



Avocet Mining

RBC African Precious Metals Conference

21st May 2013

focused on **west africa**

AVOCET 

Inata Gold Mine

- Producing mine with significant exploration potential
- Upside from satellite **Souma** deposit 20km from Inata process plant – currently 0.8Moz with significant growth potential
- Inata Mineral Resources of 5.5 Moz., including 0.8 Moz. at Souma

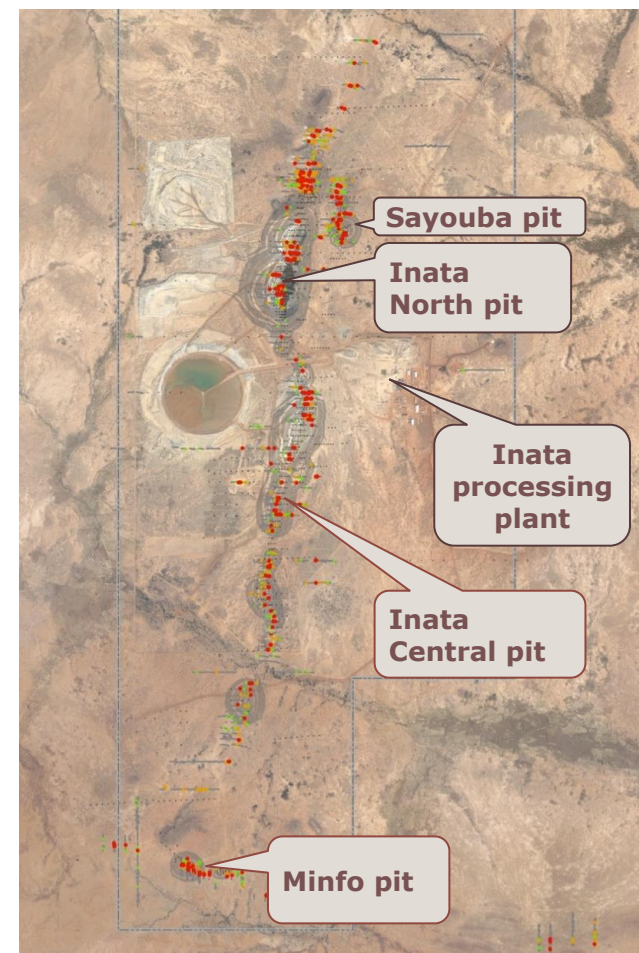
Tri-K Development Project

- Feasibility study commenced in Q4 2012
- Potential to be Guinea's next producing gold mine - first under new mining code
- Low capex development plan assumes initial heap leach project



Inata gold mine – Q1 2013 results

	Q4 2012	Q1 2013
Ore mined (k tonnes)	906	817
Waste mined (k tonnes)	8,980	9,127
Total mined (k tonnes)	9,886	9,944
Ore processed (k tonnes)	654	616
Average head grade (g/t)	2.03	1.65
Process recovery rate	83%	82%
Gold Produced (oz)	30,909	30,481
Cash costs (US\$/oz)		
Mining	562	542
Processing	350	360
Administration	219	163
Royalties	115	104
	1,246	1,169



Q1 production and costs in line with life of mine plan



Infill drilling

- Low cost drilling of inferred material in areas within existing mining licence, in order to incorporate into reserve estimate
- Drilling completed on one of two target areas, remaining area to be drilled shortly



Updated reserve estimate

- Remodelling exercise underway
- Will principally incorporate additional areas into reserve
- \$1,200/oz gold price assumption, in line with March 2013 reserves

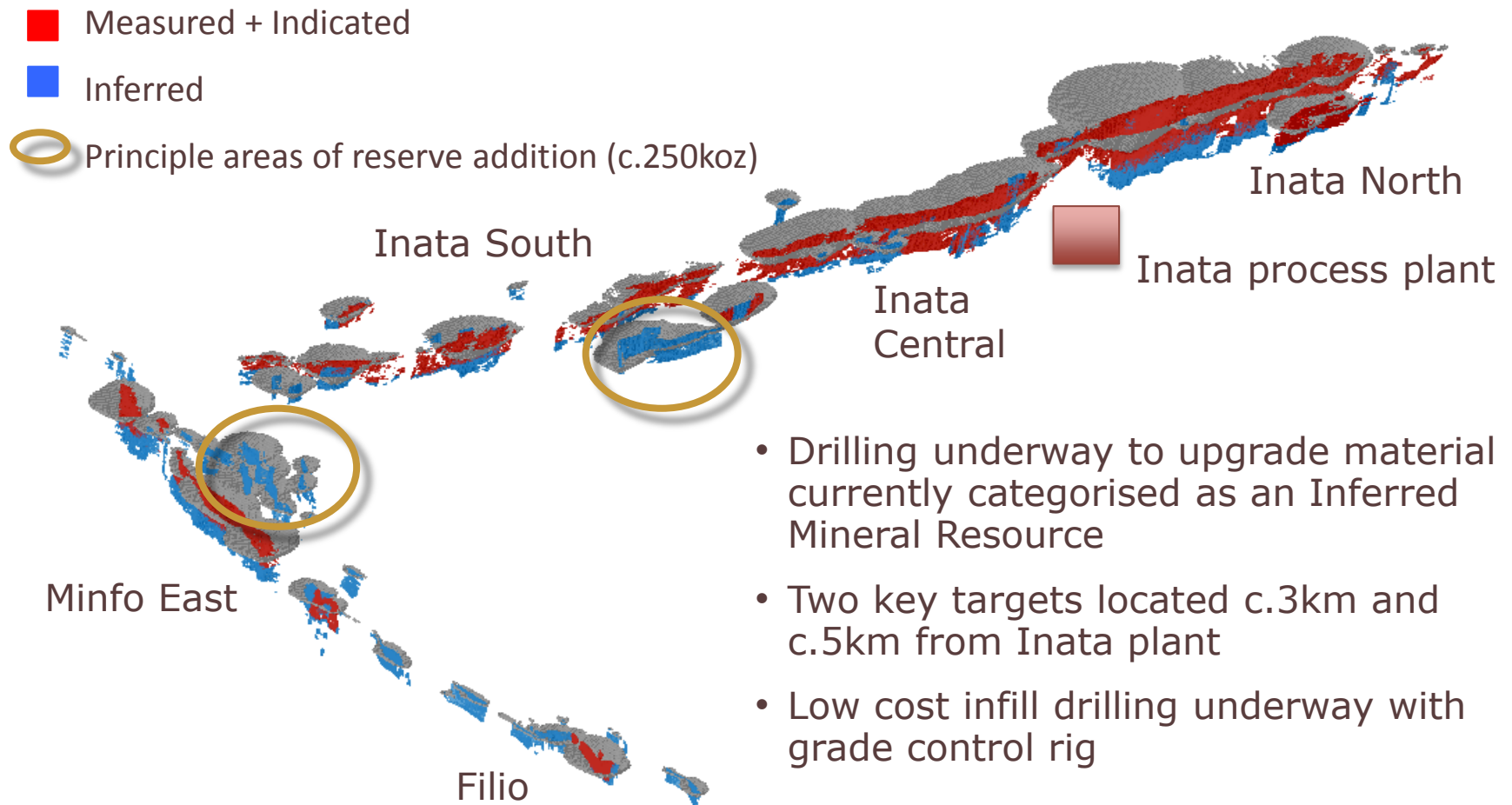


Updated life of mine plan - H2 2013

- More balanced mining schedule, with period of mining extended to closer mirror period of processing
- Will incorporate gains made in understanding of metallurgy and recoveries
- To be completed ahead of year end financing

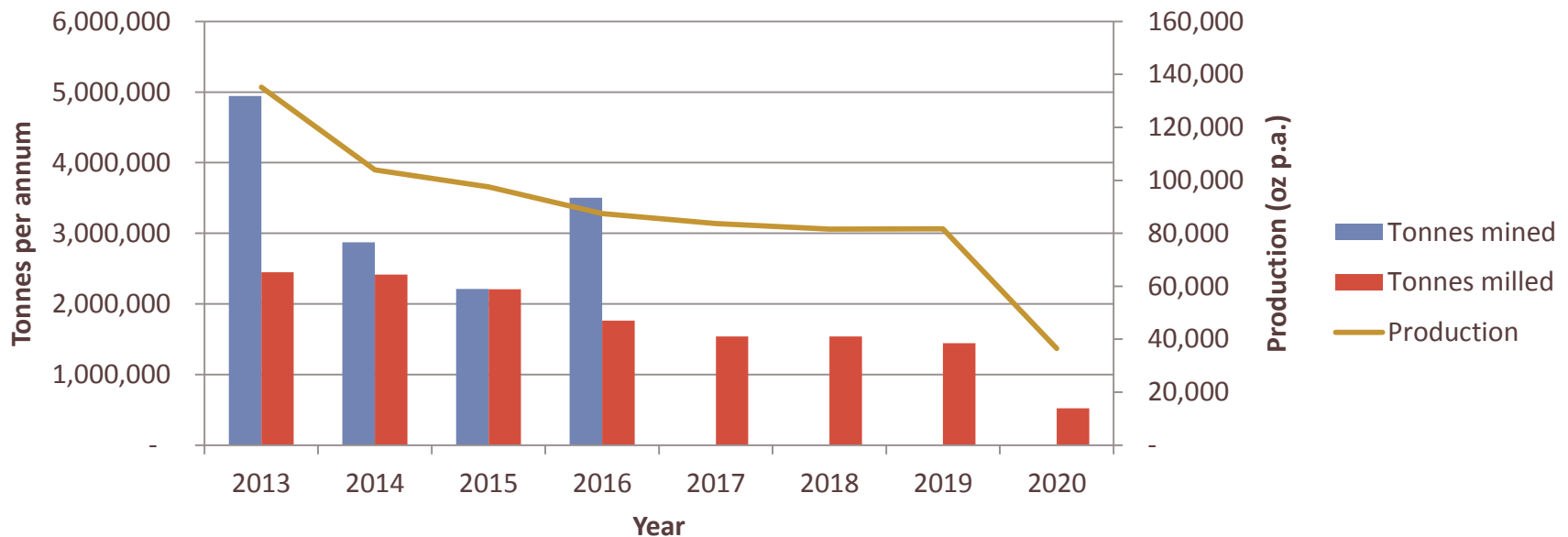
Increase in reserves to demonstrate long term value

Inata – potential near term reserve gains



Near term opportunity to increase reserve base

- In current life of mine plan announced March 2013, mining is front loaded to provide significant stockpile to selectively process ore
- H2 2013 revised life of mine plan expected to schedule mining material over longer period



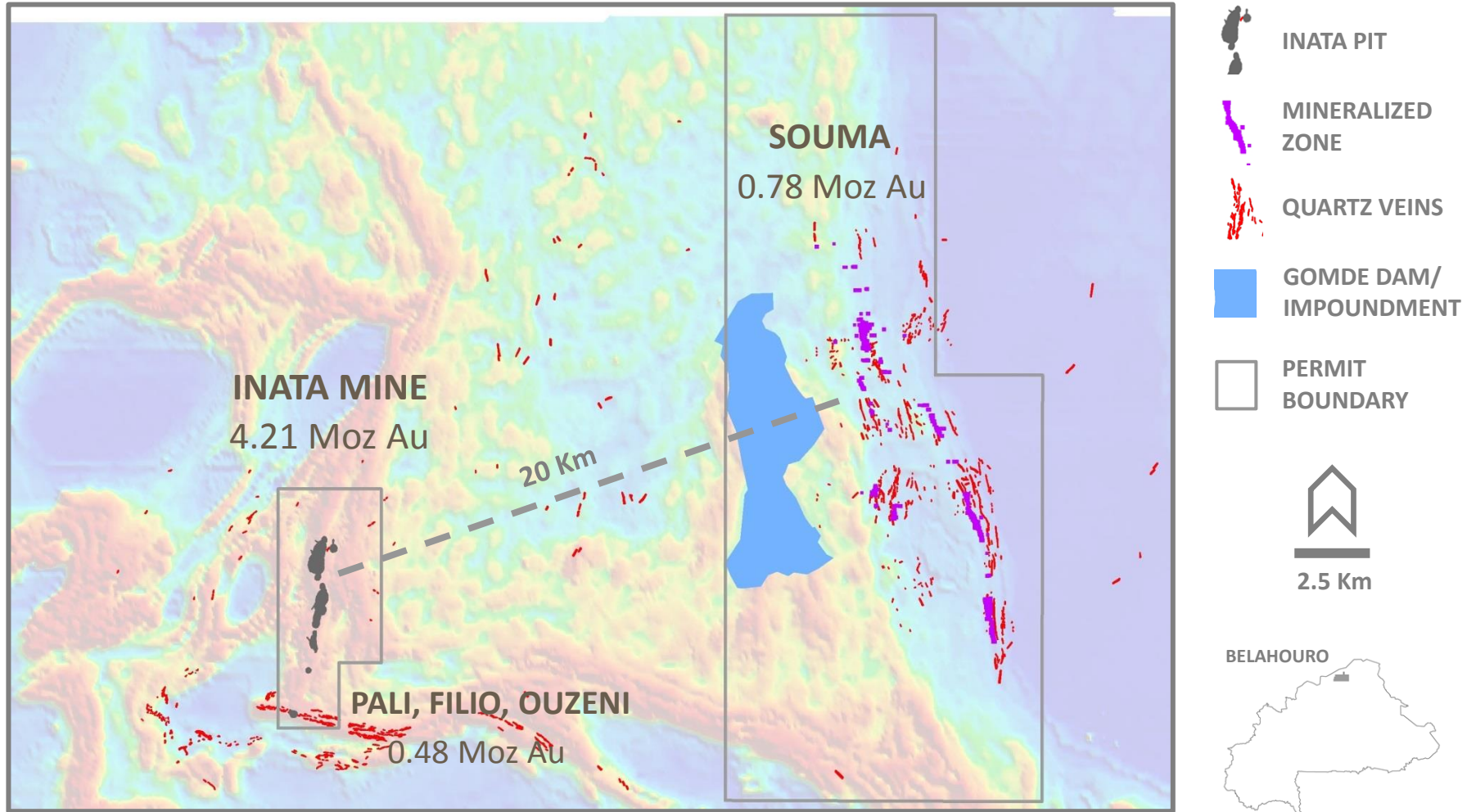
Opportunity to optimise mining schedule and improve near term cashflows

Key focus areas for targeted improvements:

- Inata
 - 2013 capex reduced by US\$5-7M to US\$13-15M
 - Reduction in expatriate staff targeted, localisation of roles
 - Optimised re-order levels for critical spares and consumables
 - Further reduction in admin costs such as accommodation and transfers
 - Efficiency initiatives tackling cyanide, lime, and fuel consumption
- Souma
 - Exploration expenditure to be minimised
- Head office
 - 20% reduction in head office staff

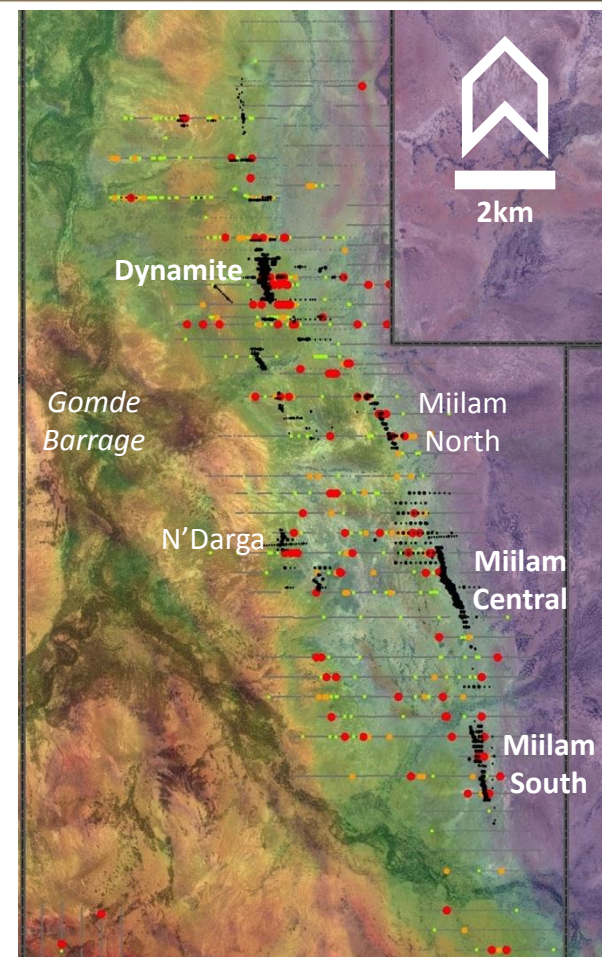
Ongoing focus on costs in response to lower gold price environment

Souma – satellite deposit for Inata



Mineral Resource estimate		
Tonnage (Mt)	Grade (g/t Au)	Contained Ounces
16.3	1.48	776,000

- Key medium term growth project
- 20km from Inata – within hauling distance across flat terrain
- 16 kilometre gold in soil anomaly
- High grade core of +2 g/t material
- Work programme for remainder of 2013 to be minimised
- Preliminary metallurgical test work received
 - Initial results show gold to be amenable to standard CIL processing methods (+90%)



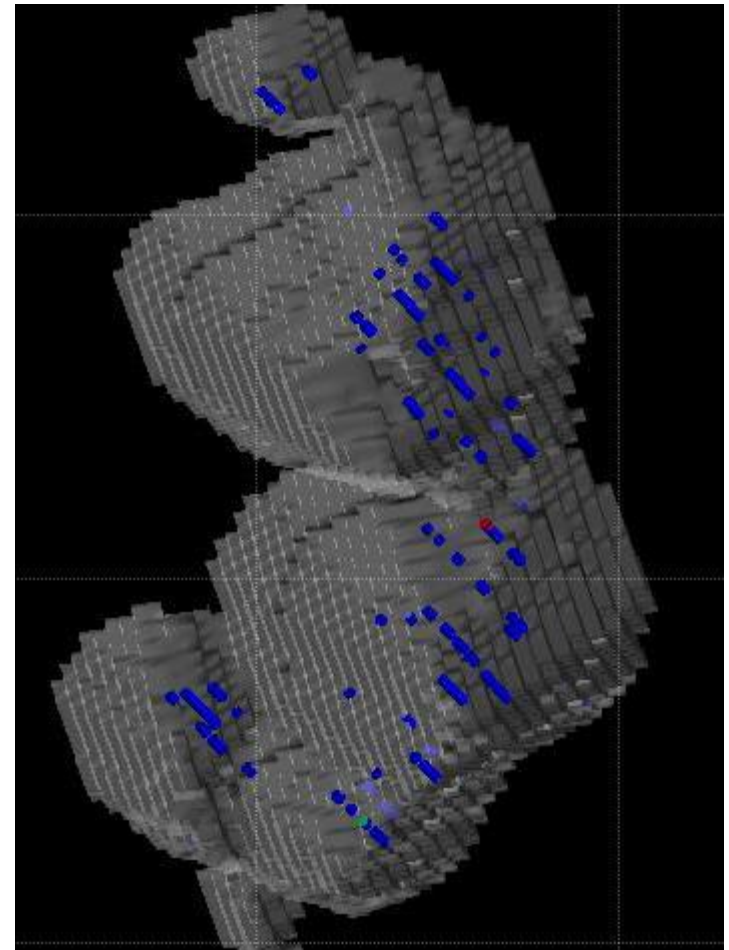
Potential to enhance Inata's medium term economics

- Feasibility study to be completed in H2 2013
 - Work commenced in Q4 2012
 - Development plan assumes initial heap leach project with low capex
 - Bateman (South Africa) contracted to complete technical studies
- Heap leach project will target oxide portion of orebody
 - Represents 44% of current Kodiéran resource and 10% of Koulékoun resource



Mining permit application and maiden reserve expected in 2013

- Feasibility study work commenced late 2012
 - Completion of feasibility study as part of mining licence application
- National, regional and local authorities are very supportive of the project
- Technical work underway:
 - Final metallurgical testwork
 - Infill drilling for maiden reserve estimate
 - Process description complete – engineering design ongoing
 - Mine optimisation and design ongoing
 - Environmental and social impact assessment
 - Geotechnical drilling



Potential to be Guinea's next gold mine

2013 strategy: focused on unlocking value



Complete negotiations with Macquarie Bank on hedge and financing



Funded for 2013 exploration and production



Deliver Inata operating budget in line with guidance



Increase reserves at Inata – infill drill new reserve areas



Souma: identify potential as satellite for Inata



Tri-K: complete feasibility study and generate maiden reserve



Refinancing for repayment of Elliott loan and future working capital





Avocet Mining – a West African
focused gold mining
and exploration company

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