



8 August 2016

Aureus Mining Inc.

TSX : AUE

AIM : AUE

Q2 2016 RESULTS AND OPERATIONAL UPDATE

Aureus Mining Inc. (“Aureus” or the “Company”), the TSX and AIM listed West African gold producer, announces the release of its unaudited interim results for the quarter-ended June 30, 2016, and is pleased to provide an update on the recommencement of gold processing operations at the New Liberty Gold Mine (“New Liberty”) in Liberia.

Financial Summary

- Entered into an agreement for a US\$30 million equity financing with MNG Gold Jersey Ltd. (“MNG Gold”) to strengthen the Company’s balance sheet and fund working capital as it completes the restart of the processing plant at the New Liberty Gold Mine;
- Gold production from New Liberty of 8,274 ounces for the quarter prior to the suspension of gold processing operations;
- Revenues of US\$14.7 million from gold sales of 11,731 ounces;
- Operating cash costs of US\$1,253 per ounce sold prior to the process plant suspension. Including operating costs incurred during the period of process plant suspension operating cash costs of US\$1,660 and all-in sustaining cash costs of US\$1,894 per ounce sold;
- Quarter-end cash of US\$4.2 million and inventory of US\$19.9 million; and
- A four month default waiver and standstill agreement received from the Company’s lending banks during which time the Company will work with its lenders to reschedule the debt repayment profile.

Operational Summary

- Mining operations progressed in both the Kinjor and Larjor pits with tonnes mined during the quarter totalling 2,747,266 tonnes, including 201,774 tonnes of ore at an average grade of 3.58 g/t;
- Strip ratio for the quarter of 12.6; and
- 99,438 tonnes of ore were processed at an average feed grade of 2.54 g/t prior to the process plant suspension, resulting in the production of 8,274 ounces of gold during the quarter.

Operations Update

The Company has recently restarted processing operations at the New Liberty Gold Mine following approval from the Republic of Liberia’s Ministry of Lands, Mines and Energy (“MLME”) for the recommencement of processing operations in order to test a number of plant modifications and following delivery of additional reagents to site.

Since the restart of processing operations, the Company has experienced periods of unscheduled plant downtime as it works to resolve processing plant performance issues, testing and further optimisation activities. The Company will apply to the MLME for approval of the full and continued operation of the processing plant once it has achieved steady state operations for a continuous period of 60 days. Since the recommencement of processing operations, gold shipments have resumed with the Company pouring and shipping approximately 3,500 ounces of gold.

Mining operations continued at New Liberty throughout the period of suspended processing operations, with a focus on exposing further fresh ore within the Kinjor and Larjor pits and establishing sumps allowing for continuing mining operations throughout the wet season. ROM stockpiles currently stand at approximately 201,367 tonnes of fresh ore at a grade of 3.24 g/t and oxide and transitional stockpiles stand at 91,719 tonnes at a grade of 1.46 g/t.

However, mining operations continue to be hampered by low equipment availability, with a consequential adverse effect on unit mining cost. The Company is currently undertaking a review of the options to remedy the situation.

Management is also undertaking a full supply chain review to identify opportunities for efficiency improvements.

Corporate Update

The Company confirms that it remains committed to maintaining its listing on both the AIM and TSX markets, however, the immediate focus of the management team is to stabilise and then improve both operational and financial performance at the New Liberty Mine.

The Company's management team is currently undertaking a comprehensive review of the Company's cost base with a view to improving cash costs and operating margins. Following the completion of the operational and financial performance reviews and the achievement of steady state operations at New Liberty, management intends to produce a new life of mine plan for the Project.

Notwithstanding the closing of the previously announced US\$30m equity financing transaction with MNG Gold, as announced on 15 July 2016, management believes that the Company remains undercapitalised to deliver to its full potential and is likely to require further funding for capital investment activities to deliver improvements in operational performance. MNG Gold intends to be a long-term supportive shareholder of the Company and fully expects to support the Company in any future funding endeavours that may arise from the conclusions of the on-going performance reviews.

The four-month default waiver and standstill agreement agreed with the Company's lenders (Nedbank Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank division) and the Export Credit Insurance Corporation of South Africa Limited) in June 2016 remains in place.

Further to the recent board changes announced on 15 July 2016, the Company is pleased to announce that in accordance with corporate governance guidelines in Canada, it has created the role of Lead Director, effective immediately. The role is particularly important in addressing matters on which

MNG Gold (55% shareholder of the Company), and those Directors of the Company related to MNG Gold, may have a conflict of interest. Mr Loudon Owen has been appointed to serve as Lead Director of the Board of Directors, and was elected to act as such by those directors not related to MNG Gold. Mr Owen has been a director of the Company since May 2014, and is the chair of the Company's Corporate Governance and Risk Management Committee.

Financial Statements and Management's Discussion and Analysis

The financial statements should be read in conjunction with the accompanying management's discussion and analysis. These documents have been filed on Sedar and are available on the Company's website www.aureus-mining.com or at www.sedar.com.

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About Aureus Mining Inc.

The Company's assets include the New Liberty Gold Mine in Liberia (the "New Liberty Gold Mine," "New Liberty" or the "mine") which has an estimated proven and probable mineral reserve of 8.5 Mt with 924,000 ounces of gold grading 3.4 g/t and an estimated measured and indicated mineral resource of 9,796 Kt with 1,143,000 ounces of gold grading 3.63 g/t and an estimated inferred mineral resource of 5,730 Kt with 593,000 ounces of gold grading 3.2 g/t. A Definitive Feasibility Study ("DFS") has been completed, the first gold pour has taken place and commercial production has been declared. The foregoing mineral reserve and mineral resource estimates and additional information in connection therewith are set out in the Company's technical report dated March 25, 2015 and entitled "New Liberty Gold Project, Bea Mountain Mining Licence Southern Block, Liberia, West Africa, Definitive Project Plan."

The New Liberty Gold Mine is located within the Southern Block of the 100% owned Bea Mountain mining licence. This licence covers 478 km² and has a 25 year, renewable, mineral development agreement. The Bea Mountain mining license also hosts additional gold projects of Ndablama, Gondoja, Weaju and Leopard Rock which are the focus of exploration programs during 2016. Ndablama has an indicated mineral resource of 386,000 ounces of gold grading 1.6 g/t and inferred mineral resource of 515,000 ounces of gold grading 1.7 g/t and Weaju has an inferred mineral resource of 178,000 ounces of gold grading 2.1 g/t. The Yambesei (759 km²), Archaen West (112.6 km²), Mabong (36.6 km²) and Mafa West (15.6 km²) licences will also be subject to preliminary reconnaissance geological work. The foregoing mineral resource estimates and additional information

in connection therewith are set out in the Company's technical report dated December 1, 2014 and entitled "Ndablama and Weaju Gold Projects, Bea Mountain Mining Licence, Northern Block, Technical Report on Mineral Resources" ("Ndablama and Weaju Technical Report 2014").

The Company also has a gold exploration permit in Cameroon.

Qualified Persons

The Company's Qualified Person is Mark J. Pryor, who holds a BSc (Hons) in Geology & Mineralogy from Aberdeen University, United Kingdom and is a Fellow of the Geological Society of London, a Fellow of the Society of Economic Geologists and a registered Professional Natural Scientist (Pr.Sci.Nat) of the South African Council for Natural Scientific Professions. Mark Pryor is an independent technical consultant with over 25 years of extensive global experience in exploration, mining and mine development and is a "Qualified Person" as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators and has reviewed and approves this press release.

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.

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 the 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.

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.