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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.



AVOCET MINING PLC

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

PROPOSED SHARE CAPITAL REORGANISATION, AMENDMENT OF ARTICLES OF ASSOCIATION, AUTHORITY TO ALLOT SHARES, AUTHORITY TO BUY BACK SHARES 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 II 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 Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT on 9 June 2016 at 3.30 p.m. or, if later, immediately following the conclusion of the Company's Annual General Meeting commencing at 3 p.m. on the same day, 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 7 June 2016 at 3.30 p.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 7 June 2016 at 3.30 p.m.

A summary of the action to be taken by Shareholders is set out on page 8 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.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of a Form of Proxy	3.30 p.m. on 7 June 2016
Latest time and date for receipt of a CREST Proxy Instruction	3.30 p.m. on 7 June 2016
General Meeting	3.30 p.m. on 9 June 2016 or, if later, immediately following the AGM on the same day
Record date for the sub-division and consolidation.....	6.00 p.m. on 9 June 2016
Effective time and date of the sub-division and consolidation	6.00 p.m. on 9 June 2016
Admission of New Ordinary Shares to the Official List and commencement of dealings on the Main Market	8.00 a.m. on 10 June 2016
CREST accounts credited with New Ordinary Shares.....	8.00 a.m. on 10 June 2016
Dispatch (where applicable) of certificates for New Ordinary Shares	No later than 17 June 2016
Payment to be made (where applicable) in respect of fractional entitlements by cheque or via CREST	No later than 17 June 2016

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. All events in the above timetable scheduled to take place after the General Meeting in respect of the Share Capital Reorganisation are conditional on the approval by shareholders of the Share Capital Reorganisation as proposed. The despatch of certificates for New Ordinary Shares (where applicable) are conditional upon an amendment to the Official List of the UK Listing Authority to reflect the sub-division and consolidation.
- (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.
- (4) The shareholder helpline number available through the Company's registrar, Computershare, is +44 (0) 370 707 1802.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Russell Edey (<i>Chairman</i>) David Cather (<i>Chief Executive Officer</i>) Jim Wynn (<i>Finance Director</i>) Barry Rourke (<i>Senior Independent Non-Executive Director</i>) Gordon Wylie (<i>Non-Executive Director</i>)
Company Secretary	Jim Wynn
Registered Office	5th Floor 15 Old Bailey London EC4M 7EF
Legal advisers to the Company	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY

PART I

LETTER FROM THE CHAIRMAN OF AVOCET MINING PLC

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

LR 13.6.1(1)(a)

*Registered Office:
5th Floor, 15 Old Bailey, London EC4M 7EF*

LR 13.6.1(1)(a)

*Directors:
Russell Edey (Chairman)
David Cather (Chief Executive Officer)
Jim Wynn (Finance Director)
Barry Rourke (Senior Independent Non-Executive Director)
Gordon Wylie (Non-Executive Director)*

12 May 2016

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

Dear Shareholder,

Proposed share capital reorganisation, amendment of articles of association, authority to allot shares, authority to buy back shares and notice of general meeting

1. Introduction

The Board has today announced proposals to carry out a share capital reorganisation.

The market price of the Existing Ordinary Shares has for much of the last 12 months been less than 5 pence, which is the nominal value of such shares. The issue of shares at less than nominal value of the Existing Ordinary Shares is prohibited by the Companies Act, so the nominal value of the Company's ordinary share capital must be reduced to a level below market price before new ordinary shares can be issued (for example by way of an equity fundraise). It is therefore proposed to undertake a Sub-division that will have the effect of reducing the nominal value of each Existing Ordinary Share in the Company to a level considerably below market price.

In addition, under the listing rules of the Oslo Børs, a listed company's share price cannot remain below 1 NOK (approx. 8.4 pence) per share for more than 6 months. The Company's share price has been below this level for most of the past two years, and as such it has been operating under a temporary dispensation agreed with the Oslo Børs. In order for the Company to become compliant with the Oslo Børs listing rules, it is proposed to undertake a Share Consolidation that will have the effect of reducing the number of shares, but increasing each share's value, such that the overall value of each Shareholder's holding remains substantially unchanged.

The Company also proposes to renew the Board's authority to allot shares and buy back shares.

The purpose of this circular is to explain the basis of the Proposals and to seek Shareholder approval at a General Meeting of the Company to be convened for 3.30 p.m. on 9 June 2016 or, if later, immediately following the AGM on the same day. Notice of the General Meeting is set out at the end of this document.

2. Share Capital Reorganisation

The Company is undertaking a Share Capital Reorganisation in two steps.

Step 1: Sub-division – to reduce the nominal value of Ordinary Shares to 0.1p and create a new class of 4.9p Deferred Shares

There are 209,496,710 Ordinary Shares in issue as at the date of this document and as expected to be prior to the Share Capital Reorganisation taking effect. It is proposed to sub-divide each Existing Ordinary Share of 5p

each into 1 Intermediate Ordinary Share of 0.1p each and 1 Deferred Share of 4.9p each. This will result in 209,496,710 Intermediate Ordinary Shares and 209,496,710 Deferred Shares being in issue immediately following the Sub-division. This aspect of the Share Capital Reorganisation will not of itself affect the value of your shareholding, as can be seen from the worked example below:-

Example

	Existing Ordinary Shares	Intermediate Ordinary Shares	Deferred Shares	Total
CURRENT POSITION (EXAMPLE)				
Number of shares held prior to Share Split	9,999	-	-	
Mid-market price per Existing Ordinary Share at the close of business on 10 May 2016 being the latest practicable date prior to the publication of this document	7.49p	-	-	
Current value of shareholding	£748.92	-	-	£748.92
POSITION AFTER SHARE SPLIT				
Number of shares held following the Share Split	-	9,999	9,999	
Mid-market price per Intermediate Ordinary Share immediately following the Share Capital Reorganisation	-	7.49p	nil	
Value of Intermediate Ordinary Shares	-	£748.92	nil	£748.92

The Company's Articles of Association will need to be amended to set out the rights and restrictions attaching to the Deferred Shares. The rights attaching to the Deferred Shares will be minimal, and the Deferred Shares will therefore be effectively valueless as they will not carry any rights to vote or dividend rights, and will only be entitled to a payment on a return of capital or on a winding up of the Company after each New Ordinary Share has received a payment of £1,000,000 (an extremely remote possibility). The Deferred Shares will not be listed or traded on the Official List, the Main Market or the Oslo Børs and will not be transferable without the written consent of the Company.

No certificates will be issued in respect of the Deferred Shares. The Board may decide to make an application to the High Court for the Deferred Shares to be cancelled in due course. The Deferred Shares may by order of the High Court, be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable law without sanction of the holders of the Deferred Shares.

Resolution 1 in the Notice of General Meeting sets out the proposed split and redesignation of the Company's share capital.

Step 2: Share Consolidation of Ordinary Shares

Under the listing rules of the Oslo Børs, a listed company's share price cannot remain below 1 NOK (approx. 8.4 pence) per share for more than 6 months. The Company's prevailing share price has been below this level for some time, and as such it has been operating under a temporary dispensation agreed with the Oslo Børs.

In order to address this, a share Consolidation is being proposed which will have the effect of decreasing the number of shares in issue, while increasing their value in proportion, such that the value of each holding will remain substantially unchanged.

It is therefore proposed that every 10 Intermediate Ordinary Shares be consolidated and redesignated as one New Ordinary Share of 1p each.

Unless your holding of Existing Ordinary Shares is exactly divisible by 10 you will be left with a fractional entitlement to the redesignated New Ordinary Shares if Resolution 2 is approved.

No shareholder will be entitled to a fraction of a New Ordinary Share. Instead, their entitlement will be rounded down to the nearest whole New Ordinary Share. Only shareholders with a holding not exactly divisible by 10 will become Fractional Shareholders. **If this rounding down process results in a Fractional Shareholder being entitled to zero New Ordinary Shares, then they will cease to hold any ordinary shares (of any description) in the Company. Accordingly shareholders currently holding less than 10 Existing Ordinary Shares who wish to remain a shareholder of the Company following the Share Capital Reorganisation would need to increase their shareholding to at least 10 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.**

Any fractional entitlements will, in so far as possible, be aggregated to form whole New Ordinary Shares. Such New Ordinary Shares will then be sold in accordance with the relevant provisions of the Company's Articles of Association as soon as practicable after the Share Capital Reorganisation Resolution is passed. The Company is generally required to distribute the net proceeds of such sale (after the deduction of expenses of the sale) in due proportion amongst the relevant Fractional Shareholders save that, where the net proceeds of such a sale (after the deduction of expenses of the sale) do not exceed £5.00 per Fractional Shareholder (such limit being that which is specified in the Listing Rules), the Company may retain such proceeds.

Using an illustrative share price of 7.49 pence on 10 May 2016 (being the latest practicable date prior to the publication of this Notice and prior to the Share Capital Reorganisation) the maximum fractional entitlement will be worth £0.67. Given that the maximum fractional entitlement is significantly lower than the required regulatory limit (£5.00), the Board believes that, as a result of the disproportionate costs relative to the proceeds to be distributed, it would not be in the Company's best interests to distribute such proceeds of sale, which will instead be retained for the benefit of the Company. Assuming the share price on 10 May 2016 7.49 pence, the total sum retained by the Company as a result is estimated to be less than £125.

The following example, continuing on from the scenario above, illustrates the impact of the share consolidation on an individual shareholding of 9,999 shares

	No shares	of Nominal value per share	Total nominal value	Market price per share	Total market value
Intermediate Ordinary Shares held immediately following the Sub-division	9,999	0.1p	£9.999	7.49 pence	£748.92
Shareholding divided by 10 (were fractional holdings to be allowed)	999.9	1p	£9.999	74.9 pence	£748.92
Less: loss of fractional share	(0.9)	1p	£0.009	74.9 pence	(£0.67)
New Ordinary Shares held following Sub-division and Consolidation	999.0	1p	£9.990	74.9 pence	£748.25

You will, of course, be free at any time on or before close of business on 9 June 2016 to purchase or sell such number of Existing Ordinary Shares as will result in your holding of Ordinary Shares being exactly divisible by 10. In this event you will not be left with any fractional entitlements. However, in order that any shares purchased are registered in your name before the Share Capital Reorganisation takes place you must ensure that all transfers are registered with the Registrar by 6.00 p.m. on 9 June 2016.

Resolution 2 in the Notice of General Meeting sets out this aspect of the proposed Share Capital Reorganisation.

If you are in doubt with regard to your current shareholding in Existing Ordinary Shares or have any queries about the Share Capital Reorganisation you should contact the Company's Registrar on +44 (0) 370 707 1802.

Following the Share Capital Reorganisation, although each ordinary shareholder will hold fewer ordinary shares than before, each shareholder's proportionate interest in the ordinary share capital of the Company will, save for

minor adjustments as a result of the fractional entitlement provisions set out above, remain unchanged. It is only the number of shares in issue and their nominal value which will have changed as a result of the Share Capital Reorganisation and, other than this, each New Ordinary Share will carry the same rights and entitlements as set out in the Company's Articles that currently attach to the Existing Ordinary Shares. The New Ordinary Shares will rank equally with one another. The Deferred Shares will have no valuable economic rights.

Additionally, the Share Capital Reorganisation will not have any impact on the Company's net assets as no change in the total aggregate nominal value of the Company's issued share capital will occur.

Following the Share Capital Reorganisation, and assuming no further shares in the Company are issued after the date of this document, the Company's issued share capital will consist of 20,949,671 New Ordinary Shares and 209,496,710 Deferred Shares.

An application will be made to the UKLA for the Official List to be amended to reflect the New Ordinary Shares arising from the Share Capital Reorganisation. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Trading on the London Stock Exchange for the Existing Ordinary Shares (under ISIN GB0000663038) is expected to close at 4.30 p.m. on 9 June 2016, with trading in the New Ordinary Shares (under ISIN GB00BZBVR613) expected to commence at 8.00 a.m. on 10 June 2016.

The Deferred Shares will have no voting or dividend rights and, on a return of capital on a winding up, will have no valuable economic rights. No share certificates will be issued in respect of the Deferred Shares, nor will stock accounts in CREST be credited with any entitlement to Deferred Shares, nor will they be listed on the Official List or admitted to trading on the London Stock Exchange or any other investment exchange.

Settlement and certificates for the New Ordinary Shares

As explained above, given that the maximum fractional entitlement of each Shareholder is likely to be significantly lower than the required regulatory limit of £5, the Board believes that, as a result of the disproportionate costs (relative to the proceeds to be distributed), it would not be in the Company's best interests to distribute such proceeds of sale, which will instead be retained for the benefit of the Company. In the unlikely event of fractional entitlements exceeding a value of £5, payment in respect of fractional entitlements (if any) is expected to be despatched no later than 17 June 2016 by CREST payment or by cheque. CREST shareholders will receive their fractional entitlement payment (if any) via their CREST accounts. Non-CREST shareholders, regardless of whether they have an existing mandate to a bank or building society account, will receive their fractional entitlement payment (if any) via cheque.

The Companies Act and the Articles of Association require that shareholder consent is sought from holders of Existing Ordinary Shares, for each aspect of the Share Capital Reorganisation and approval will be sought at the General Meeting. Pending the issue of new share certificates, existing share certificates will remain valid until the Record Date in respect of the Share Capital Reorganisation, which is close of business on 9 June 2016, being the date of the General Meeting.

It is anticipated that new certificates for the New Ordinary Shares will be issued and dispatched, at the risk of the relevant shareholder, no later than 17 June 2016 and that CREST holders will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares. Share certificates will be sent to the registered address of the relevant shareholder, or, in the case of joint holders, to the holder whose name appears first in the register of members. On receipt of the new share certificates, all share certificates previously issued will no longer be valid and should be destroyed. Only share certificates for New Ordinary Shares will be valid. **Any share certificate dated prior to 10 June 2016 will no longer be valid and will not be accepted in support of any instrument of transfer.**

If you do not receive a new share certificate (allowing for the time of postage from the date of dispatch) and you believe you are entitled to one please contact our registrars, Computershare (contact details can be found on page 2 of this document).

Share certificates representing Intermediate Ordinary Shares or Deferred Shares will not be issued to shareholders who hold their entitlement to Existing Ordinary Shares in certificated form.

Shareholders who hold their entitlement in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares only, no adjustments will be made to reflect their entitlement to Intermediate Ordinary Shares or to Deferred Shares. The existing ISIN (under ISIN GB0000663038) will be disabled as at 6.00 p.m. on 9 June 2016 with the New Ordinary Shares under ISIN GB00BZBVR613 commencing at 8.00 a.m. on 10 June 2016.

3. Holders of Options Under the Company's Share Option Schemes

The rights of the holders of the options under the Company's share option schemes will not be affected by the Share Capital Reorganisation. The holders of such options will still be able to exercise their rights under the options, save that such options shall be for the equivalent number of New Ordinary Shares.

4. Changes to the Articles and Renewal of Share Authorities

Resolution 3 sets out the Proposed Amendment to the Articles. These changes are largely concerned with setting out the rights and restrictions attaching to the Deferred Shares, as described above.

The Proposed Amendment to the Articles will also remove a reference to authorised share capital effectively setting a maximum amount of Ordinary Shares that the Company may allot. This is regarded as a legacy restriction on a company's share capital deriving from the Companies Act 1985 and it is now proposed that the Company modernise its articles by deleting the reference. This amendment to the Articles will have no practical effect on the Company's ability to issue shares. Shareholders should note that, if the Proposed Amendment is approved, the Company will continue to be bound by the restrictions on issuing shares set out in Chapters 2 and 3 of Part 17 of the Companies Act.

A copy of the proposed new Articles of Association of the Company and a copy of the existing Articles of Association marked up to show the changes being proposed by the Proposed Amendment will be available for inspection at the registered office of the Company during normal business hours on any weekday (but not at weekends or on public holidays) from 12 May 2016 until the time of the General Meeting and at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT for at least 15 minutes prior to and during the General Meeting.

We propose at the General Meeting to renew the authority of the directors in accordance with section 551 of the Companies Act to allot shares and to empower the directors pursuant to section 570 of the Companies Act to allot shares as if section 561 of the Companies Act did not apply to such allotment, in certain circumstances.

Resolution 4, to be proposed at the forthcoming General Meeting, would give the Directors authority until the end of the 2017 AGM or, if earlier, for the period ending 15 months after the date of the AGM, to allot additional shares up to an aggregate nominal amount of £69,615, representing 6,961,500 New Ordinary Shares or 33.3 per cent of the issued share capital of the Company excluding treasury shares. The Directors have no present intention to exercise this authority.

Section 561 of the Companies Act gives holders of equity securities, with limited but important exceptions, certain rights of pre-emption on the issue for cash of new equity securities. The Board believes that it is in the best interests of shareholders that, as in previous years, the directors should have limited authority to allot equity shares for cash without first having to offer such shares to existing shareholders. It is proposed that this authority will expire at the end of the 2017 AGM or, if earlier, 15 months after the date of the AGM. The authority proposed in Resolution 5 will relate to allotments in respect of issues by way of rights (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements) and to allotments (other than in respect of rights issues) of equity securities having an aggregate nominal amount not exceeding £10,452.74, representing 1,045,274 New Ordinary Shares or five per cent of the issued equity share capital of the Company.

5. Share Buyback

The Directors consider that it may be advantageous for the Company to be able to buy back the Company's shares in certain circumstances. In considering whether or not to buy back shares, the Directors will take into account the Company's financial position, share price and other investment opportunities.

Resolution 6, to be proposed at the forthcoming General Meeting, seeks Shareholders' approval for the Company to purchase a maximum number of New Ordinary Shares representing up to 10 per cent. of the Company's issued share capital (excluding treasury shares) as at 9 June 2016 and representing 2,094,967 New Ordinary Shares (assuming the Share Capital Reorganisation is approved). Within this limit, the proportion of shares to be bought back pursuant to Resolution 6 will be determined by the Directors in what they believe to be the best interests of Shareholders generally. Any purchases of New Ordinary Shares would be by means of market purchases. The resolution sets the maximum and minimum prices per share for any such purchases.

Resolution 6 will be proposed as a Special Resolution and so will be passed if more than 75 per cent. of the votes cast are in favour. The authority sought by this resolution will expire at the end of the next Annual General Meeting of the Company or 15 months from the date of the Resolution, whichever is earlier.

6. General Meeting

A notice convening the General Meeting to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 3.30 p.m. on 9 June 2016 or, if later, immediately following the AGM on the same day is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:-

1. an Ordinary Resolution in respect of the ordinary share capital of the Company to approve the Sub-division of the Company's Existing Ordinary Shares;
2. an Ordinary Resolution in respect of the ordinary share capital of the Company to approve the Consolidation of the Company's Intermediate Ordinary Shares;
3. a Special Resolution to amend the Articles to reflect the rights attaching to the Deferred Shares and remove a reference to authorised share capital;
4. an Ordinary Resolution to grant the Board authority to allot shares;
5. a Special Resolution to authorise the directors to allot shares for cash otherwise than on a pre-emptive basis; and
6. a Special Resolution to approve the authority to buy back New Ordinary Shares.

7. Action To Be Taken

A Form of Proxy is enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible but in any event so as to arrive not later than 3.30 p.m. on 7 June 2016 in accordance with the notes to the form of proxy. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so. I would like to draw your attention to the detailed notes to the Notice of General Meeting and form of proxy.

8. Shares listed on the Oslo Børs

Holders of shares which are listed on the Oslo Børs will also undergo a share split and consolidation that matches that which applies to UK shareholders, but for the following differences:

- No Deferred Shares will be issued to Oslo-listed shareholders
- The Record Date for Oslo shareholders will be Friday 10 June 2016, and the share consolidation will become effective on Monday 13 June 2016.

Please also note that cross-border trades between Oslo and London will be suspended between 9 and 14 June 2016 to ensure all trades are fully cleared prior to the share re-organisation in Oslo.

9. Recommendation

The Directors unanimously recommend the Shareholders to vote in favour of the Resolutions as they intend to do so in respect of their own beneficial holdings of 232,219 Existing Ordinary Share representing approximately 0.1 per cent. of the Existing Ordinary Shares.

Yours sincerely

Russell Edey

Chairman

12 May 2016

PART II
DEFINITIONS

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

AGM	the annual general meeting of the Company scheduled to take place at 3 p.m. on 9 June 2016
Articles	the articles of association of the Company
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 2 of this document
Circular	this document
Companies Act	the Companies Act 2006
Consolidation	the share capital consolidation to be proposed pursuant to and as part of the Share Capital Reorganisation whereby, if Resolution 2 is approved by shareholders, every 10 Intermediate Ordinary Shares will be consolidated into one New Ordinary Share;
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
Deferred Shares	the non-voting deferred shares of 4.9p each in the share capital of the Company to be created as part of the Share Capital Reorganisation
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
Existing Ordinary Shares	the ordinary shares of 5p each in the capital of the Company in issue at the date 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
Fractional Shareholder	a shareholder who is entitled to a fraction of a New Ordinary Share (whether or not such a shareholder is also entitled to one or more whole New Ordinary Shares)

FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company convened for 3.30 p.m. (or, if later, immediately following the AGM on the same day) on 9 June 2016 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, 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
Intermediate Ordinary Shares	the ordinary shares of 0.1p each in the capital of the Company following the Sub-Division
Listing Rules	the listing rules of the UK Listing Authority
London Stock Exchange	London Stock Exchange plc
New Ordinary Shares	the ordinary shares of 1p each in the share capital of the Company to be created as part of the Share Capital Reorganisation
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 in the capital of the Company, having a nominal value of 5p before the Share Capital Reorganisation and a nominal value of 1p following the Share Capital Reorganisation
Proposals	the Share Capital Reorganisation and the renewal of authority to allot Ordinary Shares and buy back Ordinary Shares
Proposed Amendment	the amendment to the Articles set out in the notice of the General Meeting at the end of this document
Prospectus Rules	the prospectus rules made by the FCA under Part VI of FSMA
Record Date	6.00 p.m. on 9 June 2016;
Registrar	Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY
Resolutions	the resolutions set out in the Notice of General Meeting at the end of this document
Share Capital Reorganisation	the proposed subdivision, redesignation and consolidation of the ordinary share capital of the Company and amendment to the Articles
Shareholder	a holder of Ordinary Shares from time to time
Special Resolution	a resolution passed by a 75 per cent. majority of the votes of the Shareholders entitled to vote and voting in person or by proxy at the General Meeting
Sub-division	the share capital sub-division to be proposed pursuant to and as part of the Share Capital Reorganisation whereby, if Resolution 1 is approved by shareholders, every Existing Ordinary Share will be sub-divided into one Intermediate Ordinary Share and one Deferred Share

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

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Avocet Mining PLC (the "**Company**") will be held at the offices of Field Fisher Waterhouse LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT on 9 June 2016 at 3.30 p.m. or, if later, immediately following the AGM on the same day, to consider and, if thought fit, pass the following resolution which will be proposed as to Resolutions 1, 2 and 4 as Ordinary Resolutions and as to Resolutions 3, 5 and 6 as Special Resolutions:

1. THAT, conditional on the passing of Resolutions 2 and 3 below, the share capital of the Company be organised by sub-dividing and redesignating each of the issued and unissued ordinary shares of 5p each in the capital of the Company into:
 - (a) one new ordinary share of 0.1p each in the capital of the Company (an "**Intermediate Ordinary Share**"); and
 - (b) one new deferred share of 4.9p each in the capital of the Company (a "**Deferred Share**") , each Deferred Share having the rights set out in the Company's Articles of Association to be amended pursuant to Resolution 3.
2. That, conditional on the passing of Resolution 1 above and 3 below, each 10 issued Intermediate Ordinary Shares of 0.1p each in the capital of the Company arising following the subdivision and redesignation approved by Resolution 1 above be consolidated and re-designated as one ordinary share of 1p each (a "**New Ordinary Share**") provided that no member shall be entitled to a fraction of a share and any fractions of New Ordinary Shares arising out of the consolidation pursuant to this resolution will be aggregated and the Directors of the Company are authorised to sell (or appoint any other person to sell), on behalf of the relevant members, the whole number of New Ordinary Shares so arising and the net proceeds of sale will be distributed in due proportion (rounded down to the nearest penny) among those members who would otherwise have been entitled to such fractional entitlements, save that any net proceeds of sale not exceeding £5.00 for any member may be retained by the Company. For the purpose of implementing the provisions of this resolution, the Directors of the Company may nominate any person to execute transfers on behalf of any person entitled to any such fractions and may generally make all arrangements and do all acts and things which appear to the Directors of the Company to be necessary or appropriate for the settlement and/or disposal of such fractional entitlements.
3. THAT, conditional on the passing of Resolutions 1 and 2 above, the Articles of Association of the Company be amended by the deletion of the existing Article 2.1 and its substitution with new Articles 2.1 A and 2.1 B, , as follows:

"2.1 A the issued share capital of the Company at the date of adoption of these articles is made up of 20,949,671 Ordinary Shares and 209,496,710 Deferred Shares.

2.1 B The deferred shares of 4.9 pence each in the capital of the Company ("Deferred Shares") shall have the rights, and shall be subject to the restrictions, set out in Articles 2.1 B (a) to (e) below:

 - (a) A Deferred Share:
 - (i) does not entitle its holder to receive any dividend or other distribution;
 - (ii) does not entitle its holder to receive a share certificate in respect of the relevant shareholding;
 - (iii) does not entitle its holder to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;
 - (iv) entitles its holder on a return of capital on a winding up of the Company (but not otherwise) only to the repayment of the amount paid up on that share after payment of the capital paid up on each Ordinary Share of one penny in the share capital of the Company and the further payment of £1,000,000 on each such ordinary share;
 - (v) does not entitle its holder to any further participation in the capital, profits or assets of the Company.

- (b) The Deferred Shares shall not be capable of transfer at any time other than with the prior written consent of the directors of the Company.
- (c) The Company may at its option and is irrevocably authorised at any time after the creation of the Deferred Shares to:
 - (i) appoint any person to act on behalf of any or all holder(s) of a Deferred Share(s), without obtaining the sanction of the holder(s), to transfer any or all of such shares held by such holder(s) for nil consideration to any person appointed by the directors of the Company;
 - (ii) without obtaining the sanction of the holder(s), but subject to the Acts:
 - (A) purchase any or all of the Deferred Shares then in issue and to appoint any person to act on behalf of all holders of Deferred Shares to transfer and to execute a contract of sale and a transfer of all the Deferred Shares to the Company for an aggregate consideration of one penny payable to one of the holders of Deferred Shares to be selected by lot (who shall not be required to account to the holders of the other Deferred Shares in respect of such consideration); and
 - (B) cancel any Deferred Share without making any payment to the holder.
- (d) Any offer by the Company to purchase the Deferred Shares may be made by the Directors of the Company depositing at the registered office of the Company a notice addressed to such person as the Directors shall have nominated on behalf of the holders of the Deferred Shares.
- (e) The rights attaching to the Deferred Shares shall not be, or be deemed to be, varied, abrogated or altered by:
 - (i) the creation or issue of any shares ranking in priority to, or pari passu with, the Deferred Shares;
 - (ii) the Company reducing its share capital or share premium account;
 - (iii) the cancellation of any Deferred Share without any payment to the holder thereof; or
 - (iv) the redemption or purchase of any share, whether a Deferred Share or otherwise

nor by the passing by the members of the Company or any class of members of any resolution, whether in connection with any of the foregoing or for any other purpose, and accordingly no consent thereto or sanction thereof by the holders of the Deferred Shares, or any of them, shall be required."

4. THAT, in substitution for any existing authority under section 551 of the Companies Act 2006 (the "Act"), the Directors be and are hereby generally and unconditionally authorised for the purposes of that section to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) up to a maximum aggregate nominal amount of £69,615 representing 33.3 per cent of the issued share capital of the Company excluding treasury shares, such authority to expire, unless renewed, varied or revoked, at the earlier of 15 months from the passing of this resolution and the end of the next AGM of the Company but the Company may, before this authority expires, make an offer or agreement which would or might require equity securities to be allocated after such authority expires and the Directors may allot equity securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.
5. THAT, subject to the passing of resolution 4 above, in accordance with section 570 of the Act, and in substitution for any existing authorities under that section, the Directors be given power until the earlier of 15 months from the passing of this resolution and the end of the next AGM of the Company to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred on the directors for the purposes of section 551 of the Act by the passing of resolution 4 above as if the pre-emption rights set out in section 561 of the Act did not apply to such allotment, provided that such authority shall be limited to:

- (a) the allotment (other than pursuant to paragraph (b) below) of equity securities up to an aggregate nominal amount of £10,452.74, being five per cent of the issued equity share capital of the Company; and
 - (b) the allotment of equity securities in connection with an offer of such securities by way of rights issue or other issue pro-rata to existing holders of relevant equity securities in proportion (as nearly as may be) to the respective numbers of equity securities each then held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body, stock exchange or other authority in any jurisdiction.
6. That the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company on such terms and in such manner as the directors shall determine, provided that:
- (a) the maximum aggregate number of ordinary shares hereby authorised to be acquired shall be 2,094,967 ordinary shares representing 10 per cent of the issued share capital of the Company;
 - (b) the minimum price which shall be paid for each ordinary share shall be its nominal value and the maximum price (excluding expenses) shall be an amount equal to 105 per cent of the average of the middle market quotations for the ordinary shares of the Company (derived from the London Stock Exchange Daily Official List) for the five business days prior to the date of purchase;
 - (c) the authority hereby given shall expire, unless varied, renewed or revoked, at the earlier of 15 months from the passing of this resolution and the end of the next AGM of the Company; and
 - (d) the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

Jim Wynn

Company Secretary

12 May 2016

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 0370 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 3.30 p.m. on 7 June 2016. Alternatively members can appoint proxies electronically by logging on to the website www.investorcentre.co.uk/eproxy. 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 3.30 p.m. on 7 June 2016.
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 9 June 2016 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 3.30 9.m. on 7 June 2016.
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 10 May 2016 (being the latest practicable date before publication of this notice) the Company's issued share capital comprised 209,496,710 Ordinary Shares of £0.05 each. 209,054,701 Ordinary Shares carry the right to one vote at a General Meeting of the Company and, after excluding the 442,009 shares held by the Company in treasury, the total number of voting rights in the Company as at 10 May 2016 is 209,054,701.
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.fieldfisher.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 3.30 p.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 (0)370 707 1802
Email: www-uk.computershare.com/Investor/contactus

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.