For immediate release 27 September 2007

A meeting for analysts will be held at 10am on the morning of the results, 27 September 2007, at the offices of Buchanan Communications, 45 Moorfields, London EC2Y 9AE. The investor presentation, which will be used at the analyst meeting, is available on Aurum's website, www.aurummining.net.

AURUM MINING PLC

("Aurum" or "the Company")

Preliminary Results for the year ended 31 March 2007

Aurum Mining plc (AIM: AUR), the gold-mining company focussed on the Former Soviet Union (FSU) and whose principal asset is the Andash Project in the Kyrgyz Republic, is pleased to announce its preliminary results for the year ended 31 March 2007.

Highlights

- Aurum is on track for initial gold production at Andash in 2008
- Strong balance sheet following £30 million share issue in February 2007
- Identified capex savings at the Zone 1 mine, along with the continuing strength of metal prices, have considerably enhanced the economics of the Andash Project
- On-going exploration work will increase Aurum's reserves and offers significant potential upside

Sean Finlay, Aurum's Chairman, commented: "The current year promises to be transformational for the Group. We are advanced with the execution of our plans for the start of construction of the open-cast mine at Andash Zone 1 and look forward to initial production from the mine in 2008. In addition to becoming a near-term gold producer, Aurum has significant exploration potential from other opportunities within the Andash licence area, which should increase the value of our Company significantly. Metal prices are currently strong and the outlook remains positive. We look forward to the future with confidence."

For further information:

Aurum Mining plc **Tel: 020 7478 9050**
Mark Jones, Chief Executive Officer
Chris Eadie, Chief Financial Officer

Arbuthnot Securities **Tel: 020 7012 2000**
John Prior
John Toll

Buchanan Communications **Tel: 020 7466 5000**
Mark Court / Rebecca Skye Dietrich

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 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 the second half of 2008. The Andash project also includes Zone 2 and Zone 3 along with Tokhtonysay, Nakhodka and three other additional exploration areas.

Aurum Mining plc

CHAIRMAN'S STATEMENT

In my Chairman's statement last year I described the year to 31 March 2006 as a year in which the foundations were firmly laid for the delivery in 2008 of Aurum's primary objective of becoming a gold producer. I am delighted to say that, in the year to 31 March 2007, we have built extensively on those foundations and have full confidence that Aurum is set to become a revenue generating gold producer next year.

During the year, we made major progress with the Andash Project in the Kyrgyz Republic culminating in February 2007 with a highly successful fundraising in which we raised £30 million gross through a share issue to fully fund construction of the open-cast mine at Zone 1 of the Andash licence area. This fundraising was a very significant achievement, marking one of the largest fundraisings this year in the AIM market's mining sector. The success of the fundraising is a reflection of the commitment of the Aurum management team, the quality of our Andash asset and the capability of our Nominated Adviser and Broker, Arbuthnot Securities. This fundraising, which will allow the Zone 1 mine to be built without the need for debt, followed a substantial amount of preparatory work during the year including upgrades to the resource estimate, the award of a mining licence from the Kyrgyz authorities and completion of a western feasibility study.

The Andash Project is Aurum's principal asset which comprises a licence area of 53 sq km in northern Kyrgyzstan. Andash forms part of the Tien Shan gold belt, one of the world's largest gold belts, and which stretches across central Asia. Our strategy is to begin production at Zone 1 of the licence area at the earliest opportunity, thereby creating the cash flow to exploit the significant opportunities in other exploration areas. We have previously completed some exploration drilling at Zones 2 and 3 and, during the period, we discovered a new and very exciting target close to Zone 1, which we named Nakhodka. We also identified a substantial prospect at Tokhtonysay, which is adjacent to the Korgontash licence area held by Lero Gold Corporation, a subsidiary of Oriel Resources plc.

These additional opportunities throughout the licence area have the potential to increase substantially the Andash Project's resource base and thereby to create significant value for the Company following the start of production at Zone 1.

Zone 1 itself has an extensive resource: our western feasibility study, the preparation of which was led by Wardell Armstrong International (WAI), identified a JORC compliant proven and probable resource of 16 million tonnes of ore at a grade of 1.05 grammes per tonne (g/t) and 0.4% copper, giving contained gold and gold equivalent of more than 1.1 million ounces. The feasibility study also confirmed that Aurum will be a low-cost producer with cash costs for gold and gold equivalent of just US$223 per ounce. The pit design will allow us to mine at a rate of 2 million tonnes per annum with a very low stripping ratio of 0.8 of a tonne of waste to 1 tonne of ore.

We believe that responsible mining is fundamental to Aurum's success at Andash and therefore we have continued our proactive interaction with the local community with initiatives including our social fund for health and education. As mentioned in our pre-close update, the Kyrgyz Republic is a demanding environment in which to operate but we believe our initiatives on the ground, including regular dialogue with senior government officials and with the local community, mean that we will deliver our plans on schedule. It is our intention to meet all of the social and environmental conditions made in our western feasibility study, which has been ratified by the Kyrgyz authorities and to which we are fully committed.

Post year end, we have made significant progress in the preparatory work for the construction of the Zone 1 mine. Detailed design work, to meet the requirements of the Company's mining licence and to enable the physical construction of the mine, is progressing well.

People

Aurum's management team, and Board, was strengthened in the period with the appointment of Chris Eadie as Chief Financial Officer as announced on 17 November 2006. Chris is a Chartered Accountant whose broad financial experience, particularly around financing and internal control, has already been of great value to the Group.

In preparation for the construction and commissioning of the Andash Zone 1 mine, we have expanded our management team at the Andash Mining Company (AMC), our wholly owned Kyrgyz subsidiary, with some key appointments in general, operational and project management and in financial control.

I would like to thank Aurum's dedicated team of staff in the UK and in the Kyrgyz Republic and also thank the Company's consultants and other advisers for their dedicated work throughout the year. I would also like to express my gratitude for the valuable support from our investors.

Financials

For the year to 31 March 2007, the Group reported a loss of £1.96 million, compared with a restated loss of £1.55 million in 2006. Cash at bank at the balance sheet date was a healthy £28.4 million (31 March 2006: £0.3m), reflecting February's £30 million gross fundraising. Careful cost control remains a key priority at Aurum particularly as we begin to invest funds in the Zone 1 mine's construction. As announced on 27 June 2007, we have successfully identified significant savings in the forecast capital expenditure (capex) at the mine, with the result that forecast capex is now expected to be in the region of US$48.5 million, compared with the western feasibility study estimate of US$55.5 million.

Future Opportunities

As we move closer to meeting our initial strategic target of bringing Zone 1 of the Andash mine into production, the Board intends to review the potential to diversify our asset base to grow the Group and to reduce country and political risk.

To this end the Board will allocate time to looking at opportunities that are complementary to Andash, whilst ensuring that operationally we maintain our focus on delivering the Andash Zone 1 mine.

Outlook

The current year promises to be transformational for the Group. We are advanced with the execution of our plans for the start of construction of the open cast mine at Andash Zone 1 and look forward to initial production from the mine in 2008. In addition to becoming a near-term gold producer, Aurum has significant exploration potential from other opportunities within the Andash licence area, which should increase the value of our Company significantly. Metal prices are currently strong and the outlook remains positive for the prolonged Bull Run to continue. We look forward to the future with confidence.

Sean Finlay
Chairman

27 September 2007

CHIEF EXECUTIVE'S REVIEW

Our key objectives during the year to 31 March 2007 were the submission of the local feasibility study for Andash Zone 1, the award of a mining licence and the completion of a fully bankable feasibility study to enable the project financing of the Zone 1 open-cast mine. Achieving these objectives was the focus of much of our effort during the year, in line with our strategy of bringing Zone 1 into production at the earliest possible date. We also made some important progress during the year on new exploration opportunities. I am pleased to report that we achieved our key objectives successfully and went on to raise £30 million gross in equity to fully fund construction of the Zone 1 mine.

Post year end our effort has been focussed on preparing for the start of construction work at the Zone 1 mine, where we have made considerable progress. We announced in May the employment of technical and management staff at the Andash Mining Company (AMC), and we have subsequently enlarged the AMC team in line with our ongoing needs. The detailed design work, to meet the requirements of the Company's mining licence, is progressing well. Construction equipment and contractors are being sourced with key equipment already on order.

Deposits of precious and other metals tend to be located in challenging environments as a result of weather, infrastructure, political, environmental or technical issues. We are highly fortunate with the location of the Andash licence area, in the Talas Valley in the North West of the Kyrgyz Republic, as it is accessible year round. The technical and geological risks of the Andash Project are low, in part because the Zone 1 ore body is fairly homogeneous, close to the surface and with good geometry allowing an open-cast operation with a low strip ratio, and high mining rates.

We have sought to minimise social or environmental problems by working closely with the local population and have also maintained a regular dialogue with the Kyrgyz government and authorities at local, regional and national levels.

The Talas Valley has received a lot of attention in the local media as it hosts the Jerooy deposit, which was formerly held by Oxus Gold, as well as a number of other exploration opportunities owned by both local and international companies. Non-Governmental Organisations (NGOs) and other interested parties are rightly concerned that any future mining operations minimise the impact on the local environment and on the social structure in what is largely an agricultural area. Media coverage, particularly around the use of cyanide, has caused concern within the local population following the internationally reported cyanide spill in 1998 at the Kumtor mine in western Kyrgyzstan. Although there have been concerns within the local community about the use of cyanide, it should be noted that it is not proposed to use cyanide for the Zone 1 mine.

Earlier this year, national government, in an initiative to reassure the local population, requested all companies in the valley to show, through independent assessment, that they were able to meet the highest environmental standards. As part of our policy to work with the government we decided to rearrange our plans and hold back on mobilising exploration and site work until July of this year.

An independent assessment by Oleg Pechenyuk from the Kyrgyz NGO, 'Independent Ecological Experts', confirmed that our operation is designed to meet the highest international standards. Although holding back has caused some delays, it has not so far impacted our target of bringing Zone 1 into production in the second half of next year. Current relationships with the Kyrgyz authorities are good, at both national and regional level, and we do not foresee any further disruptions to our timetable at this time.

Andash Zone 1

In June 2006, we completed the local feasibility study for Andash Zone 1 and it was submitted for approval by the Kyrgyz authorities. This study, which covered the economic, mining, metallurgical, legal, environmental and social issues of the project, was prepared by Ken-Too Research and Design Centre, the leading independent Kyrgyz mining consultancy. This study confirmed the resource estimates previously included in the State Commission of Resources of the Kyrgyz Republic, amounting to gold and gold equivalent of 1.5 million ounces.

This study was a key part of our application for a mining licence, which we received from the Kyrgyz authorities in November 2006 and which underlined the Company's good working relationship with the Kyrgyz Republic. This licence was awarded by the State Agency for Geology and Mineral Resources of the Kyrgyz Republic and is valid until 31 December 2017, but can be extended on the identification of additional resources in other zones of the licence area.

Concurrent with the local feasibility study and mining licence application, Wardell Armstrong International, the leading UK mining consultant with particular expertise in the Former Soviet Union, was compiling the western feasibility study to enable the project financing of the Zone 1 mine. This study, which was prepared in association with engineering consultants GBM and ground engineering and environmental services group Golder Associates, was completed in December 2006.

The western feasibility study, which confirmed a JORC proven and probable reserve at Andash Zone 1 of more than 1.1 million ounces of gold and gold equivalent, underlined the attractive economics of the Zone 1 mine. The mine which will be open pit, will be a low cost operation, the forecasted cash operating costs are US$223 per ounce, well under the forecast industry average in 2007 of US$350. The orebody, which outcrops, gives a stripping ratio of just 0.8 to 1. The pit geometry allows high production rates; the planned ore mining rate of 2 million tonnes per annum giving a pit life of approximately 9 years.

A summary of WAI's feasibility study is available on Aurum's website.

We had been considering a number of options for the financing of the Zone 1 mine but, given the persuasiveness of the western feasibility study, we decided to maximise the equity component of the financing to avoid the effect of the gold hedging demands that debt providers would almost certainly have required. Along with our Nominated Adviser and Broker, Arbuthnot Securities, we decided to finance the mine entirely through equity via a share placing that successfully raised £30 million before expenses via a placing of new shares at 100p a share.

On 26 February 2007, we announced the successful result of this fundraising, the net proceeds from which are sufficient to wholly fund the construction and commissioning of the Zone 1 mine and to support the Company's exploration programme in other parts of the Andash licence area. This fundraising was a major step in the development of the Company and an endorsement of Aurum's acquisition, in January 2005, of the Andash licence area.

A further benefit of funding the mine exclusively through equity has been our ability to manage the project internally. In April 2007, we announced the employment of Jeff Geissmann as Operations Director of AMC and Norman Livingstone as Project Manager of AMC. The team was further complemented by the employment of Andrew Howson as Financial Controller in May 2007. Using the considerable experience of the team, particularly in mine construction and commissioning, we have been able to eliminate the need for an external engineering procurement and construction management contract, which would have been required by a debt provider. In addition we have enhanced flexibility in the sourcing of plant and equipment, which we are able to do locally.

This approach, as previously announced, has allowed us to identify significant savings in the forecast capital expenditure of the mine, which is now expected to be in the region of US$48.5 million compared with the western feasibility study estimate of US$55.5 million. These capex savings will assist the Company to advance other prospects within the Andash licence area to feasibility and provide us with the option to look at other growth opportunities.

In the current year, we are making good progress in preparation for the start of construction of the Zone 1 mine, and we expect to begin production in the second half of 2008.

A decision was made by the executive team in July of this year to manage parts of the open pit mine on a selective mining basis. This will allow us to avoid many of the non pay dykes that are a feature of the ore body, as well as allow us to manage the low and high grade areas to maximise recovery in the process plant. In August this year we decided to equip the mine with a mining fleet that provides full flexibility, so that both mass and selective mining opportunities can be addressed. The mining fleet and all auxiliary and support equipment was placed on order in August, with delivery scheduled for February 2008.

Final design for the new access road to site has been completed and we are currently waiting for permission for the road build programme to start. All the necessary road building equipment was ordered in April this year, and arrived on schedule in August.

The detailed design phase that needs to be completed by the end of November is on schedule, and all long lead time equipment has been identified. The manufacturer of the two 3.7 MW Ball Mills, which is the longest lead time component, has committed to schedule and deliver the mills to site in advance of any critical path time line, and we are currently finalising contracts for their purchase.

Environment

A statement of environmental impacts required by the Kyrgyz government (Stage 1 of the local environmental standard (OVOS)) has been submitted and accepted by the regulatory authorities. Comments of independent ecological experts were sought and relayed to AMC in July for consideration in the Stage 2 OVOS submission. A suitable response to these comments was made by AMC in a letter to the State Agency for Geology and Mineral Resources in August, and this was accepted and noted by the State Agency in November 2006.

The latest information on layout and design has been transmitted to the Kupero Bazaar authorities. Whilst no official response is required by the authorities, at this stage, we believe that we have had a generally positive reaction to the final design layout given in the western feasibility study.

The Stage 2 OVOS (Impact Assessment and Mitigation) will be linked in to the Technical Design due in November 2007 and allows for further minor changes to be incorporated.

The Environmental and Social Impact Assessment (ESIA) process led by our consultants WAI runs on a parallel timeline to the OVOS process. Environmental and social issues were addressed in the western feasibility study. A working draft of the ESIA report was made available to AMC for review and comment in June of 2007. Further work is progressing towards completing a social impact assessment, community development programme, environmental monitoring and management plan, mine closure and rehabilitation plan.

A final version of the ESIA will be published after receipt of permission from the authorities and consideration of attached conditions.

The Stage 2 OVOS will include the compilation and State approval of maximum permissible discharges, emissions and solid wastes for the construction and operational phases of the project. These will be incorporated into the provisions of the initial ecological passport for the project.

All environmental assessment documents and project descriptions were provided to the Kazakh authorities (Jambal Oblast and Ministry of Environment) as required by the UN Espoo convention of the assessment of impacts in transborder context, in March 2007. A public meeting was held in Tarac, Kazakhstan in March 2007. Principal concluding remarks were supportive of the project and approved progression to detailed design and the stage 2 OVOS.

Social Impact assessment

During the review period and into the new financial year we continued to establish good working relationships with the local population of Kupero Bazaar, NGO's and regional and local government.

A Community Development Officer has been appointed to provide continuity in the public participation process and to provide the main communication link between AMC and the stakeholders.

We have held a number of public consultations: round table discussions and public meetings, with representatives of the local communities, NGO's and local government. Our objective of sharing information centred around the following:

- the beneficial impact for the local community from a well managed producing mine;
- the social, economic and environmental impact the mine will have on the local community; and
- the enhanced life style offered, by creating local job opportunities.

Key concerns shared:

- how the mining activity will affect the local environment;
- how it can be controlled;
- lack of information and understanding about the technical process of mining.

AMC is continuing to work closely with the local community by providing financial help for various projects. The new AMC information centre will be opened in Kupero Bazaar in September 2007 to provide a venue for sharing information. It will provide details of the proposed mining and processing activity, the economic impact and the benefits it will provide to the local community and will include a 'book of comments' that will allow individuals to seek clarification or share concerns. This will complement the information packs that were given to every household in the local villages in August this year.

AMC has carried out public relations activities designed to promote and stimulate the development of the mining sector of the country, protection of the environment, rendering assistance to vulnerable groups of the population, as well as preserving and reviving Kyrgyz national values. AMC also participated in the implementation of a number of projects and charity events to support technical progress, health and education in the Talas region.

During the year AMC rendered financial support for the Council of Veterans, the Council for Women, local government schools, kindergartens, hospitals as well as assistance for farmers.

Exploration

Whilst our primary focus is to bring the Zone 1 deposit into production during 2008, we have also made significant progress during the year under review at the other opportunities within the Andash licence area, which benefit from the considerable exploration work carried out in the Soviet era.

We were particularly excited to discover a new mineralised zone, which we named Nakhodka, which is in close proximity to Zone 1 and is a possible faulted extension of the Zone 1 orebody. This new area shares with Zone 1 identical bedding structures, the same host rocks and the same chemical elements both in type and grade. Trenching results showed strong mineralisation running 9.9 metres (m) at 7.89g/t of gold and 9m at 5.04 g/t of gold, considerably higher than results obtained in Zone 1 trenches.

Also during the period, we conducted further successful exploration work at Tokhtonysay, which was originally discovered during the Soviet era and contains seven outcropping mineralised zones. Four of these zones are situated within the Andash licence area whilst the other three are within the adjacent Korgontash licence area, which is held by Lero Gold Corporation, a subsidiary of Oriel Resources plc.

Results from our geophysical study, announced in December 2006, were highly encouraging. Trenching work revealed gold grades as high as 27.9g/t and copper grades of 0.77 per cent.

The close proximity of Nakhodka and Tokhtonysay to the Zone 1 mine creates the potential, following further drilling, to extend the mine life significantly.

Of the money raised in February, US$2 million has been allocated to the exploration programme. At the end of August, exploration teams who will complete a full geophysical survey of Nakhodka and start core drilling at Tokhtonysay, were mobilised. We expect to report initial findings before the 2007 calendar year end.

Summary

We made very considerable progress during the year under review and entered the current year with the full funding in place to construct and commission the Zone 1 mine and to progress the other substantial opportunities within the Andash licence area. Our immediate priority is the completion of the preparatory work to allow the construction of the Zone 1 mine, which is on track to begin production in the second half of 2008.

Mark Jones
Chief Executive
27 September 2007

Aurum Mining plc

Consolidated profit and loss account for the year ended 31 March 2007

	Note	Year ended 31 March 2007 £'000	Year ended 31 March 2006 Restated £'000
Administrative expenses			
Exceptional items	22	-	(252)
Other		(1,938)	(1,305)
Total administration expenses and operating loss		(1,938)	(1,557)
Interest receivable and similar income	4	154	21
Interest payable and similar expense	5	(175)	(14)
Loss on ordinary activities before taxation		(1,959)	(1,550)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		(1,959)	(1,550)
Retained loss for the financial year	16	(1,959)	(1,550)
Loss per share - basic and diluted	18	(13.38p)	(16.30p)

All amounts relate to continuing activities.

Aurum Mining plc

Consolidated statement of total recognised gains and losses for the year ended 31 March 2007

	Year ended 31 March 2007 £'000	Year ended 31 March 2006 Restated £'000
Loss for the financial year	(1,959)	(1,550)
Exchange translation differences	(93)	14
Total recognised gains and losses for financial year	(2,052)	(1,536)
Prior year adjustment- share based payments	(299)	
Total gains and losses recognised since last statements	(2,351)	

Aurum Mining plc

Consolidated and Company balance sheets as at 31 March 2007

	Notes	Group 2007 £'000	Group 2006 Restated £'000	Company 2007 £'000	Company 2006 Restated £'000
Fixed assets					
Intangible assets	8	-	1,305	-	-
Tangible fixed assets	9	5,123	263	6	8
Investments in subsidiary undertakings	10	-	-	3,213	665
		5,123	1,568	3,219	673
Current assets					
Stocks	11	184	11	-	-
Debtors: amounts falling due within one year	12	94	85	59	26
Debtors: amounts falling due after one year	12	-	-	2,802	1,211
Total Debtors		94	85	2,861	1,237
Cash at bank and in hand		28,356	321	28,279	284
		28,634	417	31,140	1,521
Creditors: amounts falling due within one year	13	(351)	(339)	(322)	(257)
Net current assets		28,283	78	30,818	1,264
Total assets less current liabilities		33,406	1,646	34,037	1,937
Convertible Loan Note	23	-	(643)	-	(643)
Net assets		33,406	1,003	34,037	1,294
Capital and reserves					
Called up share capital	14	455	95	455	95
Other reserve	16	250	304	250	304
Share premium	16	32,941	1,687	32,941	1,687
Merger Reserve	16	498	498	498	498
Shares to be issued	16	2,548	-	2,548	-
Profit and loss account	16	(3,286)	(1,581)	(2,655)	(1,290)
Shareholders' funds	17	33,406	1,003	34,037	1,294

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2007 and were signed on its behalf by:

Chris Eadie
Chief Financial Officer

Aurum Mining plc

Consolidated cash flow statement for the year ended 31 March 2007

	Note	Year ended 31 March 2007 £'000	Year ended 31 March 2006 Restated £'000
Net cash outflow from operating activities	(a)	(1,847)	(967)
Returns on investments and servicing of finance			
Interest received and similar income		154	21
Net cash inflow from returns on investments and servicing of finance		154	21
Capital expenditure			
Purchase of tangible fixed assets		(111)	(138)
Deferred exploration expenditure		(1,080)	(486)
Sale of assets		2	
Net cash outflow from capital expenditure		(1,189)	(624)
Cash outflow before management of liquid resources & financing		(2,882)	(1,570)
Financing			
Issue of ordinary shares		32,624	-
Issue of convertible Loan Notes (net of issued costs)		-	947
Expenses paid in connection with share issues		(1,707)	-
Net cash inflow from financing		30,917	947
Increase/(decrease) in cash	(c)	28,035	(623)

Significant non-cash transactions are as follows:

Capital expenditure:
Shares to be issued of £2,548,000 have been capitalised within mining properties.

Financing:
From 14/11/2006 to 31/03/2007 convertible debt of £643,000 was converted into ordinary shares.

Notes to the consolidated cash flow statement for the year ended 31 March 2007

(a) Reconciliation of operating loss to net cash outflow from operating activities

	2007 £'000	2006 Restated £'000
Operating loss	(1,938)	(1,557)
Depreciation of tangible fixed assets	77	64
Loss on sale of tangible fixed assets	5	-
Share based payments	347	299
(Increase)/decrease in stocks	(173)	(11)
(Increase)/decrease in debtors	(9)	180
Decrease/(increase) in creditors	12	58
Foreign exchange movements	7	14
Interest payable and similar expense	(175)	(14)
Net cash outflow from operating activities	(1,847)	(967)

(b) Reconciliation of net cash flow to movement in the net cash

	2007 £'000	2006 £'000
Increase/(decrease) in net cash in the year	28,035	(623)
(Increase)/decrease in debt on (issue)/redemption of convertible Loan Notes	643	(643)
Movement in net funds/(debt)	28,678	(1,266)
Opening net (debt)/funds	(322)	944
Closing net funds/(debt)	28,356	(322)

(c) Analysis of net funds

	At 1 April 2006 £'000	Cash flow £'000	Non cash movement £'000	At 31 March 2007 £'000
Cash at bank and in hand	321	28,035	-	28,356
Debt due after more than one year				
Convertible Loan Note	(643)		643	-
	(322)	28,035	643	28,356

Notes forming part of the financial statements

The financial information set out in this preliminary statement does not comprise Aurum Mining's statutory accounts within the meaning of section 240(5) of the Companies Act 1985. The statutory accounts of Aurum Mining for the year ended 31 March 2007 will be delivered to the Registrar of Companies for England and Wales following the Company's annual general meeting and have also been sent to shareholders today. Copies will be available from the Company's registered office at 26 Curzon Street, London, W1 7TQ, and will also be available at Aurum's website, www.aurummining.net.

The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s237(2) or (3) Companies Act 1985.

1 Accounting policies

Basis of preparation
The financial statements have been prepared in accordance with currently applicable Accounting Standards in the United Kingdom, which have been applied consistently, and under the historical cost convention. In preparing these financial statements the Group has adopted FRS20 'share-based payment' for the first time.

Basis of consolidation
Aurum Mining Plc, together with its subsidiaries as listed in note 10, is a mining and exploration group that is focused on opportunities in the territories of the Former Soviet Union.

The consolidated financial statements incorporate the results of Aurum Mining Plc and all of its subsidiaries as at 31 March 2007 using the acquisition method of accounting. The acquisition method includes the results of subsidiary undertakings from the date of acquisition.

The Company has taken advantage of Section 230 of the Companies Act 1985 in not presenting its own profit and loss account. The Company's loss for the year was £1,711,805 (2006: loss of £1,253,892 as restated).

Stocks
Stock is valued at lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Fixed asset investments
Investments held as fixed assets are stated at cost less provision for any impairment to their carrying value.

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated on straight line basis at the following rates:

Office and computer equipment:	20% to 33% per annum
Plant and Equipment:	20% to 33% per annum
Vehicles	33% per annum

Mining properties
Once a decision is made to proceed with the development of a mining project, exploration and evaluation expenditure other than that on buildings, machinery and equipment is capitalised under tangible fixed assets as mining properties, together with any amount transferred from unevaluated mining properties. Mining properties are amortised over the estimated life of the reserves on a 'unit of production' basis.

Unevaluated mining properties
All costs associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. When a decision is made to proceed to development, the related expenditures will be transferred to mining properties. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the company, the related costs will be written off.

The recoverability of deferred mining costs and mining interests is dependent upon the discovery of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

Costs on productive areas are amortised over the life of the area of interest to which such costs relate on a unit of production output basis.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss account. After such a reversal the depreciation or amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Environmental provisions
Appropriate and adequate provision is made for rehabilitation costs over the estimated period of exploration activity. As at 31 March 2007 no environmental damage had occurred and hence no provision has been made.

Operating leases
Amounts payable under operating leases are charged against income on a straight-line basis over the lease term.

Foreign currency transactions
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account as they arise. Results of overseas subsidiaries and their balance sheets are translated at year end rate. Exchange differences which arise from the translation of the opening net assets of foreign subsidiaries are taken to reserves.

Deferred Taxation
FRS 19 'Deferred tax' requires deferred taxation to be recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give rise to an obligation to pay more or less taxation in the future. Deferred tax assets are only recognised to the extent they are deemed recoverable. The Group has chosen not to discount deferred tax balances, as permitted by FRS 19.

National Insurance on share options
To the extent that the share price as at balance sheet date is greater than the exercise price of outstanding options, provision for any National Insurance contributions has been made based on the prevailing rate. The provision is accrued over the performance period attaching to the award.

Convertible Debt
In accordance with FRS4 and FRS25, the company has classified the convertible debt in issue as a compound financial instrument. Accordingly, the Company presents the liability and equity component separately on the balance sheet. The classification of the liability and equity component is not reversed as a result of a change in the likelihood that the conversion option will be exercised. No gain or loss arises from initially recognising the components of the instrument separately. Interest on the debt element of the loan is accreted over the term of the loan. Costs associated with raising debt are set off against the gross value of monies received.

Financial instruments
In relation to the disclosures made in note 19:

- short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures; and
- the Group does not hold or issue derivative financial instruments for trading purposes.

Liquid resources
For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

Share-based payments
The cost of equity-settled transactions with suppliers of goods and services is measured by reference to the fair value of the good or service received, unless that fair value cannot be estimated reliably. The fair value of the good or service received is recognised as an expense as the Group receives the good or service. The cost of equity-settled transactions with employees, and transactions with suppliers where fair value cannot be estimated reliably, is measured by reference to the fair value of the equity instrument. The fair value of equity-settled transactions with employees is recognised as an expense over the vesting period. The fair value of the equity instrument is determined at the date of grant, taking into account market based vesting conditions. The fair value is determined using an option pricing model.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Adoption of FRS 20 – Share- Based Payment
The Group has adopted Financial Reporting Standard (FRS) 20 'Share-based Payment' during the year. The adoption of this standard constitutes a change in accounting policy. Therefore, the impact has been reflected as a prior year adjustment in accordance with FRS 3 'Reporting Financial Performance'.

The standard requires that where shares or rights to shares are granted to third parties, including employees, a charge should be recognised in the profit and loss account based on the fair value of the shares at the date the grant of shares or right to shares is made.

The adoption of FRS 20 has resulted in a net increase in the loss for the year of £347,312 and for the year ended 2006 the net increase in the loss was £298,799.

There is no impact on the net assets of the Group.

The share-based payments expense has been included in the administrative expenses line of the consolidated profit and loss account.

4 Net interest receivable and similar income

	Year ended 31 March 2007 £'000	Year ended 31 March 2006 £'000
Bank interest receivable	154	10
Exchange gains	-	11
	154	21

5 Interest payable and similar expense

	Year ended 31 March 2007 £'000	Year ended 31 March 2006 £'000
Interest payable on convertible Loan Notes	107	14
Exchange losses	68	-
	175	14

6 Taxation

No current or deferred tax charge has arisen in the current year.

The Company and the Group have incurred tax losses for the year and a corporation tax charge is not anticipated. The potential benefit of these carried forward taxation losses calculated at the rates of tax prevailing in the countries in which the losses were incurred amount to approximately £479,000. This amount has not been recognised in the financial statements as the recovery of this benefit is dependent on the future profitability of certain subsidiaries, the timing of which cannot be reasonably foreseen.

The Directors believe that there have been no breaches of foreign tax regulations and that all necessary provisions have been made in these accounts.

The tax assessed for the year is different than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 1 March 2007 £'000	**Year ended 31 March 2006 Restated £'000**
Loss on ordinary activities before taxation	1,959	1,550
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006: 30%)	(588)	(465)
Effects of:		
Expenses not deductible for tax purposes	109	95
Unutilised tax losses carried forward	479	370
Current tax charge	-	-

8 Intangible assets

Group	**Unevaluated mining properties £'000**
Cost	
As at 1 April 2006	1,305
Foreign currency re-translation	(70)
Additions during the year	3,628
Transfer to mining properties	(4,863)
At 31 March 2007	-
Net book value	
At 31 March 2007	-
At 31 March 2006	1,305

The Company had no intangible assets at 31 March 2007 or at 31 March 2006.

9. Tangible fixed assets

Group	Office and computer equipment £'000	Plant, equipment and vehicles £'000	Mining Properties £'000	Total £'000
Cost				
At 1 April 2006	30	299	-	329
Foreign currency re-translation	(2)	(34)	-	(36)
Additions	7	104	-	111
Disposals	-	(10)	-	(10)
Transfer from unevaluated mining properties	-	-	4,863	4,863
At 31 March 2007	35	359	4,863	5,257
Depreciation				
At 1 April 2006	9	57	-	66
Foreign currency re-translation	-	(6)	-	(6)
Charge for the year	7	70	-	77
Disposals	-	(3)	-	(3)
At 31 March 2007	16	118	-	134
Net book value				
At 31 March 2007	19	241	4,863	5,123
At 31 March 2006	21	242	-	263

9 Tangible fixed assets (Continued)

Company	Office and computer equipment £'000
Cost	
At 1 April 2006	13
Additions	1
At 31 March 2007	14
Depreciation	
At 1 April 2006	5
Charge for the year	3
At 31 March 2007	8
Net book value	
At 31 March 2007	6
At 31 March 2006	8

10 Fixed asset investments

Company	Investments in subsidiary undertakings £'000
Cost	
At 1 April 2006	665
Additions	2,548
At 31 March 2007	3,213

The Company had the following subsidiary undertakings at the end of the year which has been included in the consolidated financial statements:

	Percentage interest	Country of incorporation	Activity
Kaldora Company Limited	100	British Virgin Islands	Holding company
Andash Mining Company	100	Kyrgyz Republic	Mining and exploration

11 Stocks

	Group Year ended 31 March 2007 £'000	Group Year ended 31 March 2006 £'000	Company Year ended 31 March 2007 £'000	Company Year ended 31 March 2006 £'000
Raw materials and consumables	184	11	-	-

12 Debtors

	Group Year ended 31 March 2007 £'000	Group Year ended 31 March 2006 £'000	Company Year ended 31 March 2007 £'000	Company Year ended 31 March 2006 £'000
Amounts falling due within one year:				
Other debtors	32	38	-	-
Prepayments and accrued income	62	47	59	26
	94	85	59	26
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	-	-	2,802	1,211
Total debtors	94	85	2,861	1,237

Amounts owed by subsidiaries are unsecured, interest free and fall due for repayment in 2008.

13 Creditors: Amounts falling due within one year:

	Group Year ended 31 March 2007 £'000	Group Year ended 31 March 2006 £'000	Company Year ended 31 March 2007 £'000	Company Year ended 31 March 2006 £'000
Trade creditors	11	170	7	143
Other creditor	-	6	-	-
Other taxation and social security	46	5	38	2
Accruals and deferred income	294	158	277	112
	351	339	322	257

14 Share capital

	Authorised			
	2007 Number	**2006 Number**	**2007 £'000**	**2006 £'000**
Ordinary shares of 1p each	200,000,000	200,000,000	2,000	2,000

	Allotted, issued and fully paid			
	2007 Number	**2006 Number**	**2007 £'000**	**2006 £'000**
Ordinary shares of 1p each	45,467,005	9,505,775	455	95

On 25 April 2006, 81,915 ordinary shares of 1p were allotted at 47 pence per share to W H Ireland on the exercise of share options.

On 12 May 2006, 2,777,778 ordinary shares of 1p were issued at a premium of 89 pence for cash.

From 14 November 2006 to 31 March 2007, 2,857,135 ordinary shares of 1p were allotted following the conversion of Loan Notes of £1,000,000 issued on 15 February 2006 at the previously agreed conversion price of 35 pence per share.

On 28 February 2007, 30,000,000 ordinary shares of 1p were issued at a premium of 99 pence for cash.

On 31 March 2007, 244,402 ordinary shares of 1p were allotted following the conversion of accrued interest on Loan Notes issued on 15 February 2006 at the previously agreed conversion price of 35 pence per share.

16 Reserves

Group	Merger reserve	Other reserve	Share Premium	Profit and loss account
	£'000	**£'000**	**£'000**	**£'000**
At 1 April 2006- as restated	498	304	1,687	(1,581)
Loss for the year	-	-	-	(1,959)
Share based payments	-	-	-	347
Equity proportion of convertible Loan Notes	-	(54)	-	-
Exchange differences on retranslation	-	-	-	(93)
Issue of 81,915 shares following exercise of share options	-	-	38	-
Issue of 2,777,778 shares at a premium of 89 pence	-	-	2,472	-
Issue of 30,000,000 shares at a premium of 99 pence	-	-	29,700	-
Share issue costs	-	-	(1,707)	-
Issue of 3,101,537 shares following conversion of Loan Notes and accrued interest	-	-	751	-
Shares to be issued	-	-	-	-
At 31 March 2007	498	250	32,941	(3,286)

Shares to be issued represent the further consideration payable at year end for the acquisition of Kaldora Company Limited. Per the acquisition agreement, the further consideration of US $5 million was to be satisfied in shares. The issue of shares was completed on 24 April 2007, refer to note 24 for more details.

16 Reserves (continued)

Company	Merger reserve	Other reserve	Share Premium	Profit and loss account	Sl
	£'000	£'000	£'000	£'000	
At 1 April 2006- as restated	498	304	1,687	(1,290)	
Loss for the year	-	-	-	(1,712)	
Share based payments	-	-	-	347	
Equity proportion of convertible Loan Note	-	(54)	-	-	
Issue of 81,915 shares following exercise of share options	-	-	38	-	
Issue of 2,777,778 shares at a premium of 89 pence	-	-	2,472	-	
Issue of 30,000,000 shares at a premium of 99 pence	-	-	29,700	-	
Share issue costs	-	-	(1,707)	-	
Issue of 3,101,537 shares following conversion of Loan Notes and accrued interest	-	-	751	-	
Shares to be issued	-	-	-	-	
At 31 March 2007	498	250	32,941	(2,655)	

17 Reconciliation of movement in equity shareholders' funds

	Group Year ended 31 March 2007 £'000	Group Year ended 31 March Restated 2006 £'000	Company Year ended 31 March 2007 £'000	Company Year ended 31 March Restated 2006 £'000
Loss for the year	(1,959)	(1,550)	(1,712)	(1,254)
Issue of ordinary shares	32,678	-	32,678	-
Expense of share issue	(1,707)	-	(1,707)	-
Convertible Loan Note conversion	643	-	643	-
Share based payments	347	299	347	299
Shares to be issued	2,548	-	2,548	-
Equity proportion of convertible Loan Note	(54)	54	(54)	54
Exchange differences on retranslation	(93)	14	-	-
Issue of warrants	-	250	-	250
Addition/(reduction) in shareholders' funds	32,403	(933)	32,743	(651)
Opening shareholders' funds	1,003	1,936	1,294	1,945
Closing shareholders' funds	33,406	1,003	34,037	1,294

18 Loss per ordinary shares

The calculation of loss per share of 13.38 pence (2006: 16.30 pence as restated) is based on the loss for the year of £1,959,000 (2006: £1,550,000 as restated) and on the weighted average number of shares in issue during the year of 14,645,392 (2006: 9,505,775).

Due to the losses incurred during the year a diluted loss per share has not been disclosed as this would serve to reduce the basic loss per share.

There are options and warrants outstanding at the end of the year that could potentially dilute basic earnings per share in the future. These are detailed in note 15.

22 Exceptional items

On 7 December 2004 the Company entered into an agreement with Geocentr whereby the Company agreed to make available a facility of up to $170,000. The loan carries an interest rate of 5% and was due for repayment not later than 31 March 2006. The amount lent to Geocentr was £89,366. The purpose of the Loan was to enter into a strategic relationship with a view to acquire a substantial equity stake in Geocentr. The acquisition of Geocentr could not be completed within the conditional agreement's terms and therefore was terminated. As part of the conditional agreement entered into with Loyal Wealthy, it was agreed that the benefit of an outstanding loan of £89,366 to Geocentr would be assigned to Loyal Wealthy.

On 3 August 2004 the Company entered into an agreement with Power Products International ("PPI") under which the Company would make available to PPI an interest free loan of up to £163,000 to assist in the refurbishment of a drilling rig owned by PPI in consideration for the right to require PPI to carry out drilling into the last quarter of 2005. The debt is to be repaid by the provision of drilling services at the Andash mine in Krgyzstan to the Company at cost price. Following repayment of the debt the Company will have the right to require PPI to carry out drilling in Central Asia at any time of year for three years on three months notice at a discounted rate of 120% of cost.

The Board made full provision in the 2006 accounts against the above loans due to uncertainty regarding the eventual recovery of the balances outstanding.

23 Convertible Loan Notes

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Convertible Loan Notes	-	643	-	643

During the prior year, Loan Notes with a par value of £1,000,000 were issued for cash (being £1 per Loan Note) on 15 February 2006 (the 'Commencement Date'). The Loan Notes were secured on the Group's interest in the Andash Project.

Interest was payable on the Loan Notes from the Commencement Date to the earlier of the date of redemption or the date of conversion. Interest was accrued at 11% until the first anniversary of the Commencement Date and thereafter at 10 per cent per annum.

The Loan Notes were convertible at the lesser of 35p per ordinary share and the price at which any fundraising took place. The ordinary shares so issued rank pari passu in all respects with the existing ordinary shares in issue.

Each Loan Note holder received one warrant entitling him to subscribe for 1 ordinary share (each a 'Warrant') for each £1 of Loan Notes subscribed for. The Warrants, which are transferable (in whole or in part) are exercisable at 45p per share at any time prior to 15 February 2016. The ordinary shares to be so issued will rank pari passu in all respects with the existing ordinary shares in issue.

In accordance with the provisions of FRS4 and FRS25, the Company treated the simultaneous issue of the convertible Loan Notes and warrants as a composite financial instrument. The Company apportioned the proceeds of the loan based upon the fair value of the loan and the fair value of the warrants issued and as a result £53,850 of the proceeds from the loan was classified as equity. Costs incurred on raising the loan amounts of £53,252 were set against the loan amount.

From 14 November 2006 to 31 March 2007, all of the Loan Notes were converted as was accrued interest of £86,000 into ordinary shares. This resulted in the issue of 3,101,537 ordinary shares of 1p at the conversion price of 35 pence per share.

24 Post balance sheet events

As part of the acquisition of Kaldora, the Company agreed to pay US$5 million in deferred consideration to the vendors of Kaldora Company Limited. The consideration was settled by the Company issuing 2,500,000 ordinary shares of 1p at a fixed price of US$2 per share on 24 April 2007 as follows:

- 1,500,000 ordinary shares to Kantanna Company Ltd, a company controlled by Oleg Kim, the former General Director of the AMC
- 500,000 ordinary shares to Jake Consultants Ltd, a company controlled by David Bryans, a consultant to Aurum.
- 500,000 ordinary shares to John Webster, Non-Executive Director of the Company.

Aurum Mining Kazakhstan LLP was incorporated on 26 April 2007. The Company has been set up for the purpose of assisting the Group in reviewing potential investment opportunities in Kazakhstan, which neighbours the Kyrgyz Republic.

John Webster, a Non-Executive Director of the Company has agreed to be contracted directly to supply consulting and engineering services to the Company and as such he is expected to play a key role in the construction of the Andash mine. In order to allow Mr Webster to fulfil this role, he stepped down from the Board of the Company on 1 May 2007.

In September 2007, AMC entered into a contract to acquire the entire mining fleet for the Andash Zone 1 mine. The total value of the contract was US$7 million. The assets acquired include all the excavators, haul fleet, bulldozers, graders and support vehicles required for the mine.