



Avocet Mining

News Release

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INATA GOLD RESOURCE INCREASES TO 3.36 MILLION OUNCES

Avocet Mining PLC (“Avocet” or “the Company”) announces that the Mineral Resource as reported to the 30 June 2011, for the Inata mine license area has been updated to 3.36 million ounces. This represents an increase of 1.24 million ounces, or 59 per cent, over the previously published Mineral Resource of 2.12 million ounces, at the same cut-off grade of 0.5 g/t Au. The new resource represents an increase of 1.53 million ounces or 83 per cent, excluding depletion of the resource due to mining since the drilling programme commenced in October 2010.

Avocet’s total Mineral Resources in West Africa have now more than doubled from 2.36 million ounces at the time of the Company’s acquisition of these assets in 2009 to 5.03 million ounces across the Company’s assets in Burkina Faso and Guinea.

The table below reports the revised Inata Mineral Resource above a 0.5 g/t Au cut off and beneath the 30 June 2011 topographic surface in accordance with the Australian JORC Code. The Mineral Resource has been estimated in accordance with the principles of the Canadian NI 43-101 and Australian JORC Codes.

	Metric tonnes	Grade (g/t Au)	Gold ounces	Attributable ounces
Measured	17,672,000	1.72	979,600	881,640
Indicated	36,101,000	1.35	1,561,800	1,405,620
Measured + Indicated	53,772,000	1.47	2,541,400	2,287,260
Inferred	17,663,000	1.45	822,900	740,610
Total	71,435,000	1.46	3,364,300	3,027,870

The Company owns 90% of Société des Mines de Bélahouro, owner of the Inata gold mine.

Note: rounding errors may occur.

The updated Mineral Resource is the outcome from the first phase of a major exploration programme that commenced in October 2010 to define the extent of the gold mineralisation within the Inata mine license area. The programme includes 438 reverse circulation drill holes (61,245 metres) and 163 diamond drill holes (40,722 metres) drilled and builds on the 123,957 metres of reverse circulation and diamond drill holes historically completed.

Significant intercepts from this drill programme have been reported throughout 2011. A further 9,000 metres of deep drilling from the programme remains to be completed and approximately 16,000 assay results remain to be received. Once the outstanding drilling has been completed and all assays received, a further update to the Inata Mineral Resource will be announced. This is expected by the end of 2011.

The updated Mineral Resource has been estimated in consultation with CSA Global Pty Ltd (“CSA”) at its office in Perth, Australia. The Mineral Resource is tightly constrained by geology and conservatively truncated at approximately 50 metres below the deepest drill hole on each section. Further growth in the Mineral Resource is therefore likely, given that the mineralised structure continues at depth and remains open along strike in several areas.

Gold grades have been estimated using Ordinary Kriging, which has been found to produce the closest match to the distribution of gold within the deposit. The resource estimate has resulted in a 70 per cent increase in the tonnage of the Mineral Resource and an 8 per cent decrease in the overall average grade since the last resource update in April 2011. This reduction in overall grade is as a result of the addition of areas of low grade material. The previously reported grades of the core of the deposit remain unchanged.

The increase in the drilling density has allowed an increase in the proportion of tonnes in the deposit to be upgraded from Inferred to Indicated category. Accordingly the enlarged resource has a higher proportion of Measured and Indicated ounces.

Upon completion of the outstanding drilling in the current programme, the Company’s exploration team will focus on drilling to expand and upgrade the Souma Mineral Resource (currently 0.56 million ounces gold as announced in November 2010) and identifying additional Mineral Resources in the immediate vicinity of the Inata at Filio, Pali, Damba and Kourfadie. This forms part of the Company’s commitment to a three year US\$20 million per annum exploration programme aimed at accelerating the growth of Mineral Resources in the broader Bèlahouro District in Burkina Faso.

Avocet has contracted Roscoe Postle Associates (“RPA”) to develop Mineral Reserves from these Mineral Resources, taking into account recent increases to the operating cost profile and gold prices. RPA will develop a life-of-mine plan that will underpin the Company’s stated objective to expand production at Inata to approximately 245,000 ounces per annum. RPA will also conduct an open pit optimisation study on the expanded resource model to determine the maximum possible depth of economic open pit mining. This will guide future drilling programmes that will underpin further growth in the Mineral Resources and Mineral Reserves.

Commenting on the Mineral Resource upgrade at Inata, Brett Richards, Chief Executive Officer for Avocet, stated:

“The growth of the Inata Mineral Resource surpasses our expectations and supports our view that the Inata gold mine is capable of sustaining higher production rates over a longer mine life. This upgraded Mineral Resource brings our total Mineral Resources in the Bélahouro District to 3.93 million ounces, which is significant improvement from the 1.69 million ounces reported when Avocet acquired these assets in mid-2009. These additional ounces come at a discovery cost of less than US\$10 per ounce. Accordingly, our total West African resource base has now more than doubled to over 5 million ounces of gold. I look forward to the updated Mineral Reserve that is scheduled for late September, as well as the results of exploration drilling in and around the Inata and Souma ore bodies in the coming field season.”

The information in this announcement that relates to Exploration Results is based on information reviewed and audited by Mr Peter Flindell, (MAusIMM), Executive Vice President of Exploration for Avocet, and the information in this announcement that relates to Mineral Resources is based on information compiled by Mr David Williams (MAusIMM, MAIG), Principal Consultant, CSA. Mr Williams has the experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Qualified Person as defined by the Canadian National Instrument 43-101 for the reporting of Exploration Results, Mineral Resources and Mineral Reserves (NI 43-101) and Mr Flindell and Mr Williams are Competent Persons as defined by the Australasian JORC Code (2004) for the reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Williams and Mr Flindell consent to the inclusion of the technical information in this announcement in the form and context in which it appears.

For further information please contact:

Avocet Mining PLC	Buchanan Financial PR Consultants	Ambrian Partners Limited NOMAD & Joint Broker	J.P. Morgan Cazenove Lead Broker	Arctic Securities Financial Adviser & Market Maker	SEB Enskilda Market Maker
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Notes to Editors

Avocet Mining PLC (“Avocet” or “the Company”) is a gold mining and exploration company listed on the AIM market of the London Stock Exchange (Ticker: AVM.L) and the Oslo Børs (Ticker: AVM.OL). The Company’s principal activities are gold mining and exploration in Burkina Faso (as 90 per cent owner of the Inata gold mine and 100 per cent owner of 8 exploration licences in the Bélahouro region surrounding Inata) and exploration in Guinea.

In December 2010 Avocet announced that it had signed a binding agreement for the conditional sale of its South East Asian assets to J & Partners L.P., a private company, for US\$200 million. On 24 June 2011, the Company announced it had substantially completed this sale of its main South East Asian assets including the sale of its 100 per cent interest in the Penjom Gold Mine in Malaysia and its 80 per cent interest in PT Avocet Bolaang Mongondow, which owns the North Lanut mine and Bakan project in North Sulawesi, Indonesia, for proceeds of US\$170 million.

The completion of the sale of Avocet's remaining South East Asian assets pursuant to the same sale agreement, is expected to occur during Q3 2011, following receipt of necessary government approvals.

The substantial completion of this transaction has left Avocet as a West African gold producer and explorer, with a clear strategy for growth in that region.

The Inata deposit presently comprises a Mineral Resource of 3.36 million ounces and a Mineral Reserve, which is currently under review, of 1.08 million ounces. Inata poured its first gold in December 2009 and has now reached a production rate in excess of 13,500 ounces per month. Other assets in West Africa include exploration permits in Burkina Faso (the most advanced prospect within Bélahouro being the Souma trend, some 20 kilometers from Inata, with a Mineral Resource of 561,100 ounces), Guinea (the most advanced being the Tri-K gold exploration project with a Mineral Resource of 1.10 million ounces) and Mali.