15/07/2010

AURUM MINING PLC

("Aurum" or "the Company")

Strategic update

Aurum Mining plc (AIM: AUR) is pleased to give a strategic update to the market and to outline the next steps for the Company.

On 22nd June 2010 the Company announced that it had entered into a nine month option agreement, with the right for a further six month extension, with Kentor Gold Limited ('Kentor') which gave Kentor an option to acquire the Aurum Group's remaining 10% stake in the Andash asset for consideration of US$1.8m. As part of this agreement, Kentor has released Aurum from all the warranties and indemnities that were given to Kentor by Aurum when Aurum disposed of its 80% stake in the Andash asset in December 2009. The release from these potential contingent liabilities is a key step for the Company as it significantly simplifies the Company's balance sheet and it now allows the Company's Board (the 'Board') to focus on the next phase of the Company's transformation.

Following Shareholder approval of the Company's investing policy in November 2009, the Board commenced a comprehensive exercise to find new projects for the Company and despite the relatively poor market conditions the Board was greatly encouraged by the types of deals and opportunities that were identified. Indeed the Company reached advanced discussions on three separate opportunities and due diligence was undertaken on each of them. The Board felt extremely confident of finding new projects capable of delivering strong Shareholder returns.

Despite this potential, however, a number of the Company's major Shareholders have recently made known their preference for Aurum to return capital to Shareholders. As a result the Board is now proposing a twin strategy to return a very substantial proportion of the Company's existing cash to Shareholders while preserving the Company's ability to deliver value from both the residual 10% holding in the Andash asset and from the Company's continued AIM-quoted status.

Free cash in the Company at the end of June 2010 was circa £8.6m. This balance takes into account all known existing liabilities in the Group, but does not allow for the costs of implementing the return of capital and related matters and does not include any contingency for any potential UK tax liability that could arise in the financial year ending 31 March 2010. While the Board is confident that there are no outstanding tax liabilities for the Company for this period, the tax returns for the year will need to be finalised and submitted to HMRC prior to any return of cash.

The Board has already taken steps to reduce costs and preserve cash, and is currently reviewing its ongoing structure and future cash requirements. Further details on the future organisational structure and amount of capital available to be returned to Shareholders will be announced in early August with the Company's preliminary results for the year to 31 March 2010.

For further information:

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