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Rusoro Reports Q2 2011 Financial Results

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Vancouver, Canada - Rusoro Mining Ltd. ("Rusoro" or “the Company”)

Rusoro reports its financial results for the three months ended June 30, 2011 (“Q2 2011”). The Company’s consolidated financial statements and management’s discussion and analysis (“MD&A”) for Q2 2011 have been filed on SEDAR (www.sedar.com).

All amounts set out in this news release and the Company’s unaudited consolidated financial statements and MD&A are expressed in **United States dollars**, unless otherwise stated.

The following is a synopsis of the Q2 2011 financial results. For detailed information regarding Rusoro’s Q2 2011 results, and results for the six months ended June 30, 2011, please refer to the unaudited consolidated financial statements and related MD&A for Q2 2011, which can also be found on the Company’s website at www.rusoro.com.

The Company’s highlights for Q2 2011 were:

- Average realized gold price per ounce sold of $1,483 (three months ended June 30, 2010 (“Q2 2010”): $768) and cash cost per ounce sold of $1,535 (Q2 2010: $649). The higher average realized gold price is a result of a higher international spot price per ounce of gold in Q2 2011 and due to the change in Venezuelan laws during May, 2010, which effectively changed, going forward, the rate at which the translations of transactions and balances from Venezuelan Bolivars Fuertes ("BsF") to US dollars were performed ("the Change in Translation Rate") (see “Consolidated Results of Operations” section of the MD&A). The higher cash cost per ounce sold is mainly due to the lower production and lower ore-grade, the Change in Translation Rate and increase in costs resulting from the Venezuelan inflation rate.

- Gold production of 15,975 ounces of finished gold (doré form) for the Q2 2011 (Q2 2010: 25,579 ounces) (2011 revised guidance: 85,000 ounces) and gold sold of 17,912 ounces (Q2 2010: 66,551 ounces).

- During Q2 2011, the Company exported 8,201 ounces of finished gold at the international spot price per ounce, less associated costs and commissions.

- On June 10, 2011, the Company did not perform the repayment of the convertible loan for $30 million (see “Financial Position” section of the MD&A) which remains outstanding as of the date of this news release.

- As at June 30, 2011, the Company was due on delivery of 5,800 ounces of finished gold to a third party as per a 6,600-ounces gold delivery contract.

The Company's highlights subsequent to Q1 2011 were:

- During the period subsequent to Q2 2011 and up to the date of this news release, the Company exported 5,472 ounces of finished gold at the international spot price per ounce, less associated costs and commissions.

- As of the date of this news release the 5,800 ounces of finished gold as per the gold delivery contract mentioned above remain outstanding, together with the additional 800 ounces of finished gold to complete the 6,600-ounces gold delivery contract.

- On August 23, 2011, President of Venezuela, Hugo Chavez, approved a decree with force of law ("the Decree") which reserves to the government of Venezuela exclusive rights for the exploration and extraction of gold in Venezuela and is pending publication in the Official Gazette of Venezuela to become legally enforceable. As of the date of this news release management cannot conclude on the impacts of the Decree on the Company.

Results for Q2 2011

- Revenue decreased to $26.6 million (17,912 ounces sold) in Q2 2011 from $51.1 million (66,551 ounces sold) in Q2 2010 due to a lower amount of ounces of gold sold which more than offset the increase in the realized price of gold to $1,483 in Q2 2011 from $768 in Q2 2010 and the effect of the change in Translation Rate.

- Mining operating expenses and depreciation and depletion decreased to $32.1 million and $3.4 million, respectively, in Q2 2011 from $43.3 million and $8.6 million in Q2 2010. This cost decrease is primarily due to lower ounces of gold produced and sold which more than offset the increase in these expenses due to the change in Translation Rate, Venezuelan inflation rate impacting the Company's expenses and the increase in cash cost per ounce sold in Q2 2011 compared to Q2 2010 due to lower tonnes mined and milled and lower average ore grade at the Choco Mine and Isidora Mine. The decrease in tones mined and milled is also the result of cash flow constraints which have hindered payments to vendors and in turn resulted in withholding of products and services.

- General and administrative expenses decreased to $1.8 million in Q2 2011 from $2.5 million in Q2 2010 significantly due cost reductions driven by cash constraints.

- Interest on the Company's convertible loan decreased to $1.4 million in Q2 2011 from $2.4 million in Q2 2010 due to the partial retirement of the convertible loan during 2010.

- Gain on revaluation of derivative financial liabilities increased to $1.9 million in Q2 2011 from $1.1 million in Q2 2010 due to the issuance and subsequent revaluation of Canadian dollar (C$) warrants at lower current market prices. The warrants were issued in June 2010 as part of the convertible loan refinancing transaction.

- Foreign exchange gain was $1.1 million in Q2 2011 compared to a foreign exchange loss of $11.5 million in Q2 2010, due to elimination of the implicit exchange rate and the current use of a single official fixed rate.

- Deferred tax recovery decreased to $1.0 million in Q2 2011 from $22.2 million in Q2 2010 due to larger losses in Q2 2010 and tax deductions received with the modification of the Venezuelan currency in January 2010, followed by the forced use of the modified currency through new foreign exchange controls in Q2 2010.

- Net loss amounted to $9.8 million during Q2 2011 compared to net profit of $3.3 million during Q2 2010.

Operating Performance

The following table summarizes key operating statistics for 100% of the Choco Mine and 50% of the Isidora Mine***:***

	3 Months Ended June 30, 2011			**3 Months Ended June 30, 2010**		
	Choco	**Isidora**	**Total**	**Choco**	**Isidora**	**Total**
Ore tonnes mined ('000 t)	254	3	257	420	6	426
Ore tonnes milled ('000 t)	276	6	282	492	10	502
Average grade (g/t)	1.31	11.51	1.54	1.61	16.31	1.90
Average recovery rate (%)	95	90	94	93	90	92
Gold produced (ounces)	13,461	2,514	15,975	21,664	3,915	25,579
Gold sold (ounces)	15,656	2,256	17,912	60,162	6,389	66,551
Total mining operating expenses $(000)	25,728	6,371	32,099	38,483	4,863	43,346
- decommissioning and restoration provision accretion $(000)	(251)	(193)	(444)	(85)	(76)	(161)
- impairment of inventories $(000)	(2,038)	(2,123)	(4,161)	-	-	-
Total cash costs $(000)[1]	23,439	4,055	27,494	38,398	4,787	43,185
Total cash costs per ounce sold $[2]	1,497	1,797	1,535	638	749	649
Average spot gold price per ounce $	n/a	n/a	1,504	n/a	n/a	1,196
Average realized gold price per ounce sold $	1,466	1,603	1,483	750	940	768

The following notes are applicable to the above tables:

(1) Total cash costs used in the calculation of cash costs per ounce is calculated as mining operating expenses from the consolidated statement of comprehensive income (loss) excluding accretion expense related to the decommissioning and restoration provision and expense for impairment of inventories.
(2) Cash costs per ounce sold is a non-IFRS measure. Total cash costs per ounce sold is calculated by dividing the total cash costs by the gold ounces sold during the period. Cash costs per ounce sold includes all expenditures related to the mine such as mining, processing, administration, royalties and production taxes but excludes reclamation, capital and exploration expenditures, and impairments of inventories.

Outlook

During 2011, the Company expects to produce 85,000 ounces of finished gold from the Choco Mine and its 50% interest in the Isidora Mine. Total cash costs per ounce sold for 2011 are expected to be $1,100 per ounce for Choco and $1,400 per ounce for Isidora.

Cautionary non-IFRS measures

Total cash costs per ounce sold is a non-IFRS measure. The Company believes that, in addition to conventional measures, prepared in accordance with IFRS, certain investors use the cash costs per ounce data to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS as it does not have any standardized meaning prescribed by IFRS. Data used in the calculation of total cash costs per ounce may not conform to other similarly titled measures provided by other precious metals companies.

ON BEHALF OF THE BOARD

"*Andre Agapov*"

Andre Agapov, President & CEO

Forward-looking statements: This document contains statements about expected or anticipated future events and financial results that are forward-looking in nature and as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and the Company's capability to execute and implement its future plans. Actual results may differ materially from those projected by management. For such statements, we claim the safe harbour for forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995.

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