



RNS Number : 8154P  
Aurum Mining PLC  
07 October 2013

## **AURUM MINING PLC**

**("Aurum" or "the Company")**

### **Potential farmout of stake in the Morille tungsten project**

Aurum Mining plc (AIM: AUR) is pleased to announce that it has entered into a Letter of Intent with Plymouth Minerals Limited ("Plymouth") (ASX: PLH) with a view to Plymouth acquiring an 80% stake in the Company's Morille tungsten project for €300,000 (payable in cash and Plymouth shares).

The key terms of the proposed deal are as follows;

- Plymouth will pay Aurum €25,000 for a thirty day exclusivity period. This payment is non-refundable but will be off-settable from the total consideration due to Aurum should Plymouth proceed with the acquisition.
- A further cash payment of €225,000 will be payable if Plymouth acquires the 80% interest in the Morille project.
- On the twelve month anniversary of the exercise of the option, Plymouth will issue ordinary shares in Plymouth with a value of €50,000 to Aurum. These shares will be escrowed for three months following their issue.
- Aurum will retain a 20% carried interest in the Morille project. Plymouth will retain the right to acquire this 20% at anytime for £2.5m. Once a decision is reached to proceed with a mining project at Morille, Aurum can choose to dispose of its interest, fund its percentage, or convert to a 0.5% net smelter return ("NSR").
- Should Plymouth dispose of its interest in the Morille project within the first 24 months of owning it, Aurum will be eligible for a 30% share of Plymouth's profits from the disposal.

The audited carrying value of the Morille project in the Company's books at 31 March 2013 was £269,000.

Sean Finlay, Aurum's Chairman, said:

"In response to very challenging market conditions, the Company previously stated its intention to seek strategic investors and industry partners to assist in funding its portfolio of gold and tungsten projects in North West Spain. The proposed deal will not only ensure the on-going funding of the Morille project, but will also enable Aurum to realise some cash and to retain a significant residual stake in a highly prospective project. In addition to Plymouth having the balance sheet to drive the project forward, the Board also believes Plymouth has the necessary skill set to maximise value from the project and to therefore realise optimal value for Aurum's residual shareholding. We look forward to assisting Plymouth on this project"

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Notes to Editors:

Aurum Mining is an AIM listed exploration and development company focused on its highly prospective portfolio of gold and tungsten assets in North West Spain.

Gold

Through its joint venture agreement with Ormonde Mining plc (AIM: ORM), Aurum currently has a 60% interest in the Pino de Oro project in Zamora Province and a 54% interest in the Peralonso and Cabeza projects in Salamanca Province.

Tungsten

Aurum's 100% owned Morille Tungsten project is located approximately 15km south west of Salamanca in North West Spain and covers an area of 5,796 hectares. The permit area is a 'brownfield' site with historical data indicating the production from the site of high quality tungsten concentrates from mineralisation grading up to 1% WO<sub>3</sub>.

This information is provided by RNS

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