

02/12/2010

AURUM MINING PLC
("Aurum" or "the Company")
Operational update and notice of Board changes

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

Capital Reduction

The capital reduction process to return cash to Shareholders is now virtually completed following approval by the Court yesterday. The capital reduction will become effective once the Court order has been registered at Companies House and this registration is expected to happen on 3 December 2010. The cheques relating to the capital reduction will be dispatched to Shareholders as soon as possible following the registration. The quantum of the cash being returned to Shareholders is £7.72m. Cash at the end of the calendar year, with all the associated liabilities of the capital reduction discharged, is forecast to be approximately £840,000. This would equate to approximately 1.6p cash per ordinary share in the Company at the end of December 2010.

Corporate Restructuring and Cost Base

As outlined in its strategic update on 15 July 2010, with the return of capital to Shareholders virtually completed, the Board is now taking steps to reduce costs in the Company as far as commercially appropriate while retaining the capability in the Company to ensure that value can be delivered to Shareholders from the residual cash shell.

As part of the measures to reduce costs, Mark Jones is stepping down as Chief Executive Officer with immediate effect. Mark is currently pursuing other business opportunities but, given his substantial expertise, the Company is pleased to announce that Mark will be remaining on the Board as a non-executive Director to assist Aurum in moving to the next stage of its evolution.

Chris Eadie is replacing Mark Jones as Chief Executive Officer with immediate effect.

As a further part of the rightsizing of the Company, Dr Colin Knight will be stepping down from the Board with effect from 1 January 2011.

The Company will continue to review the underlying cost base on a regular basis and further changes will be made to the organisational structure of the Company as and when appropriate. Cash preservation remains a critical objective for the Company.

Future Plans

The Board is continuing to look at a number of different strategic options for the Company.

As previously outlined to investors, in December 2009 Aurum became an investing company pursuant to Rule 15 of the AIM Rules. This means that, under the AIM Rules, the Company has 12 months from 22 December 2009 in which to make an acquisition or acquisitions which would constitute a reverse takeover. Accordingly, in the event that the Company does not make such an acquisition within that time, trading in its shares on AIM may be suspended with effect from 7 a.m. on 23 December 2010. If no such acquisition has been made by June 2011, the Company's AIM listing may be cancelled.

The Board is confident that a suitable acquisition opportunity will be identified within this timeframe and does not believe that the potential forthcoming suspension will impact its ability to do a deal within the required timeframe.

Sean Finlay, Aurum's Chairman, commented: "On behalf of all of Aurum's stakeholders past and present I'd like to take this opportunity to thank Dr Colin Knight for his tremendous efforts and commitment towards Aurum over the last few years. Colin has shown unwavering support thorough some difficult times and I'd like to wish him my very best with his future endeavours."

For further information:

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