THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under the Financial Services and Markets Act 2000, as amended, (the "FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the stockholder, bank or other agent through whom the sale was effected.

J.P. Morgan Cazenove, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting for the Company and no one else in connection with the Proposed Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove or for providing advice in relation to the Proposed Transaction or any other arrangements referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Cazenove by the FSMA or the regulatory regime established thereunder, J.P. Morgan Cazenove accepts no responsibility whatsoever for the contents of this document and disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document.

AVOCET MINING PLC

(Incorporated and registered in England and Wales under Companies Act 1985 with registered number 03036214)

APPROVAL OF RELATED PARTY TRANSACTION AND NOTICE OF GENERAL MEETING

This document should be read in conjunction with the enclosed Form of Proxy and the definitions set out in Part V of this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document which contains the unanimous recommendation from the Board to Shareholders to vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 28 May 2013 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed. Whether or not you intend to be present at the General Meeting in person, you are asked to complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by no later than 26 May 2013 at 11.00 a.m.. If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 26 May 2013 at 11.00 a.m.

A summary of the action to be taken by Shareholders is set out on page 7 of this document and in the accompanying Notice of General Meeting. The completion and return of a Form of Proxy or submission of your proxy electronically or completing and transmitting a CREST Proxy Instruction will not prevent you from attending the General Meeting and voting in person (in substitution for your proxy vote) if you wish (and are so entitled).

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

This document contains forward-looking statements which are subject to assumptions, risk and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements. Each forward-looking statement is correct only at the date of the particular statement. The Company does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules, the rules of the London Stock Exchange or by law.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of a Form of Proxy	11.00 a.m. on 26 May 2013
Latest time and date for receipt of a CREST Proxy Instruction	1.00 a.m. on 26 May 2013
General Meeting	1.00 a.m. on 28 May 2013

Notes:

(1) References to time in this document are to London time unless otherwise stated.

(2) The dates and times given in this document are based on the Company's current expectations and may be subject to change.

(3) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Russell Edey *(Chairman)* David Cather *(Chief Executive Officer)* Mike Norris *(Finance Director)* Barry Rourke *(Senior Independent, Non-Executive Director)* Mike Donoghue *(Non-Executive Director)* Noël Harwerth *(Non-Executive Director)* Robert Pilkington *(Non-Executive Director)* Gordon Wylie *(Non-Executive Director)*
Company Secretary	Jim Wynn
Registered Office	3rd Floor 30 Haymarket London SW1Y 4EX
Sponsor	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP
Legal advisers to the Company	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY

AVOCET

PART I

LETTER FROM THE CHAIRMAN OF AVOCET MINING PLC

(Incorporated and registered in England and Wales under company number 03036214)

Registered Office:
3rd Floor, 30 Haymarket, London, SW1Y 4EX

Directors:
Russell Edey (*Chairman*)
David Cather (*Chief Executive Officer*)
Mike Norris (*Finance Director*)
Barry Rourke (*Senior Independent, Non-Executive Director*)
Mike Donoghue (*Non-Executive Director*)
Noël Harwerth (*Non-Executive Director*)
Robert Pilkington (*Non-Executive Director*)
Gordon Wylie (*Non-Executive Director*)

2 May 2013

To Shareholders and for information only, to holders of options over Ordinary Shares

Dear Shareholder,

Approval of a proposed loan facility from an associate of Elliott as a Related Party transaction

1. **Introduction**

The purpose of this document is to set out further details of the Proposed Transaction which the Directors believe is of significant importance to the Company; to explain why the Board considers it to be in the best interests of the Company and the Shareholders as a whole, and to seek the approval of the Independent Shareholders at the General Meeting for the Proposed Transaction.

On 25 March 2013, the Company announced that it had entered into separate financing arrangements with Macquarie and its largest Shareholder, Elliott (through its associate, Manchester Securities Corp.). The entry into these financing arrangements, subject to the terms and conditions thereof, will result in funding being secured for 2013 activities at the Company's primary growth projects, Souma and Tri-K, a decreased hedge book at the Company's Inata mine, and a reduction of the minimum cash balance requirement at Inata's holding company, SMB.

The Elliott Loan Facility comprises two separate facilities, an Initial Facility of US$5 million and a Second Facility comprising three tranches of US$5 million each. The Initial Facility of US$5 million was drawn down on 28 March 2013. Following approval of the Resolution by the Independent Shareholders at the General Meeting (as explained below), the Initial Facility will be repaid and replaced by the Second Facility of US$15 million. The maturity date for repayment of all amounts outstanding under the Second Facility is 31 December 2013. However, in the event the Resolution is not passed at the General Meeting, the Initial Facility would be due for repayment on 24 September 2013. Further details of the Elliott Loan Facility are set out in Part II of this document.

The Elliott Lender is a Related Party under the Related Party transaction rules in Chapter 11 of the Listing Rules by virtue of Elliott's substantial shareholding of approximately 27 per cent in the Ordinary Share capital of the Company. As the Initial Facility was granted on normal commercial terms and on an unsecured basis, it fell within the exceptions to the Related Party transaction rules, and Shareholder approval was not required for entry into the Initial Facility and draw down thereunder. However, as the Second Facility is being offered on a secured basis and includes the issuance of Warrants to the Elliott Lender, it does not fall within the exceptions to the Related Party transaction rules. Therefore the availability and draw down of the Second Facility, the grant of security in respect thereof and the issuance of Warrants thereunder, in accordance with the terms and subject to the conditions set out in the Elliott Loan Facility (the **"Proposed Transaction"**), are conditional upon the approval of Independent Shareholders of the Company in accordance with chapter 11 of the Listing Rules. The Notice of the General Meeting to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 28

May 2013 at 11.00 a.m. at which your approval will be sought for the Proposed Transaction, is set out at the end of this document.

Under the Listing Rules, only those Shareholders who are Independent Shareholders may vote in relation to the Proposed Transaction. Accordingly, Elliott has undertaken to abstain, and to ensure that its associates will abstain, from voting on the Resolution.

Shareholders should note that in the event the Resolution is not passed at the General Meeting, the Proposed Transaction would not proceed and the Directors believe that this could result in a material adverse effect on the share price of the Company. The Company would need to immediately seek alternative sources of funds to enable it to fund its operational initiatives and general requirements (including repayment of the Initial Facility) detailed above. There can be no guarantee that such funds would be available to the Company within the shorter timeframe or, that if they are available to the Company, they would be available on terms favourable to the Company or which would not result in a substantial dilution of Shareholders' interests.

2. Background to and reasons for the Proposed Transaction

Under the Macquarie Finance Documents, the Company is under an obligation, which is standard for such facilities, to provide a Life of Mine Plan (**"LoMP"**) each year for Macquarie's review, which sets out the Group's future production, sales and cashflow forecasts. As a condition of the loan being made available to the Company for the construction of the Inata mine, a number of forward gold sales contracts designed to provide downside gold price protection were entered into by SMB (the **"Hedge Commitment"**), pursuant to which a fixed number of ounces of gold were to be delivered to Macquarie every quarter until June 2018 at a fixed price per ounce. The Group's Hedge Commitment represents a fundamental element of its LoMP as it determines a significant proportion of the Group's future cashflow. Further details of the Group's Hedge Commitment are set out in the description of the Macquarie Loan Agreement as set out in paragraph 3 in Part IV of this document.

Although the 2012 LoMP review was originally scheduled to be submitted in early 2012, it was agreed with Macquarie that the LoMP submission would be deferred until 30 November 2012 to allow the Company to incorporate the results of metallurgical test work that was in progress to improve its understanding of the Inata ore body, and that Macquarie's review of the 2012 LoMP should be completed by 28 February 2013. Following the announcement by the Company on 29 June 2012 of a reduction in the Company's production forecast for 2012 and in view of the deferral of the 2012 LoMP, SMB was required to hold a higher than normal minimum cash balance of US$37 million in a restricted bank account with Macquarie. Under the original project finance agreement with Macquarie, a minimum balance of US$17 million to cover minimum operating costs and debt servicing under the Macquarie Loan Agreement had been prescribed, and an additional US$20 million was designated for potential restructuring of the Hedge Commitment in the event that the 2012 LoMP required a reduction in the Hedge Commitment. Previous LoMPs had indicated that production and cash flows at Inata were sufficient to support the existing Hedge Commitment, with cash flows being adequate to fund the Group's corporate activities and other planned exploration activities. The Directors therefore expected that following Macquarie's review of the 2012 LoMP, the additional US$20 million balance would be released from the restricted SMB account and made available for the Group's corporate and planned exploration activities.

However, following test work undertaken during 2012 and a re-evaluation of the throughput and recovery assumptions for deeper ores, the Company announced on 14 February 2013 that the ore reserve at Inata would be reduced from 1.8 million ounces to be between 0.9 and 1.2 million ounces. As a consequence, the production profile over the life of Inata was no longer sufficient to support the Group's Hedge Commitment and it was evident that the US$20 million balance would be required to restructure the Hedge Commitment and would therefore not be available for the Group's planned corporate and growth activities.

The Board is of the view that the development of Souma and the feasibility study at Tri-K in Guinea should add value for shareholders. Based on the Group's current plans, the Directors estimate that in the period between April to December 2013, the development work at Souma will cost approximately US$6 million and the completion of the feasibility study at Tri-K will cost approximately US$9 million, with corporate costs amounting to approximately US$9 million. By February 2013, the Group's cash balances held outside SMB had reduced to less than US$5 million, and were insufficient to finance the Company's planned activities as stated above over the remainder of 2013. In the period between February and March 2013, the Group therefore engaged in discussions with several potential sources of finance, including Macquarie and Elliott.

As announced by the Company on 25 March 2013, the discussions with Macquarie culminated in a reduction in the Hedge Commitment, as a result of which the total number of hedged ounces was reduced by 29,020 (those forward sold ounces being bought back by SMB using the US$20 million amount in the SMB restricted account), and the period of delivery of the remaining hedge gold ounces was shortened and accelerated, thereby eliminating the Group's Hedge Commitment by December 2016 (as opposed to June 2018). In addition, Macquarie approved the use of up to US$10 million of funds generated by Inata for the development activities at Souma in 2013, subject to certain conditions. Further details of the Macquarie Loan Agreement are set out in paragraph 3 in Part IV of this document.

The discussions with Elliott culminated in the Group securing loan facilities of up to US$15 million from the Elliott Lender to fund corporate activities and the feasibility study at Tri-K in Guinea, as announced by the Company on 25 March 2013. Further details of the Elliott Loan Facility are set out in Part II of this document.

Financing for the remainder of 2013

During February and March 2013, discussions with a number of potential sources of finance, including Elliott and Macquarie, resulted in expressions of interest being received by the Company. The Company concluded that the most appropriate short-term financing arrangements were those with Elliott and Macquarie as, given each party's existing knowledge of the Group and its business, they were able to offer financing quickly. Assuming Shareholders approve the Proposed Transaction at the General Meeting and the Second Facility becomes available for draw down, the Directors believe that the Elliott Loan Facility will ensure sufficient funds are available to progress the Tri-K feasibility study and to meet planned corporate expenditures for the remainder of 2013. In addition, the Directors believe that Inata will produce sufficient gold to meet the Group's Hedge Commitment. The Board expects that Inata will benefit from metallurgical test work and other operational improvements during 2013, which are expected to increase Inata's reserve from the current lower level. The Board believes that the activities at Tri-K, Inata and Souma in 2013 should generate value for the Group and by the end of 2013 will help underline the significant value to be realised from the Group's portfolio of assets.

However, based on current production forecasts it is unlikely that funds will be available to the Group from Inata to repay the Second Facility on its maturity date of 31 December 2013. As a result, the Group will continue to explore the options available to secure longer-term funding before 31 December 2013.

Requirement to secure sufficient funding before 31 December 2013

Based on ongoing discussions, the Company believes that there are a number of finance options (other than financing or re-financing through Elliott and Macquarie) potentially available to it. These options include longer-term financing through debt facilities, convertible debt instruments, equity issuances, off-take arrangements or royalty agreements, or a combination of these, and the Board is considering all of these avenues in parallel. Although discussions with counterparties in respect of these financing options are at a preliminary stage, the Board has a reasonable expectation that the Group will obtain the financing it will require to repay the Elliot Loan Facility and provide working capital for corporate purposes. Furthermore, the Board is confident that undertaking the value-generative initiatives outlined above should assist the Group in its discussions regarding future financing. However, as with any company, the ability of the Group to secure new financing in the future is dependent on a number of factors, including general economic, political and capital market conditions, and credit availability.

If, after pursuing all available avenues for financing opportunities outlined above, the Board concludes that new financing arrangements are unlikely to come to fruition prior to 31 December 2013, the Company would seek to enter discussions with Elliott and/or Macquarie with a view to negotiating revised arrangements, including in respect of repayment of the Second Facility, but there can be no guarantee that such discussions would be successful. In the event that the Group is able to reach revised arrangements, the revised terms of the Second Facility and/or the Macquarie Loan Agreement might be significantly less favourable to the Group than the existing terms, and in renegotiating these financing arrangements, the Group's cost of funding could be significantly higher.

If the Company were not successful in securing further funding and/or renegotiating its existing financing arrangements by the end of 2013, it is likely to have insufficient funds for the repayment of the Second Facility on 31 December 2013, which would constitute an event of default thereunder. An event of default under the Second Facility would allow Elliott to enforce the security to be granted to it under the Elliott Loan Facility, in particular over the Group's assets in Guinea, in order to secure repayment of the outstanding amounts due to it

under the Elliott Loan Facility. As with most third party lending arrangements, which include customary cross-default provisions, an event of default under the Elliott Loan Facility would also trigger an event of default under the Macquarie Finance Documents, which, if unremedied, would allow Macquarie to enforce its security over the Group's assets in Burkina Faso, notably Inata and Souma. If the Elliott Lender and Macquarie were to enforce the securities granted to them under their respective financing arrangements with the Company, this would result in inherent loss of value in the Company and the prospects of meaningful value being returned to Shareholders would be limited.

Conclusion

The Directors believe that approval of the Resolution at the General Meeting will secure adequate funding for the Group for the remainder of 2013 to undertake the value-generative initiatives at the Tri-K project in Guinea and continue its corporate activities. Additionally, the Group will have a longer maturity date of 31 December 2013 in respect of all amounts outstanding under the Elliott Loan Facility, instead of the earlier repayment date of 24 September 2013 associated with the Initial Facility. The Directors believe that the longer maturity date will allow the Group more time to demonstrate the potential value to be realised from its portfolio of assets during the rest of 2013, which ought to assist the Group in raising additional longer-term financing by 31 December 2013.

3. **Principal terms and conditions of the Proposed Transaction**

The following are the principal terms of the Elliott Loan Facility, which the Directors believe, having taken advice, are fair and reasonable.

Under the terms of the Elliott Loan Facility, two separate facilities are made available to the Group:

(a) the Initial Facility of US$5 million; and

(b) the Second Facility comprising three tranches of US$5 million each (conditional on passing of the Resolution).

The Initial Facility of US$5 million was drawn down on 28 March 2013, and following approval of the Resolution by the Independent Shareholders at the General Meeting, will be repaid and replaced by the Second Facility of US$15 million. In the event the Resolution is not passed at the General Meeting, the Second Facility would not be available for draw down, and the Initial Facility would be due for repayment on 24 September 2013.

Following the passing of the Resolution and subject to the satisfaction of certain customary condition precedents to draw down, the Second Facility will become available to the Group for draw down and will be split into three tranches of US$5 million each where:

(a) the first tranche of US$5 million will be used to repay the Initial Facility; and

(c) the second tranche of US$5 million, available from 1 June 2013 and the third tranche of US$5 million, available from 1 September 2013, will be used to progress the feasibility study at Tri-K and for general corporate purposes.

The maturity date for repayment of all amounts outstanding under the Second Facility is 31 December 2013. All loans outstanding under the Initial Facility and/or the Second Facility will incur interest at a rate of 9 per cent per annum. An arrangement fee of US$150,000 has been paid by the Company to the Elliott Lender in respect of the Elliott Loan Facility.

The Company expects to draw down the first, second and third tranches under the Second Facility as they become available. Under the terms of the Second Facility, the Group will grant security to the Elliott Lender over the shares and assets of Wega Guinea. This security will be put in place through a pledge of the shares of Wega Guinea held by Wega Norway and over all assets of Wega Guinea (except as prohibited by Guinean law), both in favour of the Elliott Lender.

In addition, the Company will also enter into a Warrant Instrument with the Elliott Lender pursuant to which the Elliott Lender will be issued in aggregate four million Warrants. The Warrants will have a strike price of 40 pence per Ordinary Share (compared with the prevailing share price of 15.5 pence per Ordinary Share as at 30 April 2013, being the last practicable date prior to the date of publication of this document and the prevailing share price of 18.75 pence per Ordinary Share as at 22 March 2013), and will be exercisable at any time in their term of

three years from the date of issuance. The new Warrants represent in aggregate approximately two per cent of the current Ordinary Share capital of the Company and, assuming the Warrants are issued and exercised in full, will result in the beneficial ownership of Elliott (and its associates) in the Company increasing from approximately 27 per cent as of the latest practicable date to approximately 29 per cent of the Company's Ordinary Shares outstanding.

Shareholders should note that if the Resolution is approved at the General Meeting, the Proposed Transaction will result in security being granted over the Group's assets in Guinea, the Group will incur additional expense in the form of interest payments as a result of the additional draw-downs made under the Second Facility, and if the Elliott Lender exercises the Warrants, this would result in dilution of the interests of Shareholders in respect of four million Ordinary Shares.

Further details regarding the terms of the Elliott Loan Facility and the Warrants are contained in the summary of the Elliott Loan Facility which is set out in Part 2 of this document and the summary of the Warrants which is set out in Part 3 of this document.

4. **General Meeting**

The Proposed Transaction is a Related Party transaction under Chapter 11 of the Listing Rules and is therefore conditional upon the approval of Independent Shareholders at a general meeting of the Company. Accordingly, set out at the end of this document is a notice convening the General Meeting to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 28 May 2013 at 11.00 a.m. at which the Resolution to approve the Proposed Transaction will be proposed. The Resolution must be approved by Independent Shareholders who in aggregate represent a simple majority of the Independent Shareholders present and voting, whether in person or by proxy at the General Meeting.

5. **Action to be taken**

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by no later than 11.00 a.m. on 26 May 2013. Completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you wish.

Shareholders who are in any doubt as to the action they should take or the contents of this document are advised to seek their own appropriate independent advisers immediately.

6. **Financial results in the period to 31 December 2013**

In the financial statements of the Group for the year ended 31 December 2012, the Directors stated that although they had a reasonable expectation the Company's finance plans would yield sufficient funding, the circumstances described above represented a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. It is likely that such a material uncertainty will need to be re-iterated in subsequent quarterly results until such time as the finance negotiations are concluded satisfactorily, which may not happen until Q3 or Q4 2013.

7. **Further information**

Your attention is drawn to the further information set out in Parts II, III and IV of this document relating to the Group and the Proposed Transaction. You are advised to read the whole of this document and not merely rely on the key summarised information set out in this letter.

8. **Importance of vote**

If the Resolution is not approved at the General Meeting, the Second Facility of US$15 million would not become available to the Group and, furthermore the Initial Facility of US$5 million would become due for repayment on 24 September 2013. Absent any other financing being arranged, the Company would be unable to pay the amount of US$5 million outstanding under the Initial Facility in September 2013. In addition, the Company would need to immediately secure alternative funding for its general corporate requirements and would need to suspend its activities in Guinea, including the feasibility study at Tri-K.

Such alternative sources of finance would include financing through debt facilities, convertible debt instruments, equity fundraising, off-take arrangements or royalty agreements, or a combination of these. In parallel with pursuing these options, the Company would also seek to enter discussions with its lenders with a view to re-negotiation of revised arrangements in respect of repayment of the Initial Facility. The Directors are unable to provide any assurance that any alternative financing or re-financing can be secured in this accelerated timeframe or, that if it is secured, it would be on terms favourable to the Company or be sufficient to provide funding for the remainder of 2013 or would not result in a substantial dilution of Shareholders' interests.

As the feasibility study at Tri-K needs to be completed by mid-July 2013 in order to retain the Company's interest in the relevant licences, it is likely that the suspension of activities in Guinea would result in these licences being lost. If this happens, although the Board would make an application to the Guinean government for a further extension to this deadline, there can be no guarantee that this will be successful, particularly if the Company is unable to demonstrate that it has access to funding. The Directors believe that the project in Tri-K is a key element of the Group's future growth strategy and the loss of its licence in Guinea would be detrimental to the value proposition of the Group as a whole.

If the Company were unable to repay the Initial Facility by 24 September 2013, the Company would be in default of the Initial Facility. As explained above, as with most third party lending arrangements which include customary cross-default provisions, an event of default under the Elliott Loan Facility would also trigger an event of default under the Macquarie Finance Documents, which, if unremedied, would allow Macquarie to enforce its security over the Group's assets in Burkina Faso, notably Inata and Souma. If Macquarie were to enforce its securities, this would result in the loss of any future value attributable to the Group's assets in Burkina Faso and consequently, the Group as a whole.

Furthermore, failure of the Group to repay the Initial Facility by 24 September 2013 would entitle the Elliott Lender to take enforcement action under the terms of the Initial Facility and the Company may be placed into administration or some other insolvency or enforcement process.

The Directors believe that the Group's assets in Guinea and Burkina Faso are the key elements of its future growth strategy and any enforcement action being taken in respect of one or more of these assets would have a material adverse effect on the Group's business, operations and prospects. The Proposed Transaction would allow the Company more time to develop its assets at Tri-K and Souma during the rest of 2013, which the Directors believe should assist the Group in raising funds by 31 December 2013 to repay the Second Facility. **However, Shareholders should note that in the event the Resolution is not passed at the General Meeting, the Proposed Transaction would not proceed and the Directors believe that this could result in a material adverse effect on the share price of the Company. All of the consequences described above, as a whole, would result in inherent loss of value in the Company and the prospects of any meaningful value being returned to the Shareholders would be limited.**

9. **Recommendation**

The Board, which has been so advised by J.P. Morgan Cazenove as sponsor, considers the Proposed Transaction to be fair and reasonable so far as the Shareholders as a whole are concerned. In giving advice to the Board, J.P. Morgan Cazenove has taken account of the Directors' commercial assessment of the Proposed Transaction.

The Board considers the Proposed Transaction to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that the Independent Shareholders vote in favour of the Resolution to be proposed at the General Meeting as set out in the Notice at the end of this document, as the Directors and the senior management intend to do in respect of their own beneficial holdings which amount in aggregate to 2,071,727 Ordinary Shares, representing approximately 1.0 per cent of the current issued Ordinary Share capital of the Company as at 30 April 2013, (being the last practicable day prior to the date of publication of this document).

Under the Listing Rules, Elliott and any of its associates are precluded from voting in relation to the Proposed Transaction. Accordingly, Elliott has undertaken to abstain, and to ensure that its associates will abstain, from voting on the Resolution at the General Meeting in the event that either it or any of its associates own Ordinary Shares in the Company. As at 30 April 2013 (being the last practicable day prior to the date of publication of this document), Elliott was recorded in the Company's register of members as beneficially holding 55,343,270 Ordinary Shares.

Yours sincerely

Russell Edey

Chairman

PART II

SUMMARY OF THE ELLIOTT LOAN FACILITY

Principal terms of the Elliott Loan Facility

The Company as borrower and its subsidiaries, Wega Norway and Wega Guinea as guarantors, have entered into the Elliott Loan Facility with the Elliott Lender dated 24 March 2013. The Elliott Lender is wholly owned by the Company's largest Shareholder Elliott, which, as at the latest practicable date prior to the publication of this document, is the beneficial owner of approximately 27 per cent of the Company's shares. The Elliott Loan Facility provides the Company with up to two facilities, comprising up to US$15 million, for the development of the Company's asset at Tri-K in Guinea as well as for general corporate purposes.

The Elliott Loan Facility comprises an unsecured Initial Facility, of up to US$5 million, which was drawn down in full by the Company on 28 March 2013, and a Second Facility of up to US$15 million.

The Second Facility will only become available for draw down by the Company (and the related security will only be granted) if the Resolution is passed by the Independent Shareholders at the General Meeting on the Resolution Date. The first tranche of US$5 million of the Second Facility will be used to repay the Initial Facility in full. The second and third tranches of the Second Facility, each of US$5 million, will become available for draw down on 1 June 2013 and 1 September 2013 respectively.

Repayment

If the Initial Facility is not repaid through a draw down of the first tranche of the Second Facility (for example as a result of the Resolution not being passed at the Resolution Date), the Initial Facility must be repaid by no later than 24 September 2013. If the Resolution is passed by the Independent Shareholders at the General Meeting, all three tranches of the Second Facility are due for repayment by no later than 31 December 2013.

Interest rate and fee

All loans outstanding under the Initial Facility and/or the Second Facility incur interest at a rate of 9 per cent per annum. An arrangement fee of US$150,000 has been paid by the Company to the Elliott Lender in respect of the Elliott Loan Facility.

Security

In addition to the guarantees described below, the Second Facility will be secured, following the Resolution Date, by a share charge in favour of the Elliott Lender granted by Wega Norway over its shares in Wega Guinea and asset level security in favour of the Elliott Lender over all assets of Wega Guinea (except as prohibited by Guinean law). Pursuant to the terms of the Elliott Loan Facility, the Company is obliged to grant further security if it incorporates or acquires additional companies or transfers its assets in Guinea to another Group company. Following the Resolution Date, the Company, Wega Norway and Wega Guinea are obliged to grant security over loans permitted to be made by any of them to other members of the Group.

Warrants

In addition to the security described above, the Company will (following the Resolution Date) execute a Warrant Instrument pursuant to which it will issue warrants in aggregate over four million Ordinary Shares in the Company to the Elliott Lender, comprising two million Warrants at draw down of the first tranche of the Second Facility, one million Warrants at draw down of the second tranche of the Second Facility and one million Warrants at draw down of the third tranche of the Second Facility. The exercise price of the Warrants will be 40 pence per Ordinary Share, and the exercise period will be a term of three years from the date of issue of the Warrants. The terms of the Warrant Instrument are further summarised in Part III below.

Conditions to draw down

The Initial Facility was drawn down on 28 March 2013.

Draw down under the Second Facility is subject to customary conditions precedent for a loan facility of this nature, including:

(a) approval of the Resolution by Independent Shareholders;

(b) the provision of technical reports on the Group's assets to the Elliott Lender;

(c) the provision of authorising board resolutions and legal opinions regarding capacity and authority for each of the Company, Wega Norway and Wega Guinea;

(d) the provision of enforceability opinions in respect of the Elliott Loan Facility; and

(e) the grant of the security package described above and enforceability legal opinions in respect thereof.

Indemnities and Guarantees

All amounts outstanding under the Initial Facility and/or the Second Facility will be supported by a guarantee and indemnity from Wega Norway (limited to the value of on-loans to it or to Wega Guinea by the Company from the proceeds of the Elliott Loan Facility) and Wega Guinea (limited to the value of loans provided to it by the Company from the proceeds of the Elliott Loan Facility).

Representations and undertakings

The Elliott Loan Facility contains representations and undertakings, including restrictive undertakings, customary for an English law bilateral facility of this type, which, among other things, limits the ability of the Group (other than the Resolute Group) (the activities of which are restricted by the Macquarie Finance Documents) to incur financial indebtedness, grant or permit security over assets, make disposals of assets, make loans or issue shares, without the consent of the Elliott Lender. The Company is explicitly allowed to lend the proceeds of the Elliott Loan Facility to its subsidiaries (other than the Resolute Group) for the purposes of development of the Group's assets in Guinea. The Elliott Loan Facility also permits any restructuring of the Group that would involve transfer of the Guinean assets to another Group company, subject to the granting of equivalent security over such entity.

The Company is not permitted to lend any sums under the Elliott Loan Facility to or required to give any further security over the Resolute Group.

PART III

SUMMARY OF THE WARRANT INSTRUMENT

The Warrants are constituted by and are subject to a Warrant Instrument. The summary of the terms and conditions of a Warrant Certificate issued pursuant to the Warrant Instrument are set out below, together with certain definitions from the Warrant Instrument.

"Articles"	means the articles of association of the Company in force as at the date of the Warrant Instrument, as subsequently amended from time to time;
"Board"	means the board of directors of the Company from time to time or a quorum of directors present at a meeting of the directors of the Company;
"Business Day"	means a day (other than a Saturday or Sunday or public holiday) on which banks are open for general business in London;
"Exercise Period"	means the period from the relevant Warrant Issue Date until (and including) 3.00 p.m. on the date which is the third anniversary of the relevant Warrant Issue Date;
"Notice of Exercise"	means a notice in the form, or substantially in the form, set out in the first schedule to the Warrant Certificate;
"Official List"	means the official list maintained by the UK Listing Authority for the purposes of Part VI of the Financial Services and Markets Act 2000;
"Ordinary Share(s)"	means an ordinary share of £0.05 in the capital of the Company and having the rights set out in the Articles;
"Register"	means the register of entitlement to the Warrants;
"Subscription Price"	means £0.40 per Warrant Share as may be adjusted in accordance with the Warrant Instrument;
"Subscription Rights"	means the right of a Warrantholder to subscribe for certain Ordinary Shares pursuant to the Warrants on the terms and subject to the conditions of the Warrant Instrument;
"Warrant"	means each of the warrants of the Company constituted by the Warrant Instrument and all rights conferred by the Warrant Instrument;
"Warrant Certificate "	means a certificate in the form, or substantially in the form, set out in Schedule 1 to the Warrant Instrument;
"Warrant Instrument"	means the warrant instrument constituting the Warrants; and
"Warrantholder"	means the person or persons in whose name(s) a Warrant is registered from time to time as evidenced by the Register.

1. **Subscription Rights and Procedures**

1.1 A Warrantholder shall have Subscription Rights to subscribe for the number of Ordinary Shares set out in the Warrant Certificate by making payment in cash for all or such number of Ordinary Shares as it shall specify and for which its holding of Warrants shall entitle it so to subscribe at the Subscription Price (subject to adjustments as provided in paragraph 2 below) at any time within the Exercise Period. The Subscription Price shall be payable in full on exercise of the Warrant on any day prior to the day of expiry of the relevant Exercise Period provided always that if the same shall not be a Business Day then the day of expiry of the relevant Exercise Period shall be the next Business Day to occur.

1.2 In order to exercise its Subscription Rights in whole or in part a Warrantholder must lodge the relevant Warrant Certificate (or an indemnity in respect of any missing certificates in such form as the Board may reasonably deem adequate) and a duly completed and signed Notice of Exercise at the registered office of the Company by personal delivery, first class prepaid post or facsimile transmission (the "Exercise Documents"), accompanied by a remittance to the Company of the aggregate Subscription Price payable for the Warrant Shares in respect of which Subscription Rights are being exercised by banker's draft (drawn on a United Kingdom clearing bank), telegraphic transfer or such other method of payment as the Company and the relevant Warrantholder may agree, provided that any one Notice of Exercise must be in relation to at least Subscription Rights attaching to 50,000 Warrants or, if less, its aggregate holding of Warrants.

1.3 Ordinary Shares issued pursuant to the exercise of Subscription Rights will be allotted not later than five Business Days after the date of lodging of the relevant Exercise Documents or payment of the aggregate Subscription Price (the "Subscription Date"), together with share certificates in respect of such Ordinary Shares which will be issued free of charge to the Warrantholder in whose name the Warrants are registered at the Subscription Date. In the event of a partial exercise of the Subscription Rights comprised in the Warrants the Company shall at the time of issue of share certificates issue free of charge a fresh Warrant Certificate in the name of the Warrantholder for any balance of his Subscription Rights remaining exercisable.

1.4 Ordinary Shares allotted pursuant to the exercise of the Subscription Rights will rank *pari passu* in all respects, and form one class, with those Ordinary Shares in issue on the date of such exercise when the relevant Ordinary Shares are allotted and issued and shall be issued free from all liens, encumbrances and other charges thereon, and rank for all dividends or other distribution which have been previously announced or declared if the date by which the holder of Ordinary Shares must be registered to participate in such distribution is after the date which is five Business Days after the Warrantholder has validly served a Notice of Exercise in accordance with this paragraph 1, save where an adjustment has been made for such distribution in accordance with paragraph 2 below.

1.5 Any Subscription Rights not exercised prior to 3.00 p.m. on the day of expiry of the relevant Exercise Period shall lapse.

2. **Adjustment of Subscription Rights**

2.1 The Subscription Rights will be subject to adjustment if any of the following adjustment events occur:

(a) any allotment of fully paid Ordinary Shares by way of capitalization of profits or reserves, including share premium account and any capital redemption reserve fund (other than on a fully pre-emptive basis or where Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) to holders of the Ordinary Shares on the register on a date prior to the day of expiry of the relevant Exercise Period;

(b) if prior to the day of expiry of the relevant Exercise Period, the Company should sub-divide or consolidate or redesignate its ordinary share capital;

(c) if prior to the day of expiry of the relevant Exercise Period, the Company should cancel or reduce its ordinary share capital, share premium account, revaluation reserve, merger reserve or capital redemption reserve;

(d) any purchase or redemption by the Company of any of its Ordinary Shares or instruments or rights to subscribe for, or convertible into, Ordinary Shares on a date prior to the day of expiry of the relevant Exercise Period;

(e) any distribution of income (including any dividend payment), capital, profits or reserves in cash whether of cash, assets or other property, and whenever made or paid and however described, by the Company on a date prior to the day of expiry of the relevant Exercise Period;

(f) any allotment or issue by the Company of fully paid Ordinary Shares (or instruments or rights convertible into Ordinary Shares) where the consideration for such allotment or issue is at a price per Ordinary Share which is less than the market price per Ordinary Share on the date immediately preceding the date on which such allotment or issue is announced, to holders of the Ordinary Shares on the register on a date prior to the day of expiry of the relevant Exercise Period; and

(g) any other event not contemplated by sub-paragraphs (a) to (f) above which would, before the application of any adjustment, dilute the economic value of the Subscription Rights conferred by the Warrants.

2.2 Upon the occurrence of an event referred to in paragraph 2.1 above, the Company shall promptly request the auditors of the Company from time to time to determine such adjustment to the number and/or nominal value of Ordinary Shares to be subscribed on exercise of the Subscription Rights and/or the Subscription Price as is fair and reasonable in order to preserve the economic value of the Subscription Rights conferred by the Warrants, having regard to the nature of the of the relevant adjustment event (and, for the avoidance of doubt, such adjustment provisions will not require the proportion of Ordinary Shares to be issued on the exercise of Subscription Rights relative to the total issued share capital of the Company at the relevant time to remain constant both before and after any adjustment event). As soon as reasonably practicable following any adjustment, the Company shall give notice to the Warrantholders of the nature of the adjustment. Following the receipt of such notice, any Warrantholder may (if applicable) surrender its Warrant Certificate to the Company, together with such evidence as the Company may reasonably require to prove such Warrantholder's title to the relevant Warrants, and, upon such surrender, the Company shall deliver to such Warrantholder a new Warrant Certificate in respect of any additional Ordinary Shares for which that Warrantholder is entitled to subscribe (if any) in consequence of such adjustments. For the avoidance of doubt, failure of a Warrantholder to surrender the applicable Warrant Certificate to the Company for replacement in accordance with this sub-paragraph will not prejudice the rights of such Warrantholder to receive the benefit of such adjustment on the exercise of Subscription Rights with respect to the relevant Warrants. The amount of any such adjustments as certified by the auditors shall, in the absence of manifest error, be final and binding on the Company and the Warrantholders.

2.3 Notwithstanding anything to the contrary contained in the Warrant Instrument, no adjustment shall be made to the Subscription Rights conferred by the Warrants which would result in the issue by the Company of a fraction of an Ordinary Share and no adjustments shall be made to the Subscription Rights conferred by the Warrants if, as a consequence, the Subscription Price would be less than the nominal value of an Ordinary Share and, in such circumstances, adjustments may be made through adjusting the number of Ordinary Shares to be issued on the exercise of Subscription Rights relative to the total issued share capital of the Company at the relevant time to remain constant both before and after any adjustment event.

2.4 If written notice is provided to the Company by a majority of the Warrantholders that an event has occurred after the relevant date of issue of the Warrants which, strictly applying the adjustment provisions set out in this paragraph 2, would prejudice their rights as Warrantholders (either because, in their reasonable opinion, such an event is strictly an adjustment event or, as a result of the operation of the adjustment provisions in the Warrant Instrument, an inequitable, prejudicial or unfair result is produced), then the Company shall engage then auditors of the Company to determine what kind of adjustment (if any), is fair and reasonable in the context of the principles of the adjustment provisions set out in the Warrant Instrument to protect such rights. The determination of the auditors shall, in the absence of manifest error, be final and binding on the Company and the Warrantholders, provided that no adjustment shall be applied pursuant to this paragraph which would have the effect of diluting the economic value of the Subscription Rights conferred by the Warrants.

2.5 Warrantholders will be given notice in writing of all adjustments.

3. **Stock Exchange Dealings**

Provided that at the time of issue of Ordinary Shares pursuant to the exercise of Warrants, the Ordinary Shares (or any of them) are quoted on the Official List or permission has been granted for dealings therein on any other recognized investment exchange in any part of the world, the Company will as soon as reasonably practicable after the issue of such Ordinary Shares apply to such body for permission to deal in or for quotation of Ordinary Shares pursuant to the exercise of the Warrants (as the case may be).

4. **Winding Up**

4.1 If at any time after the relevant date of issue of the Warrants and while any Warrants are outstanding an order is made or an effective resolution is passed for the winding up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected: (a) if the winding up or dissolution is for the purpose of implementing a reconstruction, amalgamation or scheme of arrangement on terms previously sanctioned by an affirmative vote of Warrantholders owning in the aggregate Subscription Rights corresponding to more than 50 per cent. of the Warrant Shares which may be issued pursuant to the Warrant Instrument, who are so present or represented at a meeting of the Warrantholders, such terms shall be binding on the Warrantholders; and (b) in any other case, the Company shall as soon as reasonably practicable send to the Warrantholders a written notice stating that such an order has been made or resolution has been passed or other dissolution is to be effected. Each Warrantholder may at any time within 60 days after the date of such notice elect, by written notice to the Company, to be treated as if it had, immediately before the date of the making of the order or the passing of the resolution or other dissolution, exercised some or all of its Subscription Rights. On giving such notice, a Warrantholder is entitled to receive out of the assets which would otherwise be available in the liquidation to the shareholders of the Company such sum, if any, as it would have received had it been the holder of, and paid for, the Warrant Shares to which it would have become entitled by virtue of that exercise, after deducting from that sum an amount equal to the aggregate Subscription Price which would have been payable by it upon such exercise.

4.2 Subject to compliance with this paragraph, any outstanding Warrants shall lapse on liquidation of the Company.

4.3 Nothing in this paragraph shall have the effect of requiring a Warrantholder to make any payment to the Company.

5. **Variation of Rights**

5.1 All or any of the rights for the time being attached to the Warrants (including the Subscription Rights) may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of (i) the Company and (ii) Warrantholders owning in the aggregate Subscription Rights corresponding to not less than 75 per cent. of the Warrant Shares which may be issued pursuant to the Warrant Instrument, and any such alteration, variation or abrogation shall be effected by an instrument by way of deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument.

5.2 Modifications to the Warrant Instrument which are of a formal, minor or technical nature (and in each case which could not reasonably be expected to affect adversely the rights of the Warrantholder or result in an adjustment to the Subscription Rights), or made to correct a manifest error, may be effected by an instrument by way of deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument.

6. **Lost or Destroyed Certificates**

6.1 If any Warrant Certificate is mutilated or becomes worn out or defaced then, upon its production to the Board, the Board may cancel the same and may issue without charge a new Warrant Certificate in lieu thereof. The Board shall enter the issue of the new Warrant Certificate in the Register promptly thereafter.

6.2 If any Warrant Certificate is lost or destroyed then, upon proof of loss or destruction to the satisfaction of the Board or in default of proof upon the giving of such indemnity as the Board may reasonably deem adequate, the Board:

(h) may issue without charge a new Warrant Certificate in lieu thereof; and

(i) shall enter the issue of the new Warrant Certificate and indemnity (if any) in the Register.

7. **Notices**

7.1 Every Warrantholder shall register with the Company an address to which notices and other communications can be sent and, if any Warrantholder shall fail so to do, any notice or communication may be given to such Warrantholder by sending the same by any of the methods referred to in paragraph 7.2 below to the last known place of business or residence of such Warrantholder or, if none, by exhibiting the same for three Business Days at the registered office of the Company.

7.2 Notices and other communications to Warrantholders and/or to the Company shall be in writing and shall be delivered personally, sent by courier or by facsimile process. In proving service of a notice or other communication sent by facsimile process it shall be sufficient to prove that the facsimile message was properly addressed and despatched.

7.3 A notice or other communication given in accordance with paragraph 7.2 shall be deemed to have been served:

(j) at the time of delivery (or, where such time is outside the normal business hours of the recipient, on the opening of the next following Business Day), if delivered personally or sent by courier to the registered address of the Warrantholder or the registered office of the Company, as applicable; or

(k) at the expiration of two hours after the time of despatch (if despatched before 3 p.m. on any Business Day) and (in any other case) at 10 a.m. on the Business Day following the date of despatch, if delivered by facsimile process.

7.4 All notices and other communications with respect to Warrants registered in the names of joint registered Warrantholders shall be given to whichever of such persons is named first in the Register and any notice so given shall be sufficient notice to all the joint registered Warrantholders of such Warrants.

7.5 Any person who, whether by operation of law, transfer or other means whatsoever, becomes entitled to any Warrant shall be bound by every notice properly given to the person from whom he derives his title to such Warrant.

7.6 Any notice or other communication given to a Warrantholder in accordance with this paragraph shall, notwithstanding that such Warrantholder may then be deceased and whether or not the Company has notice of this death, be deemed to have been duly served in respect of any Warrant held solely or jointly with other persons by such Warrantholder until some other person be registered in his place as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed sufficient service on his or her executors or administrators and all persons (if any) jointly interested with him in any such Warrant.

7.7 When a given number of days' notice is required to be given, the day of service shall be included but the day upon which such notice will expire shall not be included in calculating the number of days. The signature to any notice to be given by the Company may be written or printed.

7.8 Any notice or other document to be executed by a Warrantholder, shall, in the event of a Warrant being held jointly be signed by all such Warrantholders or their respective duly authorised attorneys.

8. **Other Provisions**

So long as any Subscription Rights remain exercisable:

8.1 The Company shall use all reasonable endeavours to procure the passing of shareholder resolutions to procure that at all times there is available for issue sufficient share capital free from pre-emptive rights to satisfy in full all Subscription Rights remaining exercisable.

8.2 The Company shall send to the Warrantholders a copy of every document sent to the holders of its Ordinary Shares at the same time as it is sent to such holders.

8.3 The Company shall not take any action which would result in an adjustment event (unless an appropriate adjustment is made in accordance with the anti-dilution provisions).

8.4 The Company shall not purchase or redeem any of its Ordinary Shares by way of a general offer made available to all holders of Ordinary Shares, unless an offer is made by the Company in writing to each Warrantholder (such offer to be open for acceptance for not less than 21 days) to purchase the Relevant Proportion of its Warrants (and, for these purposes, the "Relevant Proportion" means the proportion which the number of Ordinary Shares to be purchased or redeemed bears to the number of Ordinary Shares in issue) at a price per Warrant that is equal to the proposed purchase price or redemption price of the Warrant Shares which would be issued upon exercise of Subscription Rights with respect to that Warrant, less the Subscription Price per Warrant.

8.5 The Company shall not do anything which would, or could be reasonably expected to, result in Warrant Shares being issued to the Warrantholders at a discount to their nominal value.

8.6 The Company shall not prior to the date of expiry of the Exercise Period in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of shares with rights which in any respect rank in priority to, or are more favourable than, those attaching to the shares to be issued upon the exercise of the Warrants, in any way which could reasonably be expected to affect adversely the rights under the Warrants.

8.7 The Company shall not, subject to any Shareholders' resolutions being proposed by one or more of the Company's Shareholders and approved, permit any alteration to the Articles or the Warrant Instrument in any way which could reasonably be expected to affect adversely the rights under the Warrants, and shall comply with and enforce the terms of the Articles and the Warrant Instrument so far as they affect the Warrantholders.

8.8 If at any time whilst the Subscription Rights remain capable of being exercised an offer or invitation is made to all holders of Ordinary Shares (or all such Shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares and the Company becomes aware that as a result of such offer or invitation the right to cast a majority of votes which may ordinarily be cast at a general meeting of the Company has become vested in the offeror and/or such persons or companies as aforesaid, the Company shall, so far as it is able, procure that a like offer or invitation is made or extended at the same time to each Warrantholder as if the Warrants had been exercised in full and as if the Ordinary Shares issued pursuant to such exercise had been issued immediately prior to the record date for such an offer or invitation.

8.9 The Company shall notify the Warrantholders when any proposed takeover offer (within the meaning of section 974 of the Companies Act 2006) becomes wholly unconditional, or scheme of arrangements (under section 899 of the Companies Act 2006) becomes effective, at the same time as that fact is publicly announced or otherwise communicated to shareholders of the Company, and each Warrantholder shall be entitled to exercise his Subscription Rights at any time from the date such notice is given to the Warrantholders until 30 days immediately following the date that such notice is given to the Warrantholders (the "Warrant Exercise Period"). Any Subscription Rights which are not exercised within the Warrant Exercise Period will lapse. If a proposed takeover offer becomes wholly unconditional, or scheme becomes effective, before the Subscription Rights with respect to all Warrants have been exercised, the Company shall use its reasonable endeavours to procure that an appropriate offer (as such term is interpreted pursuant to Rule 15 of the Takeover Code) is extended to the Warrantholders on no less favourable terms.

8.10 The Company shall use its reasonable endeavours to provide the Warrantholders with sufficient notice of the date of any proposed distribution of profits to its Shareholders so as to enable a Warrantholder (if it so elects) to exercise its Subscription Rights in respect of the Warrants held by it prior to the record date of such proposed distribution.

8.11 If, after the relevant date of issue of the Warrants, there is a new holding company for the Company in which the share capital structure of the Company is substantially replicated, the Company shall procure that the Warrantholders may exchange their existing Warrants for warrants issued by the new holding company on terms identical to the terms contained herein and it will procure that the new holding company allot and issue such warrants to the Warrantholders for no additional consideration and at its own expense.

9. **Transfer**

9.1 The Company shall maintain a register of Warrants and the persons entitled thereto and the provisions of paragraph 9.2 below shall apply in relation to the transfer thereof.

9.2 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Warrant and, accordingly, shall not, except as required by law or a Court of competent jurisdiction, be bound to recognize any equitable or other claim to or interest in a Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.

9.3 Every Warrantholder will be recognized by the Company as entitled to the Warrants free from any equity, set-off or cross claim on the part of the Company against the original or any intermediate holder of the Warrants.

9.4 Every transfer of a Warrant shall be made by an instrument of transfer in the form set out in the second schedule to the Warrant Certificate or in any other form which may be approved from time to time by the Board. The instrument of transfer of a Warrant shall be executed by or on behalf of the transferor but need not be executed by on or behalf of the transferee. The Board may decline to recognise any instrument of transfer of a Warrant unless such instrument is deposited at the registered office of the Company accompanied by the Warrant Certificate to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer. The Board may waive production of any Warrant Certificate upon production to it of satisfactory evidence of the loss or destruction of such instrument together with such indemnity as the Board may reasonably require. Following any transfer of Warrants, the Company shall issue a new Warrant Certificate to the transferee of such Warrants in respect of the number of Warrants so transferred and shall issue a new Warrant Certificate to the transferor of such Warrants in respect of the balance of unexercised Warrants then held by such Warrantholder

9.5 The Company shall not be entitled to charge any fee for the registration of a transfer of a Warrant or for the registration of any other documents in connection with such transfer which, in the reasonable opinion of the Board, require registration.

9.6 The registration of a transfer shall be conclusive evidence of the approval by the Board of such transfer.

9.7 All instruments of transfer which are registered by the Company shall be retained by the Company.

10. **Transmission**

10.1 In the event of the death of a Warrantholder the survivors or survivor, where the deceased was joint holder, and the executors or administrators of the deceased, where the deceased was a sole or only surviving Warrantholder, shall be the only persons recognised by the Company as having title to his Warrants, but nothing in the Warrant Instrument shall release the estate of a deceased Warrantholder (whether sole or joint) from any liability in respect of any Warrant solely or jointly held by him.

10.2 Subject to any provisions of the Warrant Instrument any person becoming entitled to a Warrant in consequence of the death or bankruptcy of a Warrantholder or otherwise than by transfer may, upon producing such evidence of title as the Company shall require, and subject as hereinafter provided, be registered himself as holder of the Warrant.

10.3 Subject to any provisions of the Warrant Instrument, if the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. All the limitations, restrictions and provisions in the Warrant Instrument relating to the rights of transfer and the registration of transfers of Warrants shall be applicable to any such notice of election as referred to above as if the death or bankruptcy of the Warrantholder had not occurred and the notice of election were a transfer executed by such Warrantholder.

10.4 A person becoming entitled to a Warrant in consequence of the death or bankruptcy of a Warrantholder shall be entitled to receive and may give a good discharge for any moneys payable in respect thereof but shall not be entitled to receive notices of or to attend or vote at meetings of the Warrantholders or, save as specified above, to any of the rights or privileges of a Warrantholder until he shall have become the registered holder of the Warrant.

11. **Right to purchase Warrants**

The Company and its subsidiaries shall be entitled to purchase the Warrants by tender or by private treaty, but only on terms made available simultaneously on a pro rata basis to all Warrantholders. Any Warrants purchased by any Group Company shall forthwith be cancelled and shall not be available for reissue or resale. For the avoidance of doubt, nothing in this paragraph implies any obligation on the Warrantholders to sell Warrants to any Group Company.

PART IV

ADDITIONAL INFORMATION

1. The Company

The Company was incorporated and registered in England and Wales on 16 March 1995 under the Companies Act 1985 as a public limited company. The Ordinary Shares have been traded on the OSE (ticker: AVM.OL) since 16 June 2010 and on the Main Market (ticker: AVM.L) of the London Stock Exchange since 8 December 2012.

The registered office and principal place of business of the Company is at 3rd Floor, 30 Haymarket, London, SW1Y 4EX, United Kingdom. The telephone number of the Company's principal place of business is +44 (0)20 7766 7676. The Company's website is www.avocetmining.com.

The principal legislation under which the Company operates and under which the Ordinary Shares have been created is the Companies Act and regulations made thereunder.

2. Major Shareholdings

(a) As at 30 April 2013 (being the latest practicable date prior to the date of publication of this document), the Company has outstanding a total of 199,546,710 Ordinary Shares, with 199,104,701 Ordinary Shares carrying voting rights in the Company. This takes into account the 442,009 Ordinary Shares held in treasury by the Company.

(b) As at 30 April 2013 (being the latest practicable date prior to the date of publication of this document), in so far as is known to the Company, the following persons are interested, directly or indirectly, in three per cent or more of the voting rights or the existing issued Ordinary Share capital of the Company:

Holder	Number of Ordinary Shares	Percentage
Elliott Associates L.P.	55,343,270	27
Prelas AS	9,342,027	4.7

Save as set out above, the Company is not aware of any person who is interested, whether directly or indirectly in three per cent or more of the existing issued Ordinary Share capital of the Company.

3. Material contracts

The following contracts are the only contracts (not being contracts entered into in the ordinary course of business) that (i) in the opinion of the Company may be relevant to Shareholders in making a properly formed assessment of how to vote on the Resolution; and (ii) (A) have been entered into by the Company or any member of the Group within the two years immediately preceding the date of this document which are or may be material to the Group or (B) have been entered into by the Company or any member of the Group at any other time and which contain provisions under which the Company or any member of the Group has an obligation or entitlement that is material to the Group as at the date of this document:

(a) the Elliott Loan Facility as set out in Part II above;

(b) the Warrant Instrument as set out in Part III above; and

(c) the Macquarie Loan Agreement, further details of which are set out below.

Principal terms of the Macquarie Loan Agreement

A project finance agreement (**"PFA"**) dated 4 July 2008 was entered into between SMB and Macquarie pursuant to which a US$65 million debt facility was made available to the Group. The debt facility was used to pay for construction of the Inata mine, which had commenced earlier in that year. The terms of the PFA have been subject to a number of amendments since the date of the original agreement.

Draw down and Repayment of funds

The first funds under the debt facility were drawn down in August 2008 with the final draw down being made in October 2009. Repayments of US$6 million each quarter commenced on 30 September 2010 and continued until 31 December 2012. As at the latest practicable date prior to the date of publication of this document, an amount of US$5 million is outstanding under the debt facility. The final repayment of US$5 million has been deferred to 30 September 2013.

Interest rate

Interest was charged on outstanding loans at a margin of 10 per cent above US LIBOR until 22 March 2013. Interest on the remaining US$5 million repayable on 30 September 2013 will be charged at a margin of 5 per cent above US LIBOR.

Forward contracts

As a condition of the loan being made available under the debt facility, a number of forward gold sales contracts were entered into by SMB in 2008 which were designed to provide downside gold price protection. Since that time, the hedge book has undergone a number of restructurings, the latest of which took place on 25 March 2013.

As at 30 April 2013, the hedge book consists of 144,230 ounce of forward gold sale contracts at US$937.50 per ounce, with deliveries summarised as follows:

Year	Ounces
2013	44,230
2014	35,960
2015	33,760
2016	30,280
Total	**144,230**

The final delivery date for hedged ounces is 31 December 2016.

The mark-to-market liability of the hedge book at 26 April 2013, based on a spot gold price of US$1,472 per ounce, was US$77.1 million.

Security

The loan and hedge obligations under the PFA are secured on the assets of Inata as well as on the shares of SMB and Goldbelt Resources West Africa SA (GRWA), a wholly-owned Group subsidiary that holds the exploration licences at Bélahouro, including Souma.

Accounts

SMB is required to hold an offshore US Dollar bank account with Macquarie, into which all gold sale proceeds are transferred and from which amounts are transferred as needed to pay for Inata's operating costs, working capital and capital expenditure. The minimum cash balance required to be held in this account is US$12 million.

Restrictions on use of funds

Under the terms of the consent and amendment letter entered into between the Company and Macquarie on 22 March 2013, the Company has the right to utilise up to US$10 million of funds from SMB (subject to maintaining the US$12 million minimum cash balance in the account), for the purpose of developing the Souma project, in 2013. Any amounts above US$5 million would need to be matched with an equal US Dollar amount to be used to buy back hedge ounces.

Further restrictions on the use of funds outside SMB will remain in place until the total ounces sold forward is reduced below 80,000 (expected to be Q2 2014).

Covenants

Under the PFA, the Company is required to comply with certain financial covenants consisting of:

(a) a minimum hedge life coverage ratio of 1.00, defined as the ratio between the present value of the forecast cashflow available for the hedge service for the remaining period over the remaining tenor of the outstanding forward gold sales, and the value of the hedging exposure (calculated using the London gold price on the date of calculation) less cash balances held in the SMB US Dollar proceeds account held with Macquarie; and

(b) a minimum reserve tail of 25 per cent, defined as the percentage of recoverable proven and probable reserves of gold metal in the life of mine plan that remain to be mined and processed or processed at the latest maturity of the PFA and any hedging arrangement divided by the total recoverable proven and probable reserves of gold metal as stated in the initial life of mine plan.

Events of default

The PFA contains certain events of default, the occurrence of which would allow Macquarie to accelerate all outstanding loans, terminate their obligations, enforce the security documents, and restructure certain hedging arrangements including, among other events (subject in certain cases to agreed grace periods, materiality thresholds, financial thresholds and other qualifications):

(a) non-payment of amounts due under the loan documents;

(b) failure to meet any hedge obligations;

(c) breach of any covenant or agreement;

(d) insolvency, insolvency proceedings and commencement of certain creditors' processes;

(e) actual or impending change of control;

(f) initiation of unrelated business activity;

(g) material adverse effect;

(h) material fall in production or increase in operating costs;

(i) expropriation or government interference;

(j) abandonment;

(k) unscheduled mining stoppage; and

(l) event leading to political risk insurance claim.

4. Significant change

There has been no significant change in the financial or trading position of the Company since 31 March 2013, being the date to which the Company's most recently published unaudited interim financial statements have been prepared.

5. Consent

J.P. Morgan Cazenove has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which it is included.

6. **Documents available for inspection**

Copies of the following documents may be inspected at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document up to and including the date of the General Meeting an for the duration of the General Meeting:

(a) the articles of association of the Company;

(b) the audited consolidated accounts for the Group for the years ended 31 December 2011 and 31 December 2012 and the unaudited interim financial statements for the period ended 31 March 2013;

(c) the consent letter referred to in paragraph 5 above; and

(d) this document.

2 May 2013

PART V

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy, unless the context requires otherwise:

associate	has the meaning set out in the Listing Rules
Avocet or the Company	Avocet Mining PLC, a public company incorporated in England and Wales with limited liability
Board	the directors of the company whose names are set out on page 3 of this document
Circular	this document
Companies Act	the Companies Act 2006
CREST	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755)
CREST Manual	the manual, as amended from time to time, produced by Euroclear UK & Ireland Limited describing the CREST system and supplied by Euroclear UK & Ireland Limited to users and participants thereof
CREST Proxy Instruction	an appropriate and valid CREST message appointing a proxy by means of CREST
Directors	the directors of the Company from time to time
Disclosure and Transparency Rules	the disclosure rules and transparency rules made by the FCA under Part VI of FSMA
dollars, USD or US$	the lawful currency of the United States of America
Elliott	Elliott Associates L.P., a limited partnership with registered and business addresses of 40 West 57th Street, 4th Floor, New York, NY 10019
Elliott Lender	Manchester Securities Corp, a NY incorporated corporation wholly owned by Elliott and with registered and business addresses of 40 West 57th Street, 4th Floor, New York, NY 10019
Elliott Loan Facility	the facility dated 24 March 2013 between the Elliott Lender, the Company and certain other companies in the Group as more fully described in Part II of this document
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy accompanying this document for use by the Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company convened for 11.00 a.m. on 28 May 2013 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, notice of which is set out at the end of this document, or any reconvened meeting following any adjournment thereof

Group	Avocet Mining PLC, its subsidiaries and its subsidiary undertakings
Inata	Inata gold mine
Independent Shareholder	a Shareholder other than Elliott and any of Elliott's associates as defined under the Listing Rules
Initial Facility	an initial loan facility of US$5 million under the Elliott Loan Facility, further details of which are set out in Part II of this document
J.P. Morgan Cazenove	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove)
Listing Rules	the listing rules of the UK Listing Authority
London Stock Exchange	London Stock Exchange plc
LoMP	Life of Mine Plan
Macquarie or MBL	Macquarie Bank Limited
Macquarie Finance Documents	means the Macquarie Loan Agreement, the security documents thereunder and any other document designated as such by the Lender and the Company, including the Macquarie Loan Agreement and any document granting Security, as defined in the Macquarie Loan Agreement
Macquarie Loan Agreement	means the US$65,000,000 loan facility agreement dated 4 July 2008 and made between Macquarie as the agent and security trustee, Societé des Mines de Bélahouro SA as the borrower, Goldbelt Resources Ltd. and Resolute (West Africa) Limited as guarantors and certain institutions named therein as lenders, as amended from time to time
Notice of General Meeting	the notice of the General Meeting set out at the end of this document
ordinary resolution	a resolution passed by a simple majority of the votes of the Shareholders entitled to vote and voting in person or by proxy at the General Meeting
Ordinary Shares	the ordinary shares of £0.05 each in the capital of the Company
OSE	Oslo Stock Exchange
Proposed Transaction	the availability of the Second Facility, the grant of security in respect thereof and the issuance of Warrants to the Elliott Lender, on the terms and subject to the conditions set out in the Elliott Loan Facility as more fully described in Parts II and III of this document
Prospectus Rules	the prospectus rules made by the FCA under Part VI of FSMA
Registrar	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY
Related Party	has the meaning set out in Chapter 11 of the Listing Rules
Resolute Group	Resolute (West Africa) Ltd. (a subsidiary of the Company) and its subsidiaries
Resolution	the resolution relating to the Proposed Transaction to be considered by Independent Shareholders at the General Meeting

Resolution Date	the date of the Resolution being approved by the Independent Shareholders at the General Meeting
Second Facility	a second loan facility of up to US$15 million comprising three separate tranches of US$5 million each under the Elliott Loan Facility, further details of which are set out in Part II of this document
Shareholder	a holder of Ordinary Shares from time to time
SMB	Societé des Mines de Bélahouro SA, the company that holds the Inata mining permit
Souma	Souma exploration project
Tri-K	Tri-K development project
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
Wega Guinea	Wega Mining Guinée SA, a wholly-owned subsidiary of the Company in Guinea
Wega Norway	Wega Mining AS, a wholly-owned subsidiary of the Company in Norway
Warrant	the warrant certificates issued pursuant to the Warrant Instrument
Warrant Instrument	the warrant instrument to be entered into between the Company and the Elliott Lender

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Avocet Mining PLC (the **"Company"**) will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 28 May 2013 at 11.00 a.m. to consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

THAT, the proposed related party transaction between Avocet Mining PLC (the **"Company"**) and Manchester Securities Corp., an affiliate of Elliott Associates L.P. (**"Elliott"**), pursuant to and on the terms and conditions contained in the loan facility as entered into between the Company and Elliott and as more particularly described in the circular to shareholders of the Company dated 2 May 2013 (the **"Proposed Transaction"**), be and is hereby approved and the directors of the Company (or a duly authorised committee thereof) are authorised to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Proposed Transaction and this resolution and to carry the same into effect with such modifications, variations, revisions, waivers or amendments as the directors of the Company (or any duly authorised committee thereof) may in their absolute discretion think fit, provided such variations, revisions, waivers or amendments are not of a material nature.

By order of the Board

Jim Wynn

Company Secretary

2 May 2013

NOTES TO NOTICE OF GENERAL MEETING

1. A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting convened by this notice. A Shareholder can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy enclosed with this document. A proxy need not be a Shareholder of the Company, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.

2. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend, speak and vote in his place. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. If you wish to do this, each proxy must be appointed on a separate Form of Proxy. Additional Forms of Proxy may be obtained from Computershare Investor Services PLC by telephoning +44 (0)870 707 1802. Alternatively, you may photocopy the enclosed Form of Proxy the required number of times before completing it. When appointing more than one proxy you must indicate the number of shares in respect of which the proxy is appointed. You may not appoint more than one proxy to exercise rights attached to any one share.

3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

4. The Form of Proxy is pre-paid and addressed. It should be sent, in accordance with its instructions, so as to be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by no later than 11.00 a.m. on 26 May 2013. Alternatively members can appoint proxies electronically by logging on to the website www.investorcentre.co.uk. You will need your unique voting reference numbers (the Control Number, PIN and Shareholder Reference Number shown on your Form of Proxy). For an electronic proxy appointment to be valid, the appointment must be received by no later than 11.00 a.m. on 26 May 2013 .

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 28 May 2013 and any adjournment(s) of such meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Manual can be viewed at www.euroclear.com/CREST. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9. A Form of Proxy must be executed by or on behalf of the Shareholder making the appointment. A corporation may execute a Form of Proxy either under its common seal or under the hand of a duly authorised officer.

10. Shareholders who return a Form of Proxy will still be able to attend the meeting and vote in person if they so wish. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

11. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that the time by which a person must be entered on the register of members in order to attend or vote at the meeting or adjourned meeting (and for calculating the number of votes such a person may cast) is 6.00 p.m. on the date which is two days before the meeting or adjourned meeting. Changes to entries on the register of securities after the relevant time will be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

12. To change your proxy instructions, simply submit a new proxy appointment using the methods set out in notes 2 to 6 above. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. If you submit more than one valid proxy appointment, the appointment last received before the latest time for the receipt of proxies will take precedence.

13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of General Meeting or in any related documents (including the Chairman's letter and the form of proxy).

14. The revocation notice must be received by Computershare Investor Services PLC no later than 11.00 a.m. on 26 May 2013.

15. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the immediately following paragraph, your proxy appointment will remain valid.

16. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

17. Any person to whom this notice is sent who is a nominated person under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may have a right under an agreement between him and the member by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it he may have a right under such an agreement, to give instructions to the member, as to the exercise of voting rights.

18. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

19. The quorum for the meeting will be two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation which is a shareholder.

20. On 30 April 2013 (being the latest practicable date before publication of this notice) the Company's issued share capital comprised 199,546,710 Ordinary Shares of £0.05 each. 199,104,701 Ordinary Shares carry the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 30 April 2013 is 199,104,701.

21. Except as provided above, members who wish to communicate with the Company in relation to the General Meeting should do so using the following means: (1) by writing to the Company Secretary at the Registered Office address; or (2) by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this notice or in any related documents (including the Chairman's letter and the Proxy Form).

22. In accordance with section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: (www.avocetmining.com).

23. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

SHAREHOLDER INFORMATION

Venue for General Meeting

Shareholders may obtain directions to the venue by logging on to www.ashurst.com.

Security

Persons who are not shareholders of the Company will not be admitted to the General Meeting unless prior arrangements have been made with the Company. Investors holding ordinary shares through nominees are welcome to attend provided that they bring proof of their holding with them to the General Meeting.

We ask all those present at the General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

Shareholders should note that the doors to the General Meeting will open at 10.45 a.m..

Shareholder Enquiries

The Company's ordinary share register is maintained by:

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol

BS99 6ZY

Telephone: +44 870 707 1802. Email: www.computershare.co.uk

Enquiries about the administration of holdings of ordinary shares, such as change of address, change of ownership or dividend payments, should be directed to Computershare Investor Services PLC at the address and telephone number above.

NOTES

AVOCET

AVOCET