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THIS ANNOUNCEMENT CONTAINS INSIDE
INFORMATION

Withdrawal of General Meeting Resolutions

Avocet Mining Plc (“Avocet” or the “Company”) advises that it has withdrawn the following resolutions from the agenda of the General Meeting of the Company’s shareholders scheduled to be held at 11.00 a.m. on 18 July 2019:

- Special Resolution 1 — to place the Company into members’ voluntary liquidation; and
- Ordinary Resolution 2 — to appoint the joint liquidators of the Company.

The Board, in conjunction with the Company’s legal, accounting and other advisers, has been preparing the Company to be in a position for the proposed members’ voluntary liquidation to be implemented.

Further to feedback from the Company’s shareholders, the proposed resolutions are withdrawn and will not be proposed at the General Meeting; however, this does not affect the convening of the General Meeting which will continue to take place.

It should be noted that, on various occasions after the Company's earlier disposals in the context of the restructuring of its loans to its secured creditor Manchester Securities Corp. ("Elliott") that are overdue since 2013, shareholders have been advised that:

"[a] possible outcome of the discussions with Elliott could be that the Avocet Group is broken up further in an orderly manner and eventually wound up. If this occurs, it is expected that, given the amount of debt owed by Avocet, there will be very minimal or no returns to Avocet's shareholders" (Annual Report 2017 dated 4 July 2018, page 4 and 9).

As announced on 18 June 2019, Elliott has released Avocet from its USD 32.2 million overdue loans against the payment of almost all of the USD 21 million in proceeds received from the disposal of the Tri-K assets. Further, as part of this release, Avocet has transferred to Elliott the USD 2.5 million in deferred consideration for the sale of its assets in Burkina Faso, payable by the Balaji Group of companies ("Balaji") over a period of five years from 30 June 2020; Elliott had also security over this loan to Balaji.

As a result, the only asset left in the Company, is the remaining proceeds of the disposal of the Tri-K assets. Avocet has applied part of this sum to pay transaction costs and to settle some of the outstanding debts. Taking into account payment of remaining liabilities, the Board estimates that the Company's residual cash resources provide headroom only for a few weeks of running costs.

The Board is open to, in the short term, explore viable investment opportunities (if any) for the Company; a prerequisite for the Board to advance a possible investment opportunity, is that it be accompanied by new sources of funding, as such a process cannot be financed from the Company's own cash resources.

The shareholders are therefore advised that, should there be no viable opportunities, or if any opportunity is not significantly progressed, before the Company has exhausted its own cash resources, the Board will, in order to avoid an insolvent liquidation, immediately seek to obtain approval of the resolutions required for a members' voluntary liquidation

to be implemented, and as such, preparations for the implementation thereof will continue.

Finally, it should be noted that in the context of a General Meeting to approve a members' voluntary liquidation, the directors are required to complete a Declaration of Solvency which will incorporate a statement of assets and liabilities detailing the Company's financial position and estimated net assets available to the shareholders; it is expected that given the amount of the remaining liabilities together with those that are to arise on the liquidation of the Company, the Declaration of Solvency will show that there will be no returns to Avocet's shareholders.

Further announcements will be made as and when appropriate.

— END —

FOR FURTHER INFORMATION PLEASE CONTACT

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NOTES TO EDITORS

Avocet Mining PLC ("Avocet") is listed on the London Stock Exchange (ticker: AVM.L) and the Oslo Børs (ticker: AVM.OL).