

04 August 2015

---

## **Draw down of funds under the short term loan funding arrangement with Elliott**

---

Avocet Mining PLC ("Avocet" or "the Company") announces that it has drawn down further funds under the Third Elliott Loan Facility agreed with Manchester Securities Corp. ("the Elliott Lender"), an affiliate of the Company's largest shareholder, Elliott Management Corporation ("Elliott"). Elliott is interested in approximately 27.69% of the Company's issued share capital (comprising a direct interest in ordinary shares amounting to approximately 13.51% of the total voting rights in the Company and a purely economic interest, without voting rights, in approximately 14.18% of the total number of ordinary shares with voting rights).

The terms of the Third Elliott Loan Facility, including security in favour of the Elliott lender ("the Elliott Security"), as set out in the circular posted on 22 May 2015, were approved at a general meeting on 19 June 2015.

The Third Elliott Loan Facility for up to, in aggregate, US\$2.4 million, comprises three separate facilities, being:

- an initial facility of US\$1.5 million which was drawn down on 24 April 2015 ("the Initial Facility");
- a second facility of up to US\$1.8 million to provide additional working capital of up to US\$0.3 million to the Company in respect of finalising the Elliott Security and to repay the Initial Facility ("the Second Facility"); and
- a third facility of, in aggregate, US\$0.6 million comprising three tranches of US\$0.2 million each, originally intended to be drawn down on or about the first business day of each of July, August and September 2015, at the sole discretion of the Elliott Lender at the time of each respective draw down request ("the Third Facility").

The Company announces today that it has drawn down the US\$1.8 million Second Facility, of which US\$1.5 million is to repay principal and accrued interest under the Initial Facility, and the remaining US\$0.3 million is to finalise the Elliott Security.

The Company has also drawn down the first tranche of US\$0.2 million under the Third Facility. The Company expects to submit two further draw down requests under the Third Facility as required over the coming months.

With the funds already in hand, and assuming it is able to draw down the remaining US\$0.4 million amount due under the Third Facility, the Company expects to have sufficient funds to meet its corporate requirements through to the end of October 2015,

allowing it to continue its business review, while exploring longer term funding options. As part of the business review Avocet continues to consider options for maximising the value of its assets for the benefit of shareholders, including its Inata mine and the adjacent Souma deposit in Burkina Faso, and its Tri-K development project in Guinea.

The Company is scheduled to announce its interim results on 24 August.

## **FOR FURTHER INFORMATION PLEASE CONTACT**

Avocet Mining PLC

Bell Pottinger

J.P. Morgan Cazenove

Financial PR Consultants

Corporate Broker

David Cather, CEO  
Mike Norris, FD

Daniel Thöle

Michael Wentworth-Stanley

+44 20 3709 2570

+44 20 2772 2500

+44 20 7742 4000

## **NOTES TO EDITORS**

Avocet Mining PLC ("Avocet" or the "Company") is an unhedged gold mining and exploration company listed on the London Stock Exchange (ticker: AVM.L) and the Oslo Børs (ticker: AVM.OL). The Company's principal activities are gold mining and exploration in West Africa.

In Burkina Faso the Company owns 90% of the Inata Gold Mine. The Inata Gold Mine poured its first gold in December 2009 and produced 86,037 ounces of gold in 2014. Other assets in Burkina Faso include eight exploration permits surrounding the Inata Gold Mine in the broader Bélahouro region. The most advanced of these projects is Souma, some 20 kilometres from the Inata Gold Mine.

In Guinea, Avocet owns 100% of the Tri-K Project in the north east of the country. Drilling to date has outlined a Mineral Resource of 3.0 million ounces, and in October 2013 the Company announced a maiden Ore Reserve on the oxide portion of the orebody, which is suitable for heap leaching, of 0.5 million ounces. As an alternative, the potential exists to exploit the entire 3.0 million ounce Tri-K orebody via the CIL processing method. The Company announced on 2 April 2015 that an exploitation permit had been awarded for Tri-K.