Balance at December 31, 2013	252,340,668	128,158
Shares issued on private placement	33,375,000	15,136
Shares issued to International Finance Corporation	24,520,296	11,243
Share issue costs	-	(4,015)
Exercise of stock options	415,000	133
Balance at September 30, 2014	310,650,964	150,655

As at November 7, 2014 the Company had 310,650,964 shares issued and fully paid.

(ii) Going concern

The Company has prepared its consolidated financial statements on a going concern basis which assumes that the Company will be able to realise assets and discharge liabilities in the normal course of business. The directors believe that the current funds will be sufficient to finance the committed capital expenditures, general working capital and corporate costs over the next twelve months.

(iii) Subsequent events

No reportable events as of the date of this report.

(iv) Related party transactions

During the three months ended September 30, 2014, the Company incurred environmental consulting fees of \$7,496 (quarter ended September 30, 2013: \$179,798) payable to a company with a common director. The payable to related parties as at September 30, 2014 was \$7,496 (December 31, 2013: \$54,589).

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

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

(v) Off balance sheet arrangements

Other than the NPI interests disclosed in Section 2(C) above, the Company does not have any off-balance sheet arrangements and does not contemplate having any in the foreseeable future.

(vi) Operating segments

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

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

Following is an analysis of the Group's results, assets and liabilities by reportable segment for the quarter ended September 30, 2014:

	Liberia development New Liberty	Liberia exploration	Cameroon exploration	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Loss for the period	-	41	2	243	286
Segment assets	203,085	24,851	6,000	24,845	258,781
Segment liabilities	72,118	963	-	4,469	77,550
Depreciation of property, plant and equipment	-	67	6	9	82
Capital additions					
– property, plant and equipment	25,355	44	-	6	25,405
– intangible assets	-	1,540	39	-	1,579

(vii) Critical accounting estimates

In the application of the Company's accounting policies, as disclosed in note 2.14 of the Company's 2013 annual financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty and judgements made in applying specific accounting policies are as follows:

AUREUS MINING INC.

Management's Discussion and Analysis For the quarter ended September 30, 2014 (stated in US dollars)

Share based payments and warrants

The amounts used to estimate fair values of stock options and warrants issued are based on estimates of future volatility of the Company's share price, expected lives of the options, expected dividends to be paid by the Company and other relevant assumptions.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

Carrying value of non-current assets

The outcome of on-going exploration and development programmes, and therefore whether the carrying value of plant, property and equipment and acquisition, exploration and evaluation and development expenditures will ultimately be recovered is inherently uncertain.

The ability of the Company to realise the carrying values of these assets is contingent upon discovery of economically recoverable mineral reserves, the on-going title to the resource properties, the ability of the Company to finance the development of the properties and on the future profitable production or proceeds from the property. The success of the Company's mineral exploration properties is also influenced by operational risks, legal and political risks and future gold prices.

Management makes the judgements necessary to implement the Company's policy with respect to capitalisation of these assets and consider them for impairment at least annually with reference to indicators in IAS 36 and IFRS 6. If an indication exists, an assessment is made of the recoverable amount. The recoverable amount is the higher of value in use (being the net present value of expected future cash flows) and fair value less costs to sell. Value in use is estimated based on operational forecasts for advanced stage projects with key inputs that include mineral resources, gold prices, production levels including grade and tonnes processed, production costs and capital expenditures. Because of the above-mentioned uncertainties, actual future cash flows could materially differ from those estimated.

4. QUALIFIED PERSON

The Company's Qualified Person as defined in NI 43-101 responsible for preparing this Management Discussion and Analysis is David Reading, who holds an MSc in Economic Geology from University of Waterloo, Canada and is a Fellow of the Institute of Materials, Minerals and Mining. David Reading is the President and Chief Executive Officer of Aureus Mining and consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Assay and sampling information are taken from the Company's database as prepared on New Liberty site by the project geologists. Drill core is split on site and sent under custody to the Alex Stewart-OMAC sample preparation facility in Monrovia where pulps are prepared and dispatched to the OMAC laboratory in Ireland, or to the SGS assay facility in Monrovia, for analysis by fire assay with an atomic absorption finish.

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

5. FORWARD-LOOKING STATEMENTS

Certain information included in this document may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. Factors that could cause actual results or events to differ materially from current expectations include but are not limited to: the grade and recovery of ore which is mined varying from estimates; estimates of future production, mine development costs, timing of commencement of operations; changes in exchange rates; access to capital; fluctuations in commodity prices; and adverse political and economic developments in the

AUREUS MINING INC.
Management's Discussion and Analysis
For the quarter ended September 30, 2014
(stated in US dollars unless otherwise stated)

countries in which we operate. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

6. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting (as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada.

The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures (as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers.

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

7. OUTLOOK

Aureus continues to progress well with the construction of New Liberty and continues to draw down on the Senior Facility to fund New Liberty capital expenditure. Aureus' balance sheet was further strengthened in the third quarter of 2014 with \$11 million of equity from International Finance Corporation.

Aureus' main focus for the remainder of 2014 will be to continue to progress the development of New Liberty and all efforts are being made to maintain the construction schedule. Despite these efforts the current Ebola epidemic in Liberia continues to pose difficulties, especially surrounding logistics. The Company is currently working with its EPCM contractor to identify the impact of such difficulties on the project schedule. Aureus is working hard to minimise the impact of Ebola, not only on New Liberty but also on the country and the local communities Aureus operates in.

The completion of drilling at Ndablama and Weaju concludes the main exploration programmes of the year. The last quarter of the year will be focused on analysing all exploration data gathered with the aim of publishing an updated mineral resource by the end of 2014 and a preliminary economic assessment on Ndablama in early 2015.