

21 January 2015

Short term loan funding arrangement with Elliott Management and Inata update

Avocet Mining PLC ("Avocet" or "the Company") announces that it has agreed terms with its largest shareholder, Elliott Management ("Elliott"), which is the beneficial owner of 27.7% of the Company's shares, for US\$1.5 million loan funding.

The funding, which is expected to meet the Company's corporate requirements for approximately three months, is intended to allow the Company 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 new loan funding consists of an unsecured demand loan of US\$1.5 million from Manchester Securities Corp., an affiliate of Elliott, with an interest rate of 12%.

In addition, the Company announces that while limited operations have resumed at Inata's process plant to allow the processing of stockpiled ore, planning is still ongoing regarding a full resumption of operations including mining activities. In particular, following the illegal strike in December and the subsequent dismissal of approximately 300 employees, management is in the process of determining the optimal revised manning structures.

The Company expects to be able to provide a further update on Inata shortly, and updates on the business review in due course as appropriate.

FOR FURTHER INFORMATION PLEASE CONTACT

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| Avocet Mining PLC | Bell Pottinger Financial PR Consultants | J.P. Morgan Cazenove Corporate Broker | NM Rothschild Financial Adviser | Investec Bank Plc Financial Adviser |
| David Cather, CEO Mike Norris, FD | Daniel Thöle | Michael Wentworth-Stanley | Roger Ewart-Smith Sam Critchlow | George Price |
| +44 203 709 2570 | +44 20 2772 2555 | +44 20 7742 4000 | +44 20 7280 5424 | +44 20 7597 4180 |

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. Across the Bélahouro district, which includes both Inata and the Souma deposit, the Company controls a Mineral Resource of 6.1 million ounces and an Ore Reserve of 0.5 million ounces. The Inata Gold Mine poured its first gold in December 2009 and produced 118,443 ounces of gold in 2013. 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.