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AVRVM MINING PLC

AURUM MINING PLC

("Aurum" or "the Company")

Interim Results for the six months ended 30 September 2008

Aurum Mining plc (AIM: AUR), the gold mining company whose principal asset is the Andash Project in the Kyrgyz Republic, announces its interim results for the six months ended 30 September 2008.

Key points

- Balance sheet remains strong with cash and cash equivalents of US$35.4 million at 30 September 2008 (30 September 2007: US$51.9 million)
- Net loss of US$2.04 million (H1 2007: US$0.66 million) before impairment of Andash assets
- On-going suspension of investment in the Andash Project as a result of the political and operational environment in the Kyrgyz Republic
- The Board continues to seek and evaluate opportunities to ensure the maximisation of value from the Andash asset for Shareholders
- The Company has commenced a capital reduction process that would allow a return of cash to Shareholders in 2009

Sean Finlay, Aurum's Chairman, said: "The Board's focus is on providing the optimal outcome for Shareholders by pursuing a number of different strategic options, including reorganising the balance sheet to allow the potential return of cash to Shareholders. In addition, we are continuing to seek and evaluate proposals for the Andash Project that we believe would create considerable shareholder value. The Board is considering the options available, none of which are mutually exclusive, and looks forward to updating Shareholders in due course."

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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.

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

The six months to 30 September 2008 was a period of immense frustration at Aurum. The substantial progress made at the Andash Project since January 2005 was seriously undermined by the worsening political and operational climate in the Kyrgyz Republic and by a pernicious civil case that challenged the Company's ownership of the Andash asset.

Details of the difficulties faced by Aurum in the Kyrgyz Republic were included in our preliminary results for the 2008 financial year, which were announced on 29 September 2008. In summary, a civil case emerged under Kyrgyz law at the end of the 2008 financial year concerning the transfer of ownership of assets, including the Andash licence, prior to the Company's acquisition of Andash Mining Company.

While the case has not yet been formally closed, significant progress has been made in resolving matters. This was highlighted by the lifting of Andash Mining Company's (AMC's) financial injunction in September 2008 though we had already decided to protect Shareholders' interests by withholding any further investment in the Andash Project. This decision had been taken, in part, as a result of the deteriorating political climate in which the Kyrgyz government has been reluctant to demonstrate a clear commitment to overseas investment in the country's mining industry.

The current status of the case is that the Bishkek Inter-District Court of Kyrgyzstan suspended proceedings on a technical issue in September. Under Kyrgyz law, a judge can grant a temporary suspension to a case to await expert advice on key aspects of that case or where the grounds in the case are not clear enough for an immediate judgement to be made.

The Directors are confident that a favourable judgement will eventually be received in the Andash civil case but, as there is no absolute guarantee of this and because the market currently ascribes no value to the Andash asset, the Directors have taken the prudent view to write down the Andash asset to zero. The Board has also taken the opportunity to prudently write down the carrying value of the Group's mining fleet by 50% to reflect the Board's view on the current realisable value of the fleet. We continue to believe that there is considerable potential to create shareholder value from the Andash asset and believe that it is in the interest of Shareholders to seek to capitalise on the progress made at Andash since January 2005.

As announced in our preliminary results, the civil case has had a significant impact on the potential costs and timelines of the Zone 1 mine, such that a further US$65 million of funds would be required to bring the mine into production and to first cash flow. This compares with current cash balances in the Company of approximately US$29 million (based on current exchange rates) leaving a current cash shortfall of approximately US$36 million in order to get the Zone 1 mine into production.

In our preliminary results in September we highlighted a wide-ranging strategic review in which we were looking at proposals for reducing our risk exposure and to provide upside value to the full asset value of the company. The result of this review was announced on 28 November 2008. Whilst it was not then possible to recommend a proposal to Shareholders, it was decided to continue to seek and evaluate opportunities and to continue to look for ways to unlock value from the Andash asset.

Concurrently with looking at opportunities that can deliver value from the Andash asset the Company has commenced a capital reduction process that would potentially enable a return of cash to Shareholders. The authorisation to proceed with the capital reduction was given by Shareholders at the Company's General Meeting on 16 December 2008. It is currently estimated that the capital reduction will be completed by the end of the first quarter of the 2009 calendar year at which time the Board will make a recommendation to Shareholders about a return of cash.

Financials

Aurum has maintained strong cash balances throughout the half year and, at 30 September 2008, had cash and cash equivalents of US$35.4 million (30 September 2007: US$51.9 million).

The pre- and post-tax loss for the period was US$20.9 million (H1 2007: loss of US$0.66 million), largely as a result of the US$18.9 million impairment of the Andash asset. The basic and diluted loss per share was 43.43c (H1 2007: loss of 1.45c).

The Board is seeking to maximise cash by disposing of the Company's mining fleet, and in addition the Company is reducing its head office and Kyrgyz costs to preserve cash balances.

Outlook

The Board continues to be focused on delivering value and benefit to Shareholders by pursuing a number of different strategies concurrently. While the Board goes through the process of reorganising the balance sheet to allow the potential return of cash to Shareholders it is also continuing to look at other options that that will enable value maximisation from the Andash asset.

While the market does not currently give any value to the Andash asset, the Board is of the view that the asset remains extremely attractive to parties who have an understanding of the political risk of the Kyrgyz Republic. This is primarily because of the strong fundamentals that underpin the Andash asset namely a quality ore body which is close to production, with low mining costs and significant upside potential.

The Board will continue to look at ways of increasing the value of the company and looks forward to updating Shareholders in due course.

Sean Finlay
Chairman

Mark Jones
Chief Executive Officer

18 December 2008

AURUM MINING PLC

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Notes	**Six months to 30 September 2008 $'000 Unaudited**	Six months to 30 September 2007 $'000 Unaudited	Year ended 31 March 2008 $'000 Audited
Impairment of assets	5	**(18,886)**	-	-
Depreciation		**(1,273)**	(122)	(210)
Other administrative expenses		**(1,900)**	(2,038)	(4,293)
Administrative expenses		**(22,059)**	(2,160)	(4,503)
Operating loss		**(22,059)**	(2,160)	(4,503)
Finance income		**1,138**	1,564	2,957
Finance expenses		**(6)**	(62)	(79)
Loss for the year before taxation		**(20,927)**	(658)	(1,625)
Tax on loss for the period		**-**	-	-
Loss for the year after taxation		**(20,927)**	(658)	(1,625)
Loss attributable to the equity shareholders of the parent company		**(20,927)**	(658)	(1,625)
Loss per share				
Basic and Diluted	4	**(43.43c)**	(1.45c)	(3.57c)

All amounts above relate to continuing operations.

AURUM MINING PLC

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2008

	Notes	30 September 2008 $'000 Unaudited	As restated 30 September 2007 $'000 Unaudited	31 March 2008 $'000 Audited
Assets				
Non-current assets				
Intangible assets		**-**	-	515
Property, plant and equipment		**4,152**	14,880	22,516
Total non-current assets		**4,152**	14,880	23,031
Current assets				
Inventories		**300**	407	462
Receivables		**1,214**	1,101	1,671
Cash and cash equivalents		**35,401**	51,896	41,730
Total current assets		**36,915**	53,404	43,863
Total assets		**41,067**	68,284	66,894
Liabilities				
Non-current liabilities				
Trade and other payables		**311**	-	423
Total non-current liabilities		**311**	-	423
Current liabilities				
Trade and other payables		**1,362**	636	1,208
Total current liabilities		**1,362**	636	1,208
Total liabilities		**1,673**	636	1,631
Net assets		**39,394**	67,648	65,263
Capital and reserves attributable to the equity holders of the company				
Share capital		**921**	917	921
Share premium account	2	**64,295**	64,035	64,295
Merger reserve	2	**5,816**	5,816	5,816
Shares to be issued		**-**	-	-
Presentational currency translation reserve		**(3,940)**	2,779	1,061
Other reserve		**350**	435	350
Retained earnings		**(28,048)**	(6,334)	(7,180)
Total Equity		**39,394**	67,648	65,263

AURUM MINING PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Six months to 30 September 2008	Six months to 30 September 2007	Year ended 31 March 2008
	$'000	$'000	$'000
	Unaudited	Unaudited	Audited
Cash flows from operating activities			
Loss for the period	**(20,927)**	(658)	(1,625)
Depreciation of property, plant and equipment	**1,273**	122	210
Finance income	**(1,138)**	(1,564)	(2,957)
Finance expense	**6**	62	79
Loss on disposal of property, plant and equipment	**-**	17	17
Impairment losses	**18,886**	-	-
Share based payments	**59**	123	244
Foreign exchange differences	**165**	(32)	96
Cash flow from operating activities before changes in working capital	**(1,676)**	(1,930)	(3,936)
Decrease/ (Increase) in inventories	**15**	(46)	(101)
(Increase) in trade and other receivables	**(213)**	(918)	(1,488)
Increase/ (decrease) in trade and other payables	**42**	(53)	942
Cash used by operations from operating activities	**(1,832)**	(2,947)	(4,583)
Income taxes paid	**-**	-	-
Net cash used in operating activities	**(1,832)**	(2,947)	(4,583)
Investing activities			
Purchase of property, plant and equipment	**(1,145)**	(4,715)	(12,617)
Proceeds from the sale of property, plant and equipment	**-**	9	9
Purchases of intangible assets	**-**	-	(515)
Interest income	**973**	1,535	2,788
Net cash used in investing activities	**(172)**	(3,171)	(10,335)

AURUM MINING PLC

CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Six months to 30 September 2008	Six months to 30 September 2007	Year ended 31 March 2008
	$'000	$'000	$'000
	Unaudited	Unaudited	Audited
Financing activities			
Issue of ordinary shares	**-**	18	197
Interest paid	**(6)**	(1)	(6)
Cash flows from financing activities	**(6)**	17	191
Net (decrease)/increase in cash and cash equivalent	**(2,010)**	(6,101)	(14,727)
Cash and cash equivalents at the beginning of the period	41,730	55,649	55,649
Effect of exchange rate changes on cash and cash equivalents	**(4,319)**	2,348	808
Cash and cash equivalents at the end of the period	**35,401**	51,896	41,730

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

	Six months to 30 September 2008	Six months to 30 September 2007	Year ended 31 March 2008
	$'000	$'000	$'000
	Unaudited	Unaudited	Audited
Exchange translation differences on consolidation of Group entities	**(5,001)**	2,608	890
Net income recognised directly in equity	**(5,001)**	2,608	890
Loss for the financial period	**(20,927)**	(658)	(1,625)
Total recognised income and expense for the financial period	**(25,928)**	1,950	(735)
Attributable to the equity shareholders of the parent company	**(25,928)**	1,950	(735)

1. Basis of preparation

The financial information set out above is based on the consolidated financial statements of Aurum Mining plc and its subsidiary companies (together referred to as the 'Group'). The accounts of the Group for the six months ended 30 September 2008, which are unaudited, were approved by the Board on 16 December 2008. In accordance with s240(s) of the Companies Act 1985, such unaudited results do not constitute statutory accounts of the Company or Group.

These accounts have been prepared in accordance with the accounting policies set out in the Report and Accounts of Aurum Mining plc for the year ended 31 March 2008. The statutory accounts for the year ended 31 March 2008 have been filed with the registrar of Companies. The auditors' report on those accounts was unqualified with an emphasis of matter relating to the fundamental uncertainty relating to the ownership of and the Group's interest in the Andash mining property, see note 5. These accounts have not been audited or reviewed by the Company's auditors.

The comparative figures presented are for the six months ended 30 September 2007 and the full year ended 31 March 2008. The Group's consolidated annual financial statements for the year ended 31 March 2008 were prepared using the recognition and measurement principles of International Financial Reporting Standards (IFRSs and IFRIC interpretations) as adopted by the European Union and also in accordance with the Companies Act 1985.

The Group financial statements are prepared in United States Dollars, and all values are rounded to the nearest thousand Dollars ($'000) except when otherwise indicated.

The comparative financial statements for the six months ended 30 September 2007 have been re-presented for the change in presentational currency from £GBP to US$. The Directors decided to present the financial statements in United States Dollars as this is the generally accepted presentational currency for the natural resources sector. The previously reported figure for the net assets of £33,204k has been restated as $67,648k using an exchange rate of £1:$2.0374, representing the closing rate at 30 September 2007 and the previously reported figure for the loss of £325k has been restated as $658k using an exchange rate of £1:$2.0206, representing the rate approximating the rate ruling at the date of the transaction for the six months ended 30 September 2007.

2. Restatement of comparative figures

During the period ended 30 September 2007, the Company allotted 2,500,000 ordinary shares of 1p at $2 per share to the vendors of Kaldora Company Limited for deferred consideration as part of the acquisition of Andash Mining Company. The difference between the nominal value of the shares issued and the consideration paid of $2 per share ($4,951k) was credited to the share premium account. This has been restated and credited to the merger reserve account. There was no change to the net asset position as at 30 September 2007 or to the loss for the six month period to 30 September 2007 as a result of the misstatement.

3. Changes in accounting policies

There were no changes in accounting policies during the six months ended 30 September 2008.

4. Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue for the period is 48,188,275 (six months ended 30 September 2007: 45,467,005 and the year ended 31 March 2008: 45,467,005).

Losses for the Group attributable to the equity holders of the Company for the six months are $20,927,000 (six months ended 30 September 2007: $658,000 and the year ended 31 March 2008: $1,625,000).

In 2008 and 2007 the effect of the share options in issue under the option scheme are anti-dilutive and therefore diluted earnings per share has not been calculated. As at 30 September 2008, there were 3,500,000 share options in issue and 805,000 warrants in issue.

5. Impairment of assets

The Board have conducted a strategic review during the last 6 months and although various approaches were received, none were deemed acceptable by the Board to recommend to Shareholders. Whilst the Board does believe that value can be delivered from developing the Andash project in the mid to long term, all further investment is currently on hold and further funds would need to be raised to bring the project into production. Due to this uncertainty the Board have prudently provided against the mine development costs in full and against 50% of the mining fleet (based upon estimated resale value). Should an acceptable offer be received or the legal/political issues in the Kyrgyz Republic become resolved, then the Board will reconsider the appropriateness of this provision at future reporting dates.

	Six months to 30 September 2008 $'000 Unaudited	Six months to 30 September 2007 $'000 Unaudited	Year ended 31 March 2008 $'000 Audited
Operating loss is stated after charging:			
Impairment of intangible assets	**513**	-	-
Impairment of property, plant and equipment	**17,556**	-	-
Impairment of inventories	**147**	-	-
Impairment of other receivables	**670**	-	-
	18,886	-	-