



25 August 2016

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

**Final Results for the year ended 31 March 2016**

Aurum Mining plc (AIM: AUR), the Spanish focused gold and tungsten explorer, is pleased to report its preliminary audited financial results for the year ended 31 March 2016.

The Company is pleased to announce that in accordance with AIM Rules 20 and 26, the Annual Report and Financial Statements for the year ended 31 March 2016 and the Notice of Annual General Meeting will be posted to shareholders shortly and will be available on the Company's website [www.aurummining.net](http://www.aurummining.net). The Annual General Meeting will be held at 12 noon on 29 September 2016 at the offices of the Company's solicitors, , Gowling WLG (UK) Limited, 4 More London Riverside, London SE1 2AU.

*This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.*

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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 56.5% interest in the Pino de Oro project in Zamora Province and a 51.4% interest in the Peralonso and Cabeza projects in Salamanca Province.

*Tungsten*

Aurum's 20% 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 production from the site of high quality tungsten concentrates.

## **Review of activities**

The Company's Interim results statement, published on 19 November 2015, outlined that the Board was in the process of changing the direction of the Company in response to the challenging market conditions that continue to blight the Natural Resources sector. The statement went on to say that in order to maximise potential returns for Shareholders the Board would be pursuing a twin strategy of identifying a transformational deal for the Company while looking to deliver value from the Company's highly prospective gold and tungsten portfolio.

The Board continues to be optimistic about the Company's exploration assets in North-West Spain. In recent months the Company and its joint venture partner, Ormonde Mining plc ("Ormonde") (AIM: ORM), have commissioned a report to review all the work that has been undertaken on the gold projects to date and to propose the optimal next steps for the joint venture. The findings of the report, written by a highly regarded third party professional geologist Kieran Harrington, were extremely encouraging, with an overall conclusion that "exploration work carried out on the projects to date supports the view that there is potential for discovery of an economic gold deposit." The report also identifies very clear targets for follow up exploration work and sets out a high-impact, low cost work programme which has the potential to rapidly and more fully demonstrate the prospectivity and potential of these assets.

Given that the mining sector for small companies is likely to be difficult for some time to come, and in spite of the fact that the gold projects provide the Company with some hope for the coming period, the Board will continue to actively look at other opportunities. The Board will consider opportunities both within and outside of the mining sector in order to maximise the Company's potential as a listed company. The Board is currently appraising funding options to enable the Company to secure opportunities and to finance due diligence and transaction costs.

The Board feels that the Company has done well to withstand the severe shake out in the junior mining sector but it will now be looking at different sectors in its efforts to provide the upside that our Shareholders require.

During this challenging period, the Board has continued to keep operational costs to a bare minimum.

### **Key financials**

For the twelve months to 31 March 2016, the Group reported a loss of £243,000 compared to a loss of £317,000 for the same period in 2015.

The loss for the year includes a £64,000 impairment charge on the Morille tungsten project. The Board took the decision to impair its Morille tungsten asset due to the current low tungsten price and due to the fact that the current operator of the project, Plymouth Minerals Limited (ASX: PLH) ("Plymouth") is not currently undertaking any exploration work on the project. The Company continues to have a residual shareholding in Plymouth and is encouraged by its recent strong share price performance.

Administrative costs for the period were £179,000 compared to £290,000 for the same period in 2015.

During this period of transition, cash management and cost control have remained key priorities for the Company.

### **Corporate**

The Board would like to thank its Shareholders and advisers for their input during this transitional period.

To facilitate the transformation process and to reduce costs, the Company announced various Directorate changes during the period. David Williams, the Company's major Shareholder, was appointed to the Board as Chairman, and Mark Jones stepped down from the Board.

Sean Finlay stepped down as Chairman on David's appointment but remains on the Board as a Non-Executive Director along with Hareesh Kanabar who also remains on the Board as a Non-Executive Director. Chris Eadie continues to assist the Company as a consultant on a part-time basis.

In order to preserve cash and keep operating costs to a minimum, David Williams has agreed to take no salary until a transformational deal is completed.

**Qualified Person**

Sean Finlay, Professional Geologist, Chartered Engineer, Non-Executive Director of Aurum Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this report.

**On behalf of the Board**

**David Williams**

Chairman

24 August 2016

**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2016**

	Notes	<b>2016</b> <b>£'000</b>	2015 £'000
Impairment charge		<b>(64)</b>	(27)
Administrative expenses		<b>(179)</b>	(290)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(243)</b>	(317)
<b>Loss for the year before taxation</b>		<b>(243)</b>	(317)
Taxation		<hr/> -	<hr/> -
<b>Loss for the year after taxation</b>		<b>(243)</b>	(317)
		<hr/>	<hr/>
<b>Loss after taxation</b>		<b>(243)</b>	(317)
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Change in fair value of available-for-sale financial assets		<hr/> 27	<hr/> -
<b>Total comprehensive loss for the year</b>		<b>(216)</b>	(317)
		<hr/>	<hr/>
<b>Loss per share expressed in pence per share</b>			
Basic and Diluted	2	<b>(0.14) p</b>	(0.22) p

**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2016**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	<b>926</b>	899
Investments	<b>42</b>	79
<b>Total non-current assets</b>	<b>968</b>	978
<b>Current assets</b>		
Receivables	<b>11</b>	13
Cash and cash equivalents	<b>45</b>	106
<b>Total current assets</b>	<b>56</b>	119
<b>Total assets</b>	<b>1,024</b>	1,097
<b>Liabilities</b>		
<b>Current liabilities</b>		
Convertible Loan	<b>50</b>	-
Trade and other payables	<b>67</b>	89
<b>Total current liabilities</b>	<b>117</b>	89
<b>Total liabilities</b>	<b>117</b>	89
<b>Net assets</b>	<b>907</b>	1,008
<b>Capital and reserves attributable to the equity holders of the company</b>		
Share capital	<b>1,719</b>	1,461
Shares to be issued	<b>-</b>	140
Share premium	<b>11,593</b>	11,596
Available for sale reserve	<b>27</b>	-
Retained deficit	<b>(12,432)</b>	(12,189)
<b>Total Equity</b>	<b>907</b>	1,008

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 MARCH 2016**

	Share capital	Shares to be issued	Available for sale reserve	Share premium	Retained deficit	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2014</b>	<b>1,413</b>	-	-	<b>11,585</b>	<b>(11,872)</b>	<b>1,126</b>
Total comprehensive expense for the year	-	-	-	-	(317)	(317)
Issue of shares net of issue costs	48	-	-	11	-	59
Shares to be issued	-	140	-	-	-	140
<b>At 31 March 2015</b>	<b>1,461</b>	<b>140</b>	<b>-</b>	<b>11,596</b>	<b>(12,189)</b>	<b>1,008</b>
Total loss for the year	-	-	-	-	(243)	(243)
<b>Other comprehensive income</b>						
Fair value adjustment on available for sale investment	-	-	27	-	-	27
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>(243)</b>	<b>(216)</b>
Issue of shares net of issue costs	118	-	-	(3)	-	115
Shares to be issued	140	(140)	-	-	-	-
<b>At 31 March 2016</b>	<b>1,719</b>	<b>-</b>	<b>27</b>	<b>11,593</b>	<b>(12,432)</b>	<b>907</b>

**STATEMENT OF CASH FLOWS****YEAR ENDED 31 MARCH 2016**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
Loss for the year before tax	<b>(243)</b>	(317)
Adjustments for:		
Impairment charge	<b>64</b>	27
<b>Cash flow from operating activities before changes in working capital</b>	<u><b>(179)</b></u>	<u>(290)</u>
Decrease in other receivables	<b>2</b>	7
Decrease in trade and other payables	<u><b>(22)</b></u>	<u>(24)</u>
<b>Net cash flow used in operating activities</b>	<u><b>(199)</b></u>	<u>(307)</u>
<b>Investing activities</b>		
Ormonde joint arrangement payments	<u><b>(27)</b></u>	<u>-</u>
<b>Net cash flow used in investing activities</b>	<u><b>(27)</b></u>	<u>-</u>
<b>Financing activities</b>		
Proceeds from issue of share capital	<b>118</b>	60
Expenses paid in connection with share issues	<b>(3)</b>	(1)
Proceeds from convertible loan	<b>50</b>	-
Cash received in respect of shares to be issued	<u>-</u>	<u>140</u>
<b>Net cash flow from financing activities</b>	<u><b>165</b></u>	<u>199</u>
<b>Net decrease in cash and cash equivalents</b>	<u><b>(61)</b></u>	<u><b>(108)</b></u>
<b>Cash and cash equivalents at the beginning of the year</b>	106	214
<b>Cash and cash equivalents at the end of the year</b>	<u><b>45</b></u>	<u>106</u>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

### **1. Basis of preparation**

These financial statements for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 March 2016 but is extracted from those accounts. The Company's statutory accounts for the year ended 31 March 2016 will be filed with the Registrar of Companies following the Company's annual general meeting. The independent auditors' report on those accounts was unqualified although an emphasis of matter was included in the accounts to draw attention to going concern. The financial statements have been prepared on a going concern basis.

Following a review of the Company's operations, its current financial position and cash flow forecasts, the Directors have formed a view that the Company will have sufficient financial resources available to it to continue in operational existence and meet its financial commitments as they arise in the next twelve months. The Directors have formed this view based on the amount of available cash within the Company, the Company's historical track record of raising funds from the AIM market, the recent additional post reporting date funding through the issue of further convertible loan notes and the assets and investments that the Company holds which could be made available for potential sale, should the need arise.

Based on the above the Directors have concluded that the Company can continue as a going concern for a period of at least twelve months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these financial statements.

The base case forecasts prepared by the Directors reflect the requirement for the Company to continue to contribute to the joint arrangement with Ormonde in order to retain the Company's interest in the gold assets, to raise further funds over the next twelve months and to dispose of both of the key assets of the Company. Following the year end £125,000 of funds have been raised through the issue of further convertible loan notes and equity instruments however, further funding is still required to allow the Company to continue in operational existence for at least 12 months from the date of these financial statements. Given that at the date of approval of these financial statement there are no legally binding agreements in place relating to either fundraising or to the sale of any of the Company's assets or investments, there can be no certainty relating to the Directors proposed courses of action to ensure the Company is sufficiently funded for the next twelve months, despite the Company's track record of raising funds or completing asset transactions. This position indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern, which would principally relate to the impairment of intangible assets and investments.

## 2. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all the dilutive potential ordinary shares. The potential dilutive shares are anti-dilutive in 2015 and 2016 as the Company is loss making.

At the reporting date there were 3,950,000 (2015: 3,950,000) potentially dilutive ordinary shares. Dilutive potential ordinary shares include share options and warrants.

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<b>Net loss attributable to equity holders of the parent:</b>		
From total operations	(243)	(317)
	<hr/>	<hr/>
From total operations	<u>(243)</u>	<u>(317)</u>

	<b>2016</b>	2015
	<b>Number</b>	Number
<b>Weighted average number of shares:</b>		
Weighted average number of shares	170,580,011	145,296,862
	<hr/>	<hr/>