

**AURUM MINING PLC**  
("Aurum" or "the Company")

**Interim results for the six month period ended 30 September 2005**

Aurum Mining plc (AIM: AUR), the company formed in 2004 to acquire gold and other mineral extraction projects in the Former Soviet Union (FSU) and which subsequently acquired an exploration licence over a gold and copper project in the Kyrgyz Republic, is pleased to announce its interim results for the six months ended 30 September 2005.

**Highlights:**

- Good progress has been made with the Andash gold and copper project in the Kyrgyz Republic with the programme of re-opening, cleaning and extending trenches in Zones 1 and 2 completed.
- A new exploration opportunity, Tokhonysay, identified and trenched. A total of 1324m of trenching was undertaken at Andash with 536 samples sent for assay.
- Programme of work initiated including geotechnical drilling and survey to support the pit optimisation work and tailings pond design. This will allow the Company to apply for land permits and support the Mining Licence application, which is expected in the New Year.
- The State Commission of Resources of the Kyrgyz Republic has included 21.7 million tonnes of C1 and C2 reserves at Andash into the State Register, amounting to total gold and gold equivalent of more than 1.5 million ozs.
- Mark Jones, an executive with considerable international management experience, joined the Board of Directors as Chief Executive Officer on 1 July 2005. Dr Colin Knight, a highly experienced mining professional, was also appointed to the Board as a Non-Executive Director on 6 September 2005.
- To ensure the timely development of the Andash asset, and to put the Company into a position to exploit other opportunities, a further issue of shares is planned.

**Sean Finlay, the Chairman of Aurum Mining, commenting on the outlook for Aurum said:** "The last six months have been a very busy period for the Company including the completion of the re-opening, cleaning and extending of trenches in Zones 1 and 2, which means the Andash project continues to unfold in a very positive manner and we look forward to moving ahead. Plenty of new opportunities present themselves to the Company and with Mark Jones on board, who is a major asset to the management and the direction of the Company, Aurum is well placed to capitalise on the current favourable base and precious metal price environment and to locate and assess new opportunities."

**For further information:**

**Aurum Mining plc**

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**Notes to editors**

Aurum joined the AIM market of the London Stock Exchange in May 2004 with the strategy of seeking, evaluating and acquiring gold and other mineral extraction projects in the Former Soviet Union (FSU). In January 2005 the Company completed its first acquisition, giving the Company an exploration licence over a gold and copper project in the Kyrgyz Republic. In its State Register, the State Commission of Resources of the Kyrgyz Republic has included 21.7 million tonnes of C1 and C2 reserves from the project, amounting to gold and gold equivalent of more than 1.5 million ozs.

## **CHAIRMAN'S STATEMENT**

### **Introduction**

Aurum Mining Plc, the company formed to acquire gold and other mineral extraction projects in the Former Soviet Union, is pleased to announce its results reflecting the six month period ended 30 September 2005.

### **Results for the Period**

The Company made an operating loss for the period of £397,000 compared with a loss of £116,000 in the six month period ended 30 September 2004.

### **Review of Activities**

The Company has continued to make good progress with its Andash gold and copper project in the Kyrgyz Republic ("the Project").

A programme of re-opening, cleaning and extending trenches in Zones 1 and 2 was completed and in addition a new exploration opportunity, Tokhonysay, within the Andash exploration licence area was identified and trenched. A total of 1324m of trenching was undertaken with 536 samples sent for assay.

Trenching at an outcrop location 250m east of Zone 1 intersected 13m of mineralisation containing gold at 1.2 g/t and copper at 0.5%. The area between Zone 1 and this outcrop location is covered by overburden. This is a possible indication of a significant extension to Zone 1. Further surface work and drilling will be initiated to confirm this.

Trenching close to Zone 2 intersected 4m of mineralisation containing gold at 13.3 g/t, highlighting the potential of the Andash licence area. This mineralisation indicates an extension of the outcrop zone.

Trenching at a new exploration opportunity, Tokhonysay, intersected 33m of mineralisation at an average grade of 1.4 g/t gold and 1.6% copper. This new area is located 2.4km north-east of Zone 1.

A programme of work has been initiated that includes geotechnical drilling and survey so that we have data to support our pit optimisation work and tailings pond design. This will allow us to apply for land permits and support our Mining Licence application which we expect to obtain in the New Year. Currently the Project has a temporary mining licence which is valid until the end of May 2006.

On 24 August 2005, the Company announced that the State Commission of Resources of the Kyrgyz Republic have included 21.7 million tonnes of C1 and C2 reserves of the Andash Mining Company, Aurum's Kyrgyz subsidiary, into its State Register. The reserves contain total gold and gold equivalent of more than 1.5 million ozs.

On 29 September 2005 the Company announced that it had entered into a conditional agreement with Loyal Wealthy Limited ("Seller") to purchase 51 per cent of the issued share capital in Open Joint Stock Company Geocentr ("Geocentr"), a Russian company that owns an exploration licence in the Russian Far East. On 13 December the Company

announced that the acquisition of Geocentr had not completed within the conditional agreement's terms and would not therefore proceed.

As part of the conditional agreement entered into with the Seller, it was agreed that if the acquisition did not complete then the benefit of an outstanding loan of \$170,000 to Geocentr would be assigned to the Seller. As the acquisition was not completed, this loan was reassigned. While Geocentr represented an interesting exploration opportunity and the Board is disappointed that the acquisition could not proceed it is critical that we select only projects that meet our stringent criteria.

## **Board Changes**

Mark Jones joined the Board of Directors as Chief Executive Officer on 1 July 2005 and at the same time John Webster, who was previously the Company's Managing Director, became a Non-Executive Director of the Company.

Mr Jones, who holds an MBA from Newport University and an associate degree from Columbia University, New York, is a Mining Graduate from the Camborne School of Mines, UK. For the five years prior to joining the Company Mr Jones worked for Ingersoll-Rand Company Ltd (NYSE: IR), a leading diversified industrial firm, most recently as Business Unit Manager, Global Services, Ingersoll-Rand Europe.

Mr Webster continues to provide technical input to Aurum in the areas of project evaluation and development, including implementation of the drilling services agreement between Aurum and PPI.

Dr Colin Knight, a highly experienced mining professional, was appointed on 6 September 2005 as Non-Executive Director. His international mining experience has been gained through almost five decades in the industry and spans academia, executive industry roles and consultancy. His experience of project evaluation in the FSU is of particular value to the Company.

## **Outlook**

The last six months have been a very busy period for the Company including the completion of the re-opening, cleaning and extending of trenches in Zones 1 and 2, as well as the initiation of geotechnical drilling and surveying. Plenty of new opportunities present themselves to the Company including the new exploration opportunity in Tokhonysay. We look forward to the coming months with great enthusiasm as we grow the Company.

**Sean Finlay**  
**Chairman**  
**23 December 2005**

## Consolidated Profit and Loss Account

For the six months ended 30 September 2005 (unaudited)

	Notes	6 months ended 30 September 2005 (unaudited) £000	6 months ended 30 September 2004 (unaudited) £000	12 months to 31 March 2005 (audited) £000
Turnover		-	-	-
Cost of Sales		-	-	-
<b>Gross profit</b>		-	-	-
Administrative expenses		(397)	(116)	(389)
<b>Operating profit / (loss)</b>		(397)	(116)	(389)
Net interest receivable		8	18	45
<b>Profit/ (loss) on ordinary activities before taxation</b>		(389)	(98)	(344)
Taxation	3	-	-	-
<b>Profit / (loss) on ordinary activities after taxation</b>		(389)	(98)	(344)
Loss per share	4	(4.09)p	(1.19)p	(4.23p)

All recognised gains and losses are included in the profit and loss account.

## Consolidated Balance Sheet

At 30 September 2005 (unaudited)

	6 months ended 30 September 2005 (unaudited) £000	6 months ended 30 September 2004 (unaudited) £000	12 months to 31 March 2005 (audited) £000
<b>Fixed assets</b>			
Intangible assets	986	-	819
Tangible assets	277	11	189
<b>Total fixed assets</b>	<b>1,263</b>	<b>11</b>	<b>1,008</b>
<b>Current assets /(liabilities)</b>			
Stocks	9	-	-
Debtors	289	18	265
Cash at bank and in hand	127	1377	944
Creditors: amounts falling due within one year	(141)	(34)	(281)
<b>Total assets less current liabilities</b>	<b>1,547</b>	<b>1372</b>	<b>1,936</b>
Creditors: amounts falling due after more than one year	-	-	-
<b>Net assets</b>	<b>1,547</b>	<b>1372</b>	<b>1,936</b>
<b>Capital and reserves</b>			
Called up share capital	95	82	95
Share premium	1,687	1,388	1,687
Capital reserve	498		498
Profit and loss account	(733)	(98)	(344)
<b>Shareholders' funds</b>	<b>1,547</b>	<b>1372</b>	<b>1,936</b>

## Consolidated cash flow statement

For the six months ended 30 September 2005 (unaudited)

	6 months ended 30 September 2005 (unaudited) £000	6 months ended 30 September 2004 (unaudited) £000	12 months to 31 March 2005 (audited) £000
<b>Net cash outflow from operating activities</b>	(562)	(99)	(487)
<b>Returns on investments and servicing of finance</b>			
Interest received	8	18	45
<b>Net cash flow from returns on investments and servicing of finance</b>	8	18	45
<b>Taxation</b>			-
<b>Capital expenditure</b>			
Purchase of intangible fixed assets	(167)		(56)
Purchase of tangible fixed assets	(96)	(12)	(179)
<b>Net cash outflow from capital expenditure</b>	(263)	(12)	(235)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertaking			(160)
Cash acquired with subsidiary			5
<b>Net cash outflow from acquisitions</b>			(155)
<b>Financing</b>			
Issue of ordinary shares		1,550	2,150
Expenses paid in connection with share issues	-	(80)	(374)
<b>Net cash inflow from financing</b>		1,470	1,776
<b>Increase/(decrease) in cash</b>	<b>(817)</b>	<b>1377</b>	<b>944</b>

## **Notes to the Interim Results**

### **1 BASIS OF PREPARATION**

The interim accounts for the six months ended 30 September 2005 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985.

The financial information has been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

Accounting policies consistent with those applied in the financial statements for the year ended 31 March 2005 have been used in preparing the unaudited interim financial statements for the 6 months ended 30 September 2005.

### **2 DIVIDENDS**

The Directors are not declaring a dividend for the six months ended 30 September 2005.

### **3 TAXATION**

The charge for taxation is based on the profit for the year as adjusted for disallowable items.

### **4 LOSS PER SHARE**

The calculation of the loss per share is based on the loss for the period of £389,000 and the weighted average number of shares in issue during the period of 9,505,775.

### **5 COPIES OF INTERIM RESULTS**

Copies of the interim results will be sent to shareholders and will be available from the Company's registered office, 26 Curzon Street, London W1J 7TQ