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## Short-term funding arrangement and adoption of FRS 101

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### **Short-term funding arrangement with Elliott Management**

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 a further US\$0.75 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.

The new loan funding represents an increase in an existing loan agreement with Manchester Securities Corp., an affiliate of Elliott, signed in January 2015 for US\$1.5 million, which will be amended to a new limit of US\$2.25 million at an interest rate of 14%. This loan will be unsecured and repayable on demand.

### **Notice of Adoption of Financial Reporting Standard 101 ("FRS 101") – Reduced Disclosure Framework**

The consolidated financial statements of the Avocet Mining PLC group of companies ("the Group") have, since 2008, been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Following the publication of FRS 100 Application of Financial Reporting Requirements by the Financial Reporting Council, the Company is required to change its accounting framework for its entity financial statements, which are currently prepared under UK GAAP, for the financial year commencing 1 January 2015.

The Company proposes to adopt the FRS 101 Reduced Disclosure Framework for the preparation of the Avocet Mining PLC entity accounts for the year ended 31 December 2015. FRS 101 allows qualifying entities to adopt IFRSs but with a reduction in the required level of disclosures.

The Company is obliged to give shareholders the opportunity to object to the adoption of FRS 101 and the disclosure exemptions contained therein.

A shareholder or shareholders holding in aggregate five per cent or more of the total allotted shares in the Company may serve objections to the use of the disclosure exemptions on the Company, in writing, to its registered office (5th Floor 15 Old Bailey London England EC4M 7EF) no later than 26 February 2016.

## FOR FURTHER INFORMATION PLEASE CONTACT

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## 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 five 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.