

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company:

Aureus Mining Inc. (the **Company**)
200 Bay Street, Suite 3800
Royal Bank Plaza, South Tower
Toronto, Ontario M5J 2Z4

Item 2. Dates of Material Change:

June 14, 2016.

Item 3. News Releases:

The news release attached hereto as Schedule "A" announcing US\$30 million equity financing through MNG Gold Jersey Limited (**MNG**) subscription at 3.21p per share, was issued and disseminated via CNW on June 15, 2016.

Item 4. Summary of Material Change:

On June 14, 2016, the Company entered into the Subscription Agreement with MNG, as more fully described in the News Release attached hereto as Schedule "A" (the **News Release**), which News Release is incorporated herein.

Item 5. Full Description of Material Change:

5.1 Full Description of Material Change

The Company has entered into the subscription agreement with MNG dated June 14, 2016 (the **Subscription Agreement**) providing for a non-brokered private placement in two tranches (the **Offering**) as follows:

- (a) the issuance and sale of 59,533,674 common shares of the Company (the **Shares**) at a price of US\$0.045302 per Share (the **Issue Price**) and a promissory note in the aggregate principal amount of US\$12,303,006 (the **Promissory Note**), the form of which is attached as Exhibit 4 to the Subscription Agreement, for aggregate gross proceeds of US\$15 million (the **Initial Tranche**); and
- (b) the issuance and sale of 331,111,209 Shares at the Issue Price for aggregate gross proceeds of US\$15 million (the **Final Tranche**) to be completed following the date the Company receives notice from the Toronto Stock Exchange (the **TSX**) that the personal information forms respecting Mehmet Nazif Gnal and Murathan Doruk Gnal, and any other personal information forms required by the TSX in order to complete the Final Tranche and make the Promissory Note convertible (the **Required PIFs**) have been cleared.

The Promissory Note will be unsecured and will bear interest at the rate of 12% percent per annum. The principal amount of the Promissory Note will be convertible into Shares at a conversion price equal to the Issue Price upon completion of the Final Tranche and following the date the Company receives notice from the TSX that the Required PIFs have been cleared. In connection with the Offering, it was proposed that the Company enter into a relationship agreement with MNG, the form of which is attached as Exhibit 3 to the Subscription Agreement, at or prior to the completion of the Initial Tranche, which contains

the following material items:

(a) For so long as MNG has:

- a pro rata interest in Aureus equal to at least 9.90%, it will be entitled to nominate one director; and
- a pro rata interest in Aureus equal to at least 20.00%, it will be entitled to nominate two directors; and
- a pro rata interest in Aureus equal to at least 50.01%, it will be entitled to nominate three directors,

subject to any required notifications to and/or approvals of the TSX and/or AIM.

(b) Provided the pro rata interest of MNG in Aureus exceeds 20.0%, in the event that Aureus proposes or commences a public offering or private placement of Shares or securities exchangeable for or convertible into Shares ("**Equity Securities**"), subject to certain exceptions, MNG will have the right to subscribe for up to that portion of the number of Equity Securities being offered to maintain its pro rata interest in Aureus, subject to the terms of the relationship agreement.

(c) The relationship agreement will terminate on the date that the pro rata interest of MNG in Aureus falls below 9.90%, subject to prior termination by mutual agreement.

The net proceeds to be raised pursuant to the Offering, after deducting the costs and expenses of the Offering will be used to pay creditors and provide working capital for the Company.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance of Section 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7. Omitted Information:

Not applicable.

Item 8. Executive Officer:

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Paul Thomson
Chief Financial Officer
Telephone: +44 (0) 20 7010 7690

Item 9. Date of Report:

June 21, 2016.

Schedule "A"



aureus mining

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15 June 2016

Aureus Mining Inc.
TSX : AUE
AIM : AUE

**US\$30 MILLION EQUITY FINANCING TO STRENGTHEN BALANCE SHEET
AND FUND THE RESTART OF OPERATIONS AT NEW LIBERTY**

Aureus Mining Inc. (TSX: AUE / AIM: AUE) ("Aureus" or the "Company") is pleased to announce that it has entered into an agreement for an equity financing with MNG Gold Jersey Ltd. ("MNG Gold"). The transaction will strengthen the Company's balance sheet and fund working capital as Aureus completes the restart of the processing plant at the New Liberty Gold Mine in Liberia ("New Liberty"), expected mid-June 2016.

Highlights:

- US\$30m equity investment at 3.21p per share representing a premium of 22.3% to the closing price on AIM on 14 June 2016;
- MNG Gold to become a 55% shareholder in Aureus and appoint three representatives to the Board;
- New senior management team with Serhan Umurhan to be appointed CEO and Geoff Eyre to be appointed CFO;
- MNG Gold has exploration, development and production assets in Turkey, Burkina Faso and Liberia. MNG Gold is owned by Mr Mehmet Nazif Gnal who also has interests in construction and contracting, tourism, air carriage, cargo carriage, finance and energy;
- Funds raised are to be used to reduce outstanding creditor balances, bolster working capital and facilitate the ramp up of the processing plant which is scheduled to be restarted from mid-June 2016; and
- The Company has received credit approval from its lender group (Nedbank Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank division) and the Export Credit Insurance Corporation of South Africa Limited (collectively, the "Lenders")) for a four month default waiver

and standstill agreement during which time the Company will work with the Lenders to reschedule the debt repayment profile.

Equity Financing Overview

The financing will be completed as a non-brokered private placement (the “Offering”) with two tranches as follows:

- Tranche 1: 59,533,674 common shares of the Company (the “Shares”) at a price of 3.21p (US\$0.045302) per Share and a promissory note in the aggregate principal amount of US\$12,303,006 (the “Promissory Note”) to MNG Gold for aggregate gross proceeds of US\$15 million at closing; and
- Tranche 2: 331,111,209 Shares at a price of 3.21p (US\$0.045302) per Share to MNG Gold for aggregate gross proceeds of US\$15 million to be completed upon clearance by the Toronto Stock Exchange (“TSX”) of the personal information forms respecting Mehmet Nazif Gnal and Murathan Doruk Gnal, and any other personal information forms required by the TSX in order to complete Tranche 2 and make the Promissory Note convertible (“Required PIFs”).

The Promissory Note will be unsecured and will bear interest at the rate of 12% per annum. In addition, the principal amount of the Promissory Note will be convertible into Shares at a conversion price equal to 3.21p (US\$0.045302) per Share. The Promissory Note will automatically convert into Shares concurrently with the closing of Tranche 2 of the Offering and following the date the Company receives notice from the TSX that the Required PIFs have been cleared. The Promissory Note will be due and payable on the date that is six months from the date of issue, subject to acceleration at the option of MNG Gold in the event the Required PIFs are rejected by the TSX. For so long as the Promissory Note remains in existence, the Company has agreed that it shall seek MNG’s written approval to conduct certain reserved matters that could impact upon the value of MNG’s investment in the Company.

Bank Financing

The Company has received credit approval from the Lenders for a four month default waiver and standstill agreement during which time the Company will work with the Lenders to reschedule the debt repayment profile. The waivers encompass all existing, as well as future breaches of the loan documentation that may occur during the standstill period, and a deferral by the Lenders of all principal and interest payments during this time.

Board and Management

Upon completion of the transaction the following changes will be made to the Board and management of the Company:

- **CEO** – David Reading will resign and will be replaced by Serhan Umurhan, currently General Manager of MNG Gold;
- **CFO** – Paul Thomson will resign, but continue for 12 months in a consultancy role. Geoff Eyre, currently CFO of MNG Gold, will be appointed as CFO; and
- **Board** – Mehmet Nazif Gnal will join the Board as Non-Executive Chairman. Serhan Umurhan and Geoff Eyre will join the board as Directors. David Netherway, Loudon Owen and Jean-Guy

Martin will continue as Non-Executive Directors of the Company. Karin Ireton and Adrian Reynolds will resign as Directors of the Company.

The above appointments are subject to the completion of satisfactory due diligence by the Company's nominated adviser and relevant TSX approvals. A further announcement containing the disclosures required under the AIM Rules will be made in due course.

David Netherway, Chairman of Aureus Mining, said:

"Within five years, the Aureus team has overseen the exploration, development and commissioning of New Liberty, Liberia's first ever commercial gold mine. During this time, the Company has faced the significant challenges of the tragic Ebola virus and the financial constraints of the global mining downturn. More recently, there have been operational challenges that, while not unusual at the early stages of commissioning and operations, reduced anticipated cash flows. The recent plant suspension has added to financial pressures faced by the Company.

Our Board formed a Special Committee in January of this year to conduct a review of the strategic options available to enhance shareholder value. We believe that this transaction, which will result in MNG Gold becoming a major shareholder, will provide Aureus with an exciting future as we prepare to restart production at New Liberty and aim to optimise the asset to deliver on its full potential. MNG Gold has strong financial backing, operational experience and is an existing operator in Liberia. This transaction will recapitalise the Company and places it in a much stronger position to move forward.

The Board would like to thank David Reading, Paul Thomson and the rest of the team for their hard work and dedication over the last five years in advancing Aureus from a junior explorer into a producer, through the construction of Liberia's first gold mine during a very challenging period."

Serhan Umurhan, General Manager of MNG Gold, said:

"MNG Gold is steadily expanding the resource and production base of its business and the investment in Aureus represents a further progression of this strategy in a country that is well-known and important to the MNG group. The MNG Gold team looks forward to working with the Aureus and New Liberty teams in the successful restart and sustainable operation of the New Liberty gold mine for the benefit of all stakeholders."

"New Liberty is an attractive opportunity to add high quality ounces to our West African mining portfolio. We see significant growth potential for New Liberty, supported by our strong financial position, global mining expertise and synergies with our other Liberian operation. MNG Gold is committed to responsible and sustainable mining and to creating long lasting benefits to the community."

MNG Gold Overview

MNG Gold is a privately-owned Turkish gold exploration and development company focused on West Africa and Turkey. MNG Gold owns the Youga gold mine in Burkina Faso, the Kokoya gold mine in Liberia and various exploration assets. MNG Gold is owned and financed by Mr Mehmet Nazif Günal, a Turkish entrepreneur.

Use of Proceeds

As at 31 May 2016, the Company had cash of US\$3.3 million and trade and other payables of US\$28.2 million. The net proceeds to be raised pursuant to the Offering, after deducting the costs and expenses of the Offering will be used to pay creditors and provide working capital for the Company.

Relationship Agreement

At the closing of Tranche 1 of the Offering, Aureus and MNG Gold will enter into a relationship agreement which contains the following material items.

For so long as MNG Gold has:

- a pro rata interest in Aureus equal to at least 9.90%, it will be entitled to nominate one director; and
- a pro rata interest in Aureus equal to at least 20.00%, it will be entitled to nominate two directors; and
- a pro rata interest in Aureus equal to at least 50.01%, it will be entitled to nominate three directors,

subject to any required notifications to and/or approvals of the TSX and/or AIM.

Provided the pro rata interest of MNG Gold in Aureus exceeds 20.0%, in the event that Aureus proposes or commences a public offering or private placement of Shares or securities exchangeable for or convertible into Shares ("Equity Securities"), subject to certain exceptions, MNG Gold will have the right to subscribe for up to that portion of the number of Equity Securities being offered to maintain its pro rata interest in Aureus, subject to the terms of the relationship agreement.

The relationship agreement will terminate on the date that the pro rata interest of MNG Gold in Aureus falls below 9.90%, subject to prior termination by mutual agreement.

Further Details of the Offering

Upon completion of the Offering, MNG will own an aggregate of 662,222,429 Shares, only taking into account the Shares issued or issuable pursuant to the Offering, representing approximately 55% of the then issued and outstanding Shares.

Application will be made to the London Stock Exchange plc for admission to trading ("Admission") of the Shares on the AIM Market of the London Stock Exchange plc ("AIM"). The Offering is subject to the receipt of TSX approval. For the purposes of the TSX approval, the Company intends to rely on the exemption set forth in Section 602.1 of the TSX Company Manual, which provides that the TSX will not apply its standards to certain transactions involving eligible interlisted issuers listed on a recognized exchange, such as the AIM.

In this Announcement US\$ amounts have been translated at a rate of £1: US\$1.41145.

Aureus' financial advisor is RBC Capital Markets and its legal advisor is Norton Rose Fulbright. MNG Gold's financial advisor is Endeavour Financial and its legal advisors are Pillsbury Winthrop Shaw Pittman LLP and Stikeman Elliott.

Contact Information

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Numis Securities Limited (Aureus Nominated Adviser and Broker) James Black / Paul Gillam Tel: +44(0) 20 7260 1000	RBC Capital Markets (Aureus Financial Advisor) Richard Horrocks-Taylor / Richard Hughes Tel: +44(0) 20 7653 4000

Forward Looking Statements

Certain information contained in this Announcement 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 Announcement should not be unduly relied upon. This information speaks only as of the date of this Announcement. Such forward looking information includes, among other things, statements or information relating to: the proposed use of proceeds of the Offering; the effects of the Offering on the business and operations of Aureus; the anticipated timing for the restart of the processing plant at New Liberty; the terms of the Offering; the completion and the anticipated timing of the Offering and the Admission and commencement of dealing in the Shares; and the continued listing of the Shares on the TSX and AIM.

With respect to forward looking information contained in this Announcement, assumptions have been made regarding, among other things: the approval of the TSX in connection with the Offering, the Admission of the Shares on AIM, general business, economic and mining industry conditions; interest rates and foreign exchange rates; the supply and demand for commodities and precious and base metals and the level and volatility of the prices of gold; the obtaining of waivers and amendments from the Company's creditors in respect of its debt repayment obligations; the business of the Company including the political environments and legal and regulatory frameworks in Liberia with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licences, authorizations and/or approvals from the appropriate regulatory authorities and the ability of the Company to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand.

Actual results could differ materially from those anticipated in the forward looking information contained in this news release as a result of the risk factors, including: the risk that if either Tranche 1 or Tranche 2 of the Offering is not completed, the waiver and standstill agreement will terminate; the risk that the TSX will not clear the Required PIFs; 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.

The forward looking information included in this Announcement is expressly qualified by this cautionary statement and is made as of the date of this Announcement. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.