



**aureus mining**

**AUREUS MINING INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

to be held on November 29, 2016

November 4, 2016

## AUREUS MINING INC.

200 Bay Street, Suite 3800, Royal Bank Plaza  
South Tower, Toronto, Ontario M5J 2Z4

### NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that a special meeting (the “**Meeting**”) of the common shareholders (the “**Shareholders**”) of Aureus Mining Inc. (the “**Company**”) will be held at the offices of Pillsbury Winthrop Shaw Pittman LLP, Tower 42, Level 21, 25 Old Broad Street, London, EC2N 1HQ, United Kingdom, on Tuesday, November 29, 2016 at 10:00 a.m. (Greenwich Mean Time), for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the “**Related Party Transactions Resolution**”, the text of which is disclosed in the accompanying management information circular of the Company dated as of November 4, 2016 (the “**Information Circular**”)) of the Disinterested Shareholders (as such term is defined in the Information Circular) approving the Related Party Transactions (as such term is defined in the Information Circular), all as more particularly described in the Information Circular;
2. to consider and, if deemed advisable, to pass, with or without variation, a special resolution to authorize the Company to change its name from “Aureus Mining Inc.” to “Avesoro Resources Inc.”, or such other similar name as the board of directors of the Company, in its sole discretion, deems appropriate, all as more particularly described in the Information Circular; and
3. to transact such further or other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice is the Information Circular, a form of proxy (the “**Form of Proxy**”) and a form of instruction (if applicable). The Information Circular provides further information relating to the matters to be addressed at the Meeting. In order to become effective, the Related Party Transactions Resolution must be approved by a majority of the votes cast by Disinterested Shareholders present in person or by proxy at the Meeting or any adjournment(s) or postponement(s) thereof.

The record date for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) or postponement(s) thereof (the “**Record Date**”) has been fixed by the directors of the Company at the close of business on October 27, 2016. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting and any adjournment(s) or postponements(s) thereof.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed Form of Proxy in accordance with the instructions set out in the Form of Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at London, United Kingdom, this 4<sup>th</sup> day of November, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "Serhan Umurhan"

Serhan Umurhan

Chief Executive Officer & Director

## **INFORMATION CIRCULAR**

(Containing information as at November 4, 2016 unless indicated otherwise)

**This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of Aureus Mining Inc. (the “Company”) for use at the special meeting (the “Meeting”) of the common shareholders (the “Shareholders”) of the Company (and any adjournment or postponement thereof) to be held at the offices of Pillsbury Winthrop Shaw Pittman LLP, Tower 42, Level 21, 25 Old Broad Street, London, EC2N 1HQ, United Kingdom, on Tuesday, November 29, 2016 at 10:00 a.m. (Greenwich Mean Time) for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).**

The British pound to United States dollar exchange rate used in this Information Circular is US\$1.23: GBP£1.00, being the rate obtained from Datastream at the close of business on October 13, 2016.

### **FORWARD LOOKING STATEMENTS**

Certain information contained in this Information Circular 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 Information Circular should not be unduly relied upon. This information speaks only as of the date of this Information Circular.

Actual results could differ materially from those anticipated in the forward looking information contained in this Information Circular as a result of the risk factors, including: the risk that the Company's waiver and standstill agreement will terminate; risks normally incidental to exploration and development of mineral properties; the inability to obtain required waivers and amendments from the Company's creditors in respect of its debt repayment obligations and consequential risks of default thereon; 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; 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, 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; risks related to environmental regulations; uncertainties in the interpretation of results from drilling; risks related to the legal systems in Liberia; risks related to the tax residency of the Company; 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, including required equipment, explosives and other necessary material not being delivered in the expected time frame, or at all; the inability to attract and retain key management and personnel; political risks; and future unforeseen liabilities and other factors.

## GENERAL PROXY INFORMATION

### **Solicitation of Proxies**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. In accordance with *National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such persons, and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. The cost hereof will be borne by the Company. The Company does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of applicable securities laws for delivery of proxy-related materials to either registered or beneficial Shareholders.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

### **Appointment and Revocation of Proxies**

The individuals named in the accompanying form of proxy (the “**Form of Proxy**”) are Loudon F. M. Owen, and David G. Netherway, each a non-executive director of the Company (the “**Management Proxyholders**”). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THE MANAGEMENT PROXYHOLDERS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** The completed Form of Proxy will not be valid unless it is received by Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, in the case of Shareholders whose Common Shares are registered in Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and thereupon the proxy is revoked.

A Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereof to be voted upon at the Meeting or any adjournment thereof. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Advice to Beneficial Shareholders**

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from Shareholders of record can be recognized and voted at the Meeting.

If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which acts as nominee and custodian for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

In accordance with NI 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Form of Proxy to the clearing agencies and intermediaries for onward distribution to non-registered Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive Meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the Form of Proxy supplied to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholders. Should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Shareholder's name in the blank provided. All references to Shareholders in this Information Circular and the accompanying Form of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Holders of depositary interests (the "**Depository Interests**") shall be invited to attend the Meeting by Computershare Company Nominees Limited in its capacity as custodian for the Depository Interests and on behalf of the Company. If you are a holder of Depository Interests in the Company, please fill in the Form of Instruction provided and return such form of instruction (the "**Form of Instruction**") to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. The completion and return of the Form of Instruction will not preclude you from attending the Meeting and voting in person if you so wish. Should you wish to attend the meeting and/or vote at the Meeting please notify Computershare Investor Services PLC in writing at the address above or email !UKALLDITeam2@computershare.co.uk.

In all cases, Beneficial Shareholders should carefully follow the instructions of their intermediary, including those regarding when, where and by what means the voting instruction form or Form of Proxy must be delivered.

### **Electronic voting instructions via the CREST voting system**

Depository Interest holders who are CREST members and who wish to issue instructions through the CREST electronic voting appointment service may do so by using the procedures described in the CREST manual (available from [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.

In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (“EUI”) and must contain the information required for such instructions, as described in the CREST manual.

The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to Computershare Investor Services PLC must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (CREST ID 3RA50) not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST voting instruction by the CREST applications host) from which Computershare Investor Services PLC is able to retrieve the CREST voting instruction by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST voting instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST voting instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

### **Voting of Proxies**

All Common Shares represented by properly executed proxies will be voted or withheld from voting (including the voting on any ballot) in accordance with the instructions of the Shareholder, and if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted in accordance with such specification.

**IF NO CONTRARY INSTRUCTIONS ARE INDICATED OR IF NO CHOICE HAS BEEN PROVIDED WITH RESPECT TO MATTERS WHICH ARE ADDRESSED BY THE NOTICE OF MEETING AND THIS INFORMATION CIRCULAR, THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF ALL MATTERS SET OUT IN THE NOTICE OF MEETING.**

The enclosed Form of Proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular,

the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

**VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Authorized Capital: an unlimited number of Common Shares without par value

Issued and Outstanding: 1,204,039,001<sup>(1)</sup> Common Shares without par value

(1) As of November 4, 2016.

Only Shareholders and Depositary Interest holders of record at the close of business on Thursday, October 27, 2016 (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a Form of Proxy or a Form of Instruction in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present as a Shareholder or as a representative of one or more corporate Shareholders, or who is holding a Form of Proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in his name on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc., 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9 and will be available at the Meeting. It is expected that a poll will be held on each matter of business expected to come before the Meeting.

To the best of the knowledge of the directors and officers of the Company, as at the date hereof, the following are the only persons or companies who beneficially own or control or direct, directly or indirectly more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

Name of Shareholder	Number of Common Shares owned, controlled or directed	% of Outstanding Common Shares
MNG Gold Jersey Limited (“MNG”)	662,222,429	55.00%

**VOTES NECESSARY TO PASS RESOLUTIONS**

Pursuant to the *Canada Business Corporations Act* (“**CBCA**”), a simple majority of the votes cast at the Meeting is required to pass an ordinary resolution and a majority of two-thirds of the votes cast at the Meeting is required to pass a special resolution. At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass:

- (i) an ordinary resolution (the “**Related Party Transactions Resolution**”) of the Disinterested Shareholders (as defined below) approving the Related Party Transactions (as defined below), as more particularly described in this Information Circular; and
- (ii) a special resolution (the “**Name Change Resolution**”) authorizing the Company to change its name from “Aureus Mining Inc.” to “Avesoro Resources Inc.”, or such other similar name as the board of directors of the Company (the “**Board**”), in its sole discretion, deems appropriate, as more particularly described in this Information Circular.



## MATTERS TO BE CONSIDERED AT THE MEETING

### Related Party Transactions Resolution

#### **Background to the Related Party Transactions**

On October 14, 2016, the Company announced that it had entered into the following agreements:

- (i) a subscription agreement between the Company and MNG whereby MNG agreed to subscribe for 3,250,000,000 Common Shares at a price of £0.015 per Common Share for aggregate gross proceeds to the Company of approximately US\$60.0 million (the “**MNG Share Subscription**”); and
- (ii) an asset purchase agreement (the “**Acquisition Agreement**”) between Bea Mountain Mining Company (“**BMMC**”), an indirect wholly-owned subsidiary of the Company, and Atmaca Services (Liberia) Inc. (“**ASLI**”), an affiliate of MNG, whereby BMMC agreed to acquire from ASLI certain mining equipment and on-site inventory relating to the Company’s New Liberty gold project Liberia (the “**New Liberty Gold Project**”) in Liberia (the “**Acquisition**”, and together with the MNG Share Subscription, the “**Related Party Transactions**”). As part of the Acquisition, BMMC will also pay ASLI a fee to terminate the mining services contract relating to the New Liberty Gold Project (the “**Mining Services Contract**”).

Concurrently with the foregoing, the Company also announced that it had entered into an agency agreement with Numis Securities Limited (the “**Agent**”) whereby the Agent agreed to use its reasonable endeavours to procure subscribers on behalf of the Company for 650,000,000 Common Shares at a price of £0.015 per Common Share for aggregate gross proceeds to the Company of approximately US\$12.0 million (the “**Placing**”). In connection with the Placing, the Company has also granted the Agent with a broker option (the “**Broker Option**”), exercisable in whole or in part by the Agent in its sole discretion at any time and from time to time up and until October 28, 2016, to sell up to an additional 540,000,000 Common Shares of the Issuer at a price of 1.5p per Common Share, for additional aggregate gross proceeds to the Issuer of up to approximately US\$10.0 million. The net proceeds received by the Company pursuant to the exercise of the Broker Option will be used for general corporate purposes. As of the date hereof, an additional 210,000,000 Common Shares was subscribed for pursuant to the Broker Option for aggregate gross proceeds to the Company of approximately US\$3.9 million.

#### *Background to the MNG Share Subscription*

Under the MNG Share Subscription, MNG has agreed to subscribe for 3,250,000,000 Common Shares for an aggregate subscription amount of approximately US\$60.0 million in a direct subscription with the Company at a price of £0.015 per Common Share. The net proceeds from the MNG Share Subscription and the Placing will be used by the Company as follows:

- (i) to effect the Company’s transition to an owner-operator mining model through the Acquisition and the termination of the Mining Services Contract;
- (ii) to pay historic MonuRent (Liberia) Limited (“**MonuRent**”) invoices previously assigned to ASLI;
- (iii) to make principal and interest repayments due to Nedbank Limited and FirstRand Bank Limited;
- (iv) to fund improvements to the processing plant and tailings storage facility;

- (v) for regional exploration of existing licenses; and
- (vi) for general working capital requirements.

The MNG Share Subscription and the Placing is expected to close on or about December 6, 2016, conditional upon, among other things, minority shareholder approval being obtained for the MNG Share Subscription and approval from the TSX. For the purposes of the TSX approval, the Company intends to rely on the exemption available to “eligible interlisted issuers” set forth in Section 602.1 of the TSX Company Manual (as further described below).

Following the completion of the MNG Share Subscription and the Placing (including the Common Shares issuable pursuant to the Broker Option), MNG will hold 3,912,222,429 Common Shares, representing approximately 73.6% of the then issued and outstanding Common Shares on a non-diluted basis. In the event that the Placing does not occur, MNG will hold 3,912,222,429 Common Shares, representing approximately 87.8% of the then issued and outstanding Common Shares on a non-diluted basis.

Whether or not the Placing occurs, if the MNG Share Subscription is completed, MNG will have sufficient voting power to determine all matters requiring special shareholder approval (subject to applicable law), including ratifying and/or approving amendments to the Company’s articles and by-laws and the power to delay, deter or prevent a change in control of the Company that might otherwise be beneficial to its shareholders, and MNG’s controlling interest in the Company may also discourage acquisition bids for the Company and limit the amount certain investors may be willing to pay for the Common Shares. There can be no assurance that the interests of MNG will coincide with the interests of other shareholders. As well, there can be no assurance that MNG will not reduce its holdings of Common Shares. Sales of a large number of the Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company’s ability to raise capital through future offerings of Common Shares from treasury.

#### *Background to the Acquisition*

On September 6, 2016, the Company announced that the Mining Services Contract (which was between BMMC and MonuRent at the time), together with all underlying MonuRent supplier contracts, had been novated to ASLI. Save for the novation of the Mining Services Contract from MonuRent to ASLI, all of the terms and conditions of the Mining Services Contract remained the same. As part of its agreement with MonuRent, ASLI agreed to pay MonuRent: (i) cash consideration of US\$15.4 million to take ownership of the mining equipment at the New Liberty Gold Project; (ii) cash consideration of US\$7.1 million for the inventory currently on site at the New Liberty Gold Project, (iii) cash consideration of US\$7.9 million for invoiced receivables; and (iv) cash consideration of approximately US\$2.5 million for future uninvoiced receivables incurred by BMMC during July and August 2016 (collectively, the “**Sale Assets**”). In addition, ASLI agreed to pay MonuRent a fee of US\$4.5 million in consideration of the novation of the Mining Services Contract. In connection with the foregoing, MonuRent employees were transferred to ASLI on the same terms and conditions in order to allow ASLI to operate the Mining Services Contract without an interruption to mining operations at the New Liberty mine.

Concurrently with the foregoing, the Company also announced that, upon completion of an equity fundraising by the Company (which MNG had then agreed in principle to fully underwrite), BMMC would subsequently acquire the Sale Assets from ASLI at no gain or loss and would pay ASLI a fee of US\$4.5 million to terminate the Mining Services Contract (being the same amount as the novation fee paid by ASLI to MonuRent), thereby achieving the transition of BMMC to owner-operator of the mining operations at the New Liberty Gold Project.

The strategic decision to move to an owner-operator mining model is a result of the previously announced on-going review of the Company's cost base. Management of the Company estimates that the transition to an owner-operator mining model could result in cost savings of approximately US\$1.5 – 2.0 million per month and significantly improve the operational and financial flexibility of the Company. In order to make an efficient transition to owner-operator mining, the Company will draw on the experience of MNG, a company which successfully owns and operates mining activities at the Kokoya Gold Mine in Liberia.

As soon as reasonably practicable following completion of the MNG Share Subscription and the Placing, the Company will, through its wholly owned subsidiary BMMC, complete the Acquisition by:

- (i) acquiring the heavy mining equipment at the New Liberty Gold Project from ASLI for cash consideration of US\$15.4 million at no gain or loss;
- (ii) acquiring the inventory on-site at the New Liberty Gold Project (currently estimated at US\$7.1 million) at closing from ASLI at no gain or loss (subject to post-closing adjustments following completion of an inventory count); and
- (iii) paying to ASLI a fee of US\$4.5 million to terminate the Mining Services Contract, being the same amount as the novation fee paid by ASLI to MonuRent.

In addition, the former MonuRent employees will transfer from ASLI to BMMC on the same terms and conditions thereby achieving the transition of BMMC to owner-operator of the mining operations at the New Liberty Gold Project.

Where applicable, the Acquisition Agreement is substantially similar to the prior agreement between MonuRent and ASLI including, *inter alia*, warranties given by ASLI in favour of BMMC and closing deliverables from both parties.

The Acquisition is conditional upon payment by BMMC of certain historic invoices acquired by ASLI from MonuRent, minority shareholder approval, the approval of the TSX and any other required regulatory approvals, as well as other customary terms and conditions. For the purposes of the TSX approval, the Company intends to rely on the exemption available to “eligible interlisted issuers” set forth in Section 602.1 of the TSX Company Manual (as further described below).

### **TSX Requirements**

The Common Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “AUE” and admitted to trading on the AIM market operated by the London Stock Exchange (“**AIM**”), under the symbol “AUE”. Section 501(c) of the TSX Company Manual requires for a “non-exempt issuer” (as such term is defined in the TSX Company Manual) that, in the case of a transaction between a “non-exempt issuer” and an “insider” or other “related parties” (as such terms are defined in the TSX Company Manual) of the issuer, the value of the consideration paid or received by the insider or other related party be established in an independent report, where the value of the consideration to be received exceeds 2% of the market capitalization of the issuer.

However, the Company qualifies as an “eligible interlisted issuer” as defined under the TSX Company Manual and, accordingly, is permitted to avail itself on the exemption under Section 602.1 of the TSX Company Manual which exempts an “eligible interlisted issuer” from the application of the requirements contained in Section 501 of the TSX Company in respect of a transaction involving insiders or other related parties. The TSX has confirmed the use of this exemption. Therefore, the Company is not required to

establish the value of the consideration paid or received by way of an independent report in connection with the Related Party Transactions.

In addition, if the value of the consideration to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, TSX will require that the transaction be approved by the issuer's security holders, other than the insider or other related party. Again, as an "eligible interlisted issuer" the Company is exempted from this requirement, and the TSX has confirmed the use of this exemption.

### **Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions**

The Company is a reporting issuer in each of the provinces and territories of Canada (other than Québec) and accordingly is subject to applicable securities laws, including *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). MI 61-101 regulates insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholders approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors.

MNG is a "related party" of the Company pursuant to MI 61-101 as MNG is a person that has beneficial ownership of, and control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities. The Related Party Transactions described above constitute "related party transactions" under MI 61-101 because they are transactions in which the Company will either (i) issue securities to a related party and (ii) acquire, through its indirect wholly-owned subsidiary, assets from a related party for valuable consideration.

Neither the Company nor any of its officers or directors, after reasonable inquiry, are aware of any prior valuations or bona fide offers that have been completed or received by the Company in the past 24 months in respect of the Company that relate to the subject matter of or are otherwise relevant to the Related Party Transactions.

#### *Exemptions from Formal Valuation Requirements*

Pursuant to subsection 5.5(c) of MI 61-101, the MNG Share Subscription constitutes a distribution of securities of the Company to a related party for cash consideration and neither the Company, nor to the knowledge of the Company after reasonable inquiry, MNG, have knowledge of any material information concerning the Company or its securities that has not been generally disclosed. As a result, the issuance of Common Shares to MNG pursuant to the MNG Share Subscription meets the requirements of Section 5.5(c) of MI 61-101 and the Company is exempted from having to obtain a formal valuation in connection with the MNG Subscription.

Pursuant to subsection 5.5(h) of MI 61-101, the Acquisition constitutes a transaction where (i) the assets being sold were acquired by a related party of the Company in a prior arm's length transaction, (ii) the prior arm's length transaction was completed not more than 12 months prior to the date of the agreement to resell the assets, and (iii) a qualified, independent valuator has provided an opinion that the value of the consideration paid by the Company for the assets is not more than consideration paid by the related party in the prior arm's length transaction. As a result, the Acquisition meets the requirements of Section 5.5(h) of MI 61-101 and the Company is exempted from having to obtain a formal valuation of the subject matter of the Acquisition.

The foregoing opinion was provided by Koger Valuations Inc. ("KVI"), which has been determined to be qualified and independent. KVI has not had any past or present relationship and has no anticipated future

relationship with the Company, MNG or their subsidiaries. KVI will receive a cash fee from the Company for delivery of its opinion which fee is not dependent on the outcome of the opinion or the conclusions reached. The principal of KVI, Thomas A. Koger has more than twenty-five years of experience in valuations. Mr. Koger holds the following designations: B. Comm., University of Toronto (1980), Chartered Accountant (Ontario 1983), and Chartered Business Valuator (1990).

*Minority Shareholder Approval*

The Company is seeking minority shareholder approval of the Related Party Transactions pursuant to section 5.6 of MI 61-101. In determining minority approval for a related party transaction, the Company is required to exclude the votes attached to Common Shares that, to the knowledge of the Company or any “interested party” or their respective directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by “interested parties” and their “related parties” and “joint actors” (all as defined in MI 61-101). At the Meeting, the Common Shares held by (i) MNG and (ii) any of its respective related parties, associates or affiliates, and any joint actors of the foregoing (collectively, the “**Excluded Parties**”) will be excluded for the purposes of determining minority approval of the Related Party Transactions Resolution. For the purposes of this Information Circular, “**Disinterested Shareholders**” means all Shareholders, other than the Excluded Parties.

The Common Shares to be issued to MNG pursuant to the MNG Share Subscription, if approved, will not materially affect control of the Company. Following the completion of the MNG Share Subscription and the Placing (including the Common Shares issuable pursuant to the Broker Option), MNG will hold 3,912,222,429 Common Shares, representing approximately 73.6% of the then issued and outstanding Common Shares on a non-diluted basis. In the event that the Placing does not occur, MNG will hold 3,912,222,429 Common Shares, representing approximately 87.8% of the then issued and outstanding Common Shares on a non-diluted basis.

*Excluded Votes*

The table below sets out the individual ownership of Common Shares and percentage interest in the Company as at the date of this Information Circular and the total number of Common Shares of the Excluded Parties that will be excluded from the vote on the Related Party Transactions Resolution:

<u>Securityholders:</u>	<u>Common Shares</u>	<u>% Interest</u>
MNG Gold Jersey Limited	662,222,429	55.00%
Geoff Eyre	10,000	0.01%
<b>Total</b>	662,232,429	55.00%

*Approval Requirements*

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Related Party Transactions Resolution approving the Related Party Transactions. The text of the Related Party Transactions Resolution to approve the Related Party Transactions is as follows:

**“BE IT RESOLVED THAT:**

1. the Related Party Transactions, as defined and more particularly described in the Information Circular, are hereby authorized and approved.

2. any officer or director of the Company is hereby authorized to execute and deliver all such other documents and to do all acts and things necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
3. notwithstanding that these resolutions have been duly passed by the disinterested shareholders of the Company, the board of directors of the Company (the “**Board**”) is hereby authorized, at its sole discretion and without further approval of or notice to the shareholders of the Company, to determine not to proceed with any of the Related Party Transactions and revoke these resolutions before they are acted on in whole or in part.”

A simple majority of the votes cast by Disinterested Shareholders at the Meeting in person or represented by proxy is required in order to pass the Related Party Transactions Resolution.

*Reasons for and Recommendation of the Board*

The disinterested members of the Board have unanimously approved the Related Party Transactions, as more particularly described in this Information Circular. Mr. Gnal, Mr. Eyre and Mr. Umurhan, as a result of their respective relationships with MNG, have declared their interest in the Related Party Transactions and have abstained from voting. The Board's approval of the Related Party Transactions and its recommendation to Shareholders regarding the approval of the Related Party Transactions was based upon careful consideration of, among other things:

- (i) the beneficial effect for all shareholders of the Company's transition to an owner-operator mining model pursuant to the Acquisition, which is expected to considerably reduce operation costs and to allow the New Liberty Gold Project to become a stand-alone sustainable operation going forward. Management of the Company estimates that the transition to an owner-operator mining model could result in cost savings of approximately US\$1.5 – 2.0 million per month and significantly improve the operational and financial flexibility of the Company;
- (ii) that the purchase price paid by BMMC to ASLI for the assets acquired pursuant to the Acquisition Agreement, is not more than the purchase price paid by ASLI in its prior transaction with MonuRent and has received an independent opinion to that effect;
- (iii) that the net proceeds from the MNG Share Subscription and the Placing will enable the Company to:
  - o repay the principal and interest repayments due to Nedbank Limited and FirstRand Bank Limited;
  - o fund improvements to the processing plant and tailings storage facility to ensure continuous operations;
  - o fund regional exploration of existing licenses; and
  - o provide working capital in order to better manage the level of outstanding creditor balances.

In the course of evaluating the Related Party Transactions, the disinterested members of the Board consulted with the Company's senior management and legal counsel, reviewed relevant information and considered a number of factors, including, among others, the following:

- (i) the pressing financial needs of the Company;
- (ii) the dilution to existing Shareholders;
- (iii) the limited availability of alternative sources of capital in the quantities being made available by MNG;
- (iv) that the Placing permits new and certain existing shareholders the opportunity to participate in funding the Company;
- (v) the longer term economic and operational benefits to the Company of successfully transitioning to an owner-operator model; and
- (vi) all other matters deemed relevant by the Board.

Accordingly, after careful consideration, the disinterested members of the Board have determined that the terms of the Related Party Transactions are fair and reasonable insofar as its Shareholders are concerned and the approval of the Related Party Transactions is in the best interest of the Company. The Board unanimously recommends to Disinterested Shareholders that they vote **FOR** the approval of the Related Party Transactions Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Form of Proxy intend to vote **FOR** the approval of the Related Party Transactions Resolution.

### **Name Change Resolution**

At the Meeting, Shareholders will also be asked to consider, and, if deemed advisable, to approve, with or without variation, a special resolution authorizing the filing of an amendment to the Company's articles of incorporation to effect the change of the Company's name to "Avesoro Resources Inc.", or such other similar name as the Board, in its sole discretion, deems appropriate (the "**Name Change**").

In connection with the Related Party Transactions described above, the Board has determined that it is in the best interests of the Company to effect the Name Change. In light of the Company's transition to an owner-operator mining model for the New Liberty Gold Project and the level of MNG's ownership interest in the Company, the Board determined that it would be an opportune time for the Company to pursue a name change as part of a corporate re-branding process which coincides with the change in the Company's strategic direction. With respect to the proposed name of "Avesoro", it should be noted that: (i) "*aves*" is the Latin word for "birds"; and "*oro*" is the Spanish word for "gold", and the inspiration for this name was drawn from MNG's corporate logo, which is a depiction of a gold-coloured sparrow hawk.

If Shareholders vote to approve the Name Change, the Company also intends to change its TIDM code on the AIM, and its ticker symbol on the TSX, from "AUE" to "ASO" in connection therewith.

Assuming that the requisite approval of Shareholders is obtained for the passing of the Name Change Resolution, such approval would give the Board authority to implement the Name Change at any time prior to the first anniversary of the date of such approval. Notwithstanding approval of the Name Change by Shareholders, the Board retains the right not to proceed with the Name Change if it determines that completing the Name Change would not be in the best interests of the Company or its Shareholders.

The text of the Name Change Resolution to approve the Name Change is as follows:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the name of the Company be changed to “Avesoro Resources Inc.”, or such other name as the Board, in its sole discretion, determines appropriate and which all applicable regulatory authorities may accept (the “**Name Change**”);
2. the Company be and is hereby authorized to file an amendment to the Company's articles of incorporation with respect to the Name Change, if and when the Board shall deem it appropriate to do so, but in any event no later than the first anniversary of the date of approval of this special resolution;
3. any officer or director of the Company is hereby authorized to execute and deliver all such other documents and to do all acts and things necessary or desirable to give effect to this special resolution, including, without limitation, the determination of the effective date of the Name Change, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
4. notwithstanding that these resolutions have been duly passed by the shareholders of the Company, the Board is hereby authorized, at its sole discretion and without further approval of or notice to the shareholders of the Company, to determine not to implement the Name Change and revoke these resolutions before they are acted on in whole or in part.”

A special majority of at least two-thirds (2/3) of the votes cast at the Meeting in person or represented by proxy is required in order to pass the Name Change Resolution.

The Board unanimously recommends to Shareholders that they vote **FOR** the approval of the Name Change Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Form of Proxy intend to vote **FOR** the approval of the Name Change Resolution.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries, except as otherwise described in this Information Circular.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.



## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of its most recently completed financial year, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

## **AUDITOR**

The auditor of the Company is BDO LLP, Chartered Accountants, and BDO, LLP Chartered Accountants will continue to serve as the auditor of the Company until the next annual meeting of Shareholders or until their successors are appointed.

## **MANAGEMENT CONTRACTS**

Other than as disclosed herein, there are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company or its subsidiaries (or private companies controlled by them, either directly or indirectly).

## **ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and related management discussion and analysis for the year ended December 31, 2015, which can be found on SEDAR and the Company's website at [www.aureus-mining.com](http://www.aureus-mining.com). To request copies of the Company's financial statements and related management's discussion and analysis, please contact the Company Secretary at: L.V. Conseil Institutionnels, 3700 Griffith, Suite 327, Saint-Laurent, Québec, Canada H4T 2B3.

A proposal for any matter that a Shareholder proposes to raise at the next annual meeting of Shareholders of the Company must be submitted to the Company at least 90 days before the anniversary date of the notice of meeting filed in respect of the Company's annual meeting held on June 23, 2016 (that is, at least 90 days before the anniversary date of May 20, 2016) and must comply with the other requirements of the CBCA relating to proposals.

## **APPROVAL**

The contents and sending of this Information Circular have been approved by the Board. This Notice of Meeting and this Information Circular have been sent to each director of the Company, each shareholder of the Company entitled to notice of the Meeting and the auditors of the Company.

DATED this 4<sup>th</sup> day of November, 2016.

**AUREUS MINING INC.**

(Signed) "*Serhan Umurhan*" \_\_\_\_\_

Serhan Umurhan

Chief Executive Officer & Director