

9 July 2012

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

**Proposed acquisition of tungsten permits**

The Board of Aurum Mining plc (AIM: AUR) is pleased to announce that it intends to exercise the Company's option to acquire five tungsten permits (the "Morille permits") in Salamanca Province. The five permits are located 15 km southwest of the city of Salamanca and cover an area of 5,796 hectares.

The Company has now completed its legal, technical and financial due diligence on the Morille permits and in addition there has also been a site visit by the Board and by the Company's broker.

The cost of acquiring the permits will be €140,000, which is to be funded out of the Company's existing cash. In addition, the vendor (who is a private individual) will be retaining a 1.5% net smelter royalty.

The Company is now in the process of incorporating a Spanish subsidiary to hold the Morille permits and once the entity is incorporated, Aurum will proceed with the formal acquisition process. As a condition precedent of the acquisition process, the transfer of the five permits to Aurum's Spanish subsidiary will be formally approved by the Mines Department of Salamanca before the consideration is paid.

The Board is extremely excited about the potential of the Morille permits and feel that they will be a very attractive addition to the Company's existing gold joint venture projects which are also located in the same region of Spain.

The key commercial aspects of the Morille permits and permit area are as follows;

- The Morille permit area is a 'brownfield' site and there has been a long history of the production of high quality tungsten concentrates from mineralisation grading up to 1% WO<sub>3</sub>.
- The historic mines closed during the 1980's as a result of low commodity prices. Subsequently, prices have increased significantly and there is reason to believe that a significant supply shortage is developing in the tungsten market.
- Now that there has been the consolidation of approximately fifty old small mines into a unified block, the Morille permits provide the first opportunity for systematic exploration of the area for tungsten.
- Historical geological, exploration and production data provide excellent pointers as to where the initial exploration targets should be.
- A survey carried out by two state geological surveys in the late 1990's concluded that there is a potential resource tonnage of at least 8 million tonnes across the Morille permit area, with the majority of this resource at the site of the old Alegria mine which is likely to be the key initial exploration target for Aurum.
- Historical data suggests that there has been over 735,000 tonnes of tungsten ore mined from the Morille permit area ranging in grade from 0.1%-1% WO<sub>3</sub>.

- The old data also suggests that two of the processing plants on the Morille permit area were producing concentrate containing 70% tungsten. Even by current standards this is a high grade concentrate.
- The area is served by excellent infrastructure.
- The area sits within a well known tungsten province – other known deposits in the area include Barruecopardo, Panasquiera, Los Santos and Regua.

The Board's optimism around the opportunity is shared by that of its technical advisers, Desarrollo de Recursos Geologicos S.A. ("DRG"), who concluded that the project 'provides more favourable conditions than those of virtually any other similar project currently underway in Europe'.

Sean Finlay, Aurum's Chairman, said:

*"We are delighted to be able to proceed with the acquisition of the Morille tungsten permits and feel that the opportunity has the potential to add significant value to the Company. The really compelling part of the investment proposition is that it seems that Aurum can progress the project relatively quickly given the "brownfield" nature of the opportunity and the fact that there is a substantial amount of historic information available.*

*The acquisition of these permits will significantly increase Aurum's foothold in North Western Spain and we feel that this, when combined with the existing gold projects that the Company holds, gives us a really convincing portfolio and creates a strong investment opportunity .*

*We will continue to look at any further investment opportunities that arise in the region, which we feel could complement our existing projects."*

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