



RNS Number : 2876W  
Aurum Mining PLC  
06 November 2014

## AURUM MINING PLC

("Aurum" or "the Company")

### Interim Results for the six months ended 30 September 2014

Aurum Mining plc (AIM: AUR), the Spanish focused gold and tungsten explorer, is pleased to report its interim results for the six months ended 30 September 2014.

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Aurum Mining Plc

## **Review of Activities:**

Aurum Mining plc (AIM: AUR) is pleased to announce its interim results for the six months ended 30 September 2014.

The Company's 2014 Annual Report, which was published on 18 August 2014, outlined that the Board was changing the Company's strategy and direction to ensure the growth and development of the Company as a direct result of the very challenging market conditions that are adversely impacting the junior mining sector. The Annual Report went on to say that the Board would be working closely in conjunction with the Company's major Shareholder to identify and complete a transformational deal that will enhance the prospects of the Company.

During the last couple of months the Board has looked at a number of potential opportunities, both natural and non-natural resource, and this will continue to be the focus of the next period. Shareholders in AIM listed junior mining companies have faced a long period of falling valuations and increased dilution and with no end in sight for the ongoing downturn, the Board feels that this change in strategic direction is unquestionably the right thing for the Company to do.

The Board looks forward to keeping the market up to date with progress.

## **Gold projects**

In tandem with the new strategic approach, the Company will be looking to drive value from the successful exploration work undertaken on the gold projects to date. Aurum is working closely with its joint venture partner Ormonde Mining plc ("Ormonde") (AIM: ORM) to achieve this. There have been a number of discussions with interested parties around structuring a deal for Aurum's stake in the gold projects and a number of these discussions are on-going. There is currently a very low level of activity taking place on the gold projects, and in the short term the Company will refrain from funding, resulting in a small dilution, which currently stands at just over one per cent.

## **Morille tungsten project**

Following the completion of the deal with Plymouth Minerals Limited ("Plymouth") (ASX: PLH) in which Plymouth became Aurum's partner on the Morille tungsten project, significant exploration work has been carried out on the project. The Board has been impressed by the energy and enthusiasm of Plymouth and the work done to date has yielded some very promising results. The Board looks forward to updating the market with further exploration updates in the near future.

## **Key financials**

For the six months to 30 September 2014, the Group reported a loss of £172,000 compared to a loss of £259,000 for the same period in 2013.

On 21 August 2014, the Company announced that it had raised £60,000 (before expenses) through a placing of 4,800,000 new Ordinary Shares. The funds of the placing are enabling the Company to pursue its revised strategy.

On 31 October 2014, the twelve month anniversary of the disposal of the Morille project, the Company received €50,000 of Plymouth shares as final consideration from the transaction.

During this period of transition, cash management and cost control have remained key priorities for the Company. Administrative costs have been significantly reduced over recent months and the full impact of these reductions will be seen in the full year numbers.

## **Corporate**

The Board would like to thank its Shareholders and advisers for their input during this period. In particular the Board would like to thank the Company's major Shareholder for the on-going support it is receiving during this transitional period.

## **Qualified Person**

Sean Finlay, Professional Geologist, Chartered Engineer, Chairman 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.

**Sean Finlay**

Chairman

**Chris Eadie**

Chief Executive Officer

6 November 2014

CONSOLIDATED INCOME STATEMENT for the six months ended 30 september  
2014

		Six months to 30 September	Six months to 30 September	Year ended 31 March
		2014	2013	2014
	Notes	£'000	£'000	£'000
		Unaudited	Unaudited	Audited
Administrative expenses		(172)	(263)	(479)
Operating loss		(172)	(263)	(479)
Finance income		-	4	1
Loss for the year before taxation		(172)	(259)	(478)
Taxation		-	-	-
Loss for the year from continuing operations		(172)	(259)	(478)
Loss for the year from discontinued operations		-	-	(52)
Loss attributable to the equity shareholders of the parent company		(172)	(259)	(530)
Loss per share expressed in pence per share				
From continuing operations				
Basic and Diluted	2	(0.12)p	(0.18)p	(0.34)p
From discontinued operations				
Basic and Diluted	2	-	-	(0.03)p
Total operations				
Basic and Diluted	2	(0.12)p	(0.18)p	(0.37)p

CONSOLIDATED statement of COMPREHENSIVE INCOME for the six months ended 30 September 2014

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2014	2013	2014
	£'000	£'000	£'000
	Unaudited	Unaudited	Audited
Loss after taxation for the financial year	(172)	(259)	(530)
Items that will or may be reclassified to P&L:			
Exchange translation differences on consolidation of Group entities	-	-	-
Other comprehensive income	-	-	-
Total comprehensive expense attributable to the equity shareholders of the parent company	(172)	( 259)	( 530)

CONSOLIDATED statement of financial position as at 30 September 2014

		Six months to 30 September	Six months to 30 September	Year ended 31 March
		2014	2013	2014
Assets	Notes	£'000	£'000	£'000
		Unaudited	Unaudited	Audited
Non-current assets				
Intangible assets	3	899	1,193	899
Investments		64	-	64
Total non-current assets		963	1,193	963
Current assets				
Receivables		57	30	62
Cash and cash equivalents		67	269	214
Total current assets		124	299	276
Total assets		1,087	1,492	1,239
Liabilities				
Current liabilities				
Trade and other payables		74	95	113
Total current liabilities		74	95	113
Total liabilities		74	95	113
Net assets		1,013	1,397	1,126
Capital and reserves attributable to the equity holders of the company				
Share capital	4	1,461	1,413	1,413
Share premium		11,596	11,585	11,585
Retained deficit		(12,044)	(11,601)	(11,872)
Total Equity		1,013	1,397	1,126

## CONSOLIDATED statement of Changes in equity

	Share capital	Share premium	Retained deficit	Total Equity
	£'000	£'000	£'000	£'000
At 1 April 2014	1,413	11,585	(11,872)	1,126
Total comprehensive expense for the year	-	-	(172)	(172)
Issue of shares net of issue costs	48	11	-	59
At 30 September 2014 (unaudited)	1,461	11,596	(12,044)	1,013

At 1 April 2013	1,413	11,585	(11,342)	1,656
Total comprehensive expense for the year	-	-	(259)	(259)
At 30 September 2013 (unaudited)	1,413	11,585	(11,601)	1,397

At 1 April 2013	1,413	11,585	(11,342)	1,656
Total comprehensive expense for the year	-	-	(530)	(530)
At 31 March 2014 (audited)	1,413	11,585	(11,872)	1,126

The following describes the nature and purpose of each reserve within owners' equity.

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value.
Retained deficit	Cumulative net gains and losses recognised in the income statement less distributions made.



CONSOLIDATED statement of cash flows for the six months ended 30 september 2014

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2014	2013	2014
	£'000	£'000	£'000
	Unaudited	Unaudited	Unaudited
Cash flows from operating activities			
Loss for the year before tax	(172)	(259)	(530)
Adjustments for:			
Finance income	-	(4)	(1)
Disposal of subsidiaries	-	-	30
Exchange differences	-	4	1
Cash flow from operating activities before changes in working capital	(172)	(259)	(500)
Decrease in other receivables	5	27	37
(Decrease) / increase in trade and other payables	(39)	(4)	14
Net cash flow used in operating activities	(206)	(236)	(449)
Investing activities			
Ormonde joint venture payments	-	(132)	(159)
Expenditure on tungsten project	-	(61)	-
Disposal of subsidiary net of cash	-	-	124
Net cash flow used in investing activities	-	(193)	(35)
Financing activities			
Proceeds from issue of share capital	60	-	-
Expenses paid in connection with share issues	(1)	-	-
Net cash flow from financing activities	59	-	-
Net decrease in cash and cash equivalents	(147)	(429)	(484)
Cash and cash equivalents at the beginning of the period/ year	214	698	698
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents at the end of the period/ year	67	269	214

## **1. Basis of preparation**

The unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). The Group has not elected to comply with IAS 34 "Interim Financial Reporting" as permitted. The principal accounting policies used in preparing the interim financial statements are unchanged from those disclosed in the Group's Annual Report for the year ended 31 March 2014 and are expected to be consistent with those policies that will be in effect at the year end except the Group has adopted a number of revised standards and interpretations. However, none of these has had a material affect on the Group's reporting. In addition the IASB has issued a number of IFRS and IFRIC amendments and interpretations since the last annual report.

The financial statements for the six months ended 30 September 2014 and 30 September 2013 are un-reviewed and unaudited. The comparative financial information does not constitute statutory financial statements as defined by Section 434 of the Companies Act 2006. The comparative financial information for the year ended 31 March 2014 is not the Company's full statutory accounts for that period. A copy of those statutory financial statements has been delivered to the registrar of companies. The auditors' report on those accounts was unqualified, but did draw attention by way of emphasis, in respect of the Group's ability to continue as a going concern, but did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

The Group financial statements are presented in Great Britain Pounds Sterling, and all values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

### **Going concern**

Following a review of the Group's operations, its current financial position and cash flow forecasts, the Directors do not believe that the Group currently has sufficient cash resources to continue in operational existence for the next twelve months. However in addition to being able to reduce overheads still further, the Company has assets for potential sale, deferred consideration shares in Plymouth for disposal and a Letter of Support from its major Shareholder which commits to underwrite the Group's underlying operating costs until August 2015.

Based on the above the Directors have formed a view that the Group will have financial resources available to it, in the twelve months from the date of signing the interim financial statements, to enable the Group to meet its financial commitments

as they arise. Accordingly, the Directors continue to adopt the going concern basis for the preparation of these interim financial statements.

## 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 period.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

As at 30 September 2014 there were 4,450,000 (30 September 2013: 4,450,000, 31 March 2014: 4,450,000) potentially dilutive ordinary shares.

The effect of all potential ordinary shares arising from the exercise of options is anti-dilutive and therefore diluted loss per share has not been calculated.

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2014	2013	2014
	£'000	£'000	£'000
	Unaudited	Unaudited	audited
Net loss attributable to equity holders of the parent:			
From continuing operations	(172)	(259)	(478)
From discontinued operations	-	-	(52)
From total operations	(172)	(259)	(530)

	Six months to 30 September	Six months to 30 September	Year ended 31 March
	2014	2013	2014
	Number	Number	Number
	Unaudited	Unaudited	audited
Weighted average number of shares:			
Weighted average number of shares	142,162,260	141,291,930	141,291,930

### 3. Intangible assets

	30 September	30 September	31 March
	2014	2013	2014
	£'000	£'000	£'000
Intangible assets	Unaudited	Unaudited	Audited
Gold exploration	899	872	899
Tungsten project	-	321	-
Total intangible assets	899	1,193	899

### 4. Share capital

	Number	Nominal value	Share premium	Total
		£'000	£'000	£'000
Authorised				
Ordinary shares of £0.01	200,000,000	2,000	-	2,000
Allotted, issued and fully paid ordinary shares of £0.01				
As at 1 April 2013 and 1 April 2014	141,291,930	1,413	11,585	12,998
Issue of shares net of issue costs	4,800,000	48	11	59
As at 30 September 2014	146,091,930	1,461	11,596	13,057

### 5. Events after the reporting period

Details of significant post reporting period events are included within the Review of Activities.

This information is provided by RNS

The company news service from the London Stock Exchange