

20/02/2009

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

**Return of cash to Shareholders, closure of court case and signing of a  
Memorandum of Understanding with the Kyrgyz authorities**

Aurum Mining plc (AIM: AUR), the gold mining company focussed on the Former Soviet Union (FSU) and whose principal asset is the Andash Project in the Kyrgyz Republic, is pleased to give a strategic update and to give notice of its proposal to call a General Meeting at which a resolution will be proposed to approve a capital payment of 33p per share to Shareholders. The Company is on track, subject to approval of Shareholders and the High Court, to make the payment in mid April 2009.

The Board therefore proposes to convene a General Meeting at 11am on 11<sup>th</sup> March 2009 at 4 More London Riverside, London, SE21 2AU to seek shareholder approval for the capital payment. A Circular regarding the proposals and including a formal notice convening the General Meeting will be dispatched to Shareholders shortly.

The approximate £16 million capital payment is, in the Board's view, the appropriate level of cash to be returned to Shareholders at this time. While the Company has current cash balances of approximately £18m, the Company still has on-going commitments and outstanding liabilities which once resolved could lead to the potential of a second payment to Shareholders. The Company also has assets to dispose of and some significant trade receivables that, when sold or realised, should increase the quantum of any second payment to Shareholders.

In a further development, the Company is delighted to announce that the civil case in which the Company's subsidiaries have been involved in the Kyrgyz Republic has now been closed with a judgement in favour of the Andash Mining Company (AMC). The case was heard in full and AMC won the case on its merits and all the claims of the plaintiffs were found to be groundless. The Board has always been adamant that the premise of this case was falsified and is both relieved and gratified by this judgement. The plaintiffs in the case have a 30 day period in which to lodge an appeal against the decision of the Court.

As outlined in January 2009, the Board continues to seek and evaluate ways to maximise value from the Andash asset and in this respect the Board is happy to announce that the Company has entered into a Memorandum of Understanding (MOU) with representatives of the government in the Kyrgyz Republic. Under the terms of the MOU it is proposed that the Company will receive the full support and assistance of the state authorities and the local government in return for a 20% stake in the Andash asset. The beneficiaries of the 20% stake will be a trust company established to benefit the inhabitants of the Talas region, the location of the Andash mine.

Now that the court case has been closed and the Company's title to the Andash asset is no longer in question - assuming that there is no successful appeal to the existing Court ruling - the Board feels that it is in a strong position to work with the Kyrgyz authorities to realise value from the Andash asset.

As outlined in November, the Board has also undertaken a cost reduction and cash maximisation process. As part of this process, the Kyrgyzstan cost base has already been reduced as far as commercially appropriate. The on-going cost structure of the London head office is now being reviewed and the London office will be restructured to reflect the organisation as appropriate.

**For further information:**

<b>Aurum Mining plc</b>	<b>Tel: 020 7478 9050</b>
Mark Jones, Chief Executive Officer Chris Eadie, Chief Financial Officer	
<b>Arbuthnot Securities</b>	<b>Tel: 020 7012 2000</b>
John Prior/James Steel	

## **Notes to editors**

**Aurum Mining, which joined the AIM market of the London Stock Exchange in May 2004, is a mining company focused on gold opportunities in the Former Soviet Union. Its principal asset is an exploration licence over the Andash gold and copper project in the Kyrgyz Republic. A mining licence for Andash Zone 1 was awarded by the Kyrgyz authorities in 2006. The feasibility study compiled by Wardell Armstrong International, also in 2006, confirmed a measured and indicated resource base of 19.2 million tonnes at 1.1 grams per tonne of gold and 0.4% copper, which equates to 1.1 million ozs of gold and gold equivalent. The Andash project also includes Zone 2 and Zone 3 along with Tokhtonysay, Nakhodka and three other additional exploration areas.**