

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

Placing to raise £30 million to fund construction of Andash Zone 1 mine

Aurum Mining plc (AIM: AUR) is pleased to announce that 30 million new ordinary shares of 1p each in the share capital of the Company (the "Placing Shares") have been placed by Arbuthnot Securities Limited, acting as the Company's Nominated Adviser and Broker, at a price of 100p per share to raise approximately £30 million before expenses (the "Placing"). The issue was fully subscribed and marks the largest fundraising so far this year in the AIM market's mining sector.

Highlights

- Aurum has raised £30 million before expenses at 100p per share to fund the construction and commissioning of the open-cast mine at the Andash Zone 1 gold and copper project in the Kyrgyz Republic.
- Initial production at Andash Zone 1, which contains reserves of 1.1 million ozs of gold and gold equivalent, is expected to begin in 2008, marking Aurum's transition from an exploration company to a gold producer.
- The Andash Zone 1 mine will be funded entirely through the equity raised in the Placing, and there will be no requirement for debt or associated hedging.
- The Placing will also support Aurum's exploration programme within other areas of the Andash licence.

Mark Jones, Aurum Mining's Chief Executive, said: "We are delighted by the success of this Placing which will fully fund the construction and commissioning of the Andash Zone 1 mine and which should take the Company through to positive cashflows. The strength of demand for shares in this Placing underlines the high quality of the Andash resource and the robustness of our strategy to monetise both Zone 1 and the other exploration areas within the Andash licence."

Details of the Placing

A total of 30 million new ordinary shares of 1p each in the share capital of the Company (the "Placing Shares") have been placed by Arbuthnot Securities Limited, acting as the Company's Nominated Adviser and Broker, at a price of 100p per share to raise approximately £30 million before expenses (the "Placing"). The Placing Shares represent approximately 71 per cent of the enlarged issued share capital of the Company.

The net proceeds of the Placing will enable the Company to wholly fund the development of the Company's 100 per cent owned Andash Zone 1 gold and copper project as well as providing on-going working capital and support to continue the Company's exploration programme. With finance now in place, and following the announcement of the award of a mining licence and completion of the bankable feasibility study at the end of 2006, commercial production from Andash Zone 1 is expected during 2008.

As previously announced the Wardell Armstrong International (WAI) compiled bankable feasibility study increased the measured and indicated resource base by 12.5% to 19.2 million tonnes at 1.1 grams per tonne of gold and 0.4% copper which equates to 1.1 million ounces of gold and gold equivalent. The feasibility study anticipates a mining rate of 2 million tonnes per annum with a pit life of 8.5 years and an average cash operating cost of \$223 per ounce. Furthermore, the study confirmed the open-cast operation will combine low costs with high production rates resulting in a payback period of 3.5 years and an NPV of 36.9% based on WAI's conservative mineral price assumptions. Further details of the feasibility study are available at the Company's website (www.aurummining.net).

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will rank *pari passu* with the existing issued ordinary shares of 1p each in the share capital of the Company (the "Ordinary Shares").

The Placing is conditional, *inter alia*, on the admission of the Placing Shares to AIM becoming effective ("Admission"), which is expected to occur on Wednesday, 28 February 2007, when dealings in the Placing Shares are expected to commence. Upon Admission, the Company's enlarged issued share capital will comprise 42,429,753 ordinary shares with voting rights. The Company does not hold any shares in treasury. This figure of 42,429,753 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.

On 31 January 2005, a waiver was granted by the Panel on Takeovers and Mergers from the obligation of the Concert Party (as set out in the admission document sent to shareholders on 13 January 2005) to make an offer to all shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers. This waiver related to the potential allotment of up to 3,100,000 new ordinary shares pursuant to the acquisition of Kaldora Company Limited and options over a further 1,000,000 Ordinary Shares granted to members of that Concert Party as set out in the admission document. As a result of the Placing, the percentage holding of the Concert Party upon Admission will be reduced to 6.8 per cent and the potential shareholdings of the Concert Party as a result of the issue of shares and exercise of options for which the waiver has been obtained would be up to 12.9 per cent.

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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 focussed 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 bankable 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. Initial production at Andash Zone 1 is expected in 2008. The Andash project also includes Zone 2 and Zone 3 along with Tokhtonysay, Nakhodka and three other additional exploration areas.

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