

3 September 2012

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

Operational Update

The Board of Aurum Mining plc (AIM: AUR) is pleased to provide an operational update on the status of, and the recent progress made on, its gold and tungsten projects in north west Spain and to outline the next steps for each of the projects.

Completion of acquisition of Morille tungsten permits

Following the announcement made to the market on 9 July 2012, at which time the Company announced that it was intending to exercise the Company's option to acquire five tungsten permits (the "permits" or the "project") in Salamanca Province, the Company is delighted to announce that the acquisition of the permits has now been completed.

The total cost of acquiring the permits was €165,200 (inclusive of Spanish VAT), and in addition, the vendor has retained a 1.5% net smelter royalty in the project.

By way of background, the five permits are located 15 km southwest of the city of Salamanca and cover an area of 5,796 hectares. The Morille permit area is a 'brownfield' site and there has been a long history of the production of high quality tungsten concentrates from the site. Once formally transferred by the Salamanca Mines Department, the permits will be held by Aurum's 100% owned Spanish subsidiary, Morille Mining S.L.

The Board is extremely optimistic about the potential of the Morille permit area and intends to progress the project as quickly as is commercially possible. Initial work on the Morille project is due to commence immediately and will involve the collation of historical information on the project, mapping, an environmental assessment and drill target identification. It is currently hoped that initial drilling on the Morille permit area will commence before the end of the 2012 calendar year once the work programme has been agreed with the Mines Department of Salamanca.

Gold projects

The recent period has also been one of activity and progress on the gold projects in which Aurum has a majority interest through its joint venture with Ormonde Mining plc ("Ormonde").

As previously announced, Aurum has now earned a 60% interest in two permits in Zamora province (the "Pino permits") and a 54% interest in two permits in Salamanca Province (Peralonso and Cabeza de Caballo ("Cabeza")).

Pino Permits

The focus of the joint venture to date has been on the 'El Facho' structure which falls within the Pino permit area. A total of 18 holes have been drilled at El Facho by Ormonde and the joint venture to date and this amounts to some 3,658 metres of drilling. Assays from these 18 holes were very encouraging and have indicated that the El Facho structure does contain intersections of mineable widths and grades. The assays to date indicate a main gold bearing structure over a strike length in excess of 600 metres.

Despite the relatively limited work done on the structure to date, the potential of the El Facho has further been highlighted in the work done by the joint venture's external consultant, Aurum Exploration Services (the Irish based mineral exploration advisers who, it should be noted, are totally independent of Aurum), who have estimated that the current resource at El Facho could be in the region of 122,000-145,000 ounces based on a 0.3 g/t cut off. This was an early stage resource estimation rather than being a resource that has been calculated in accordance with any internationally recognised standard but their findings highlight the significant potential of the structure even at this early stage of its development. It is also important to point out that the El Facho structure remains open in all directions.

The joint venture is now undertaking work which is focusing on expanding the potential resource on the Pino permit area through the identification of additional mineralised structures near to El Facho. This is being done so that the joint venture can get a clearer perspective and overview on the entirety of the permit area in order to determine and prioritise future exploration work on the site.

Over the summer months, soil sampling work has been carried out to define targets on two geochemical anomalies in the Pino permit area separate to the El Facho structure, one which lies half a kilometre to the north of El Facho and one which lies a kilometre and a half to the north west.

This soil sampling programme has comprised some 700 samples. The assay results from this work are due back shortly and will be used to plan the follow up trenching and drill work programme.

Peralonso

On 4 July 2012, the Company announced the assay results from the first three holes drilled on the Peralonso permit area. The three shallow holes were drilled to test the shallow depth extent of gold mineralisation which had been identified by historic trenching work.

The Board were delighted by the initial assay results, particularly with those from drill hole PERD001 which, despite being drilled to only 125m, contained three separate intervals including 18 metres grading 1.10 grams per tonne ("g/t") gold from surface, 10.1 metres grading 3.39 g/t (from 46.9m) and 14.95metres grading 2.33 g/t (from 109.1m).

As a priority, the joint venture wishes to extend and expand its knowledge of the potential near surface gold structure at Peralonso, and to reflect this a 7 hole drill programme (totalling some 805 metres) will commence in September.

Following the positive results from the initial drilling at Peralonso, reconnaissance prospecting to the northeast of the Peralonso permit area was carried out which indicated that the mineralised structures encountered in the preliminary drilling may extend beyond the existing permit boundary. As a direct result of this, the joint venture has submitted a permit application for an area adjacent to the northern boundary of the Peralonso permit area (totalling some 43 square kilometres). This permit area is called “Alajar” and the Company will keep the market updated with progress made on this application.

Cabeza

It is planned for initial trenching work to be carried out on the Cabeza permit area. The trenching work at Cabeza will follow up on some positive historical soil geochemistry work. Assay results from this exercise should be available before the end of the calendar year.

Sean Finlay, Aurum’s Chairman, commented:

“We are delighted to have completed the acquisition of the Morille tungsten permits and we look forward to commencing work on this “brownfield” project in the near future. We intend to progress the project as quickly as possible.

The acquisition of the Morille permits significantly increases Aurum’s foothold in north west Spain and we feel that this, when combined with the existing gold projects that the Company holds, gives us a convincing portfolio and creates a strong investment opportunity.

We are excited about the follow up drilling programme at Peralonso and hope the results will further our understanding of the potential near surface gold structure. We also think the addition of the Alajar permit area to the joint venture will significantly bolster the attractiveness and potential of the Peralonso permit area.

We have a busy period ahead and we look forward to updating the market on progress on both the gold and tungsten projects in due course.”

Qualified Person

Simon Beardsmore, BSc (hons), ARSM, MIMMM, CEng, Technical Manager 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 announcement.

For further information:

Aurum Mining plc

Chris Eadie, Chief Executive Officer

Tel: 020 7499 4000

www.aurummining.net

Fairfax I.S. plc

Nominated Adviser & Broker

Ewan Leggat / Laura Littley

Tel: 020 7598 5368