



## News Release

For Immediate Release

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### **AVOCET TO DIVEST NON-CORE EXPLORATION LICENCES IN WEST AFRICA FOR STAKE IN WEST AFRICAN GOLD PRODUCER**

Avocet Mining PLC (“Avocet” or the “Company”) announces that it has signed a heads of agreement with Canadian listed Avion Gold Corporation (“Avion”) under the terms of which Avion would acquire a 100 per cent interest in the Houndé Group of Licences (“Houndé” or the “Houndé Group”) in Burkina Faso. The Houndé Group consists of eight permits covering 1,670 square kilometres, approximately 450 kilometres south west of the Company’s Inata gold mine.

Pursuant to the heads of agreement, Avion, a TSX Venture Exchange listed gold mining company focused on West Africa (TSXV ticker: AVR), will issue Avocet 10.3 million shares in Avion representing approximately five per cent of its enlarged issued share capital in exchange for a 100 per cent interest in the Houndé Group. Completion of the proposed transaction is subject to due diligence, the approval of the TSX Venture Exchange, consent from Barrick Gold - a royalty holder on some of the Houndé Group, and approval of transfer of the licences by the Government of Burkina Faso.

The transaction reflects the Company’s assessment of its West African exploration portfolio subsequent to the acquisition of Wega Mining last year. The assessment concluded that while the Houndé Group has geological potential it does not adequately satisfy the Company’s criteria for development. Avocet’s exploration efforts in Burkina Faso will instead be focused on the Belahouro district that surrounds the Inata mine, as this is highly prospective and better suited to yield additional mineable resources within a short timeframe. Belahouro consists of nine permits covering 1,660 square kilometres that contain several advanced exploration targets, including the 16 kilometre long Souma Trend, 12 kilometre long Damba Trend and structural extensions to the Inata deposit at Pali and Inata North. All are potentially mineable resources within trucking distance of the Inata processing plant. Avocet plans to drill more than 50,000 metres in 2010 to assess these targets and conduct airborne geophysics to identify additional targets in the large areas of unexplored, but prospective geology.

Through Avion, the transaction will bring a new mining company and additional exploration funds to Burkina Faso, which continues to experience significant growth in the gold mining sector. Avion holds 80 per cent of the Tabakoto and Ségala gold projects in Mali. Gold production at these projects commenced in 2009, totaling 51,300 ounces for 2009 as announced on 11 January 2010, with approximately 100,000 ounces of gold production forecast for 2010. Further details can be found on Avion’s website at [www.aviongoldcorp.com](http://www.aviongoldcorp.com).

Commenting on the heads of agreement, Jonathan Henry, CEO of Avocet, stated:

*“Avocet looks forward to working with Avion as it progresses Houndé, in which we will retain an interest through our stake in Avion. This transaction allows Avocet to focus on the ramp up of gold production at the Inata mine and exploration in the surrounding Belahouro district, which has excellent upside potential.”*

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For further information please contact:

Avocet Mining PLC	Buchanan Communications	Ambrian Partners Limited	J.P. Morgan Cazenove	Arctic Securities	First Securities
	Financial PR Consultants	NOMAD and Joint Broker	Lead Broker	Financial Adviser	Financial Adviser
Jonathan Henry, CEO	Bobby Morse	Richard Brown	Michael Wentworth-Stanley	Arne Wenger	Stein Hansen
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## Notes to Editors

Avocet Mining PLC (“Avocet” or “the Company”) is a mining company listed on the AIM market of the London Stock Exchange (Ticker: AVM). The Company’s principal activities are gold mining and exploration in Malaysia (as 100 per cent owner of the Penjom gold mine, the country’s largest gold producer), Indonesia (as 80 per cent owner of the North Lanut gold mine and Bakan project in North Sulawesi) and Burkina Faso (as 90 per cent owner of the Inata gold mine). The Company has a number of other advanced exploration projects in South East Asia and West Africa.

### *Background to operations*

Penjom is Malaysia’s largest gold producer and was developed by Avocet after applying modern technology to grass roots exploration in an area of historic alluvial mining. The mine is located in Pahang State, approximately 120 km north of the country’s capital, Kuala Lumpur. The mine was commissioned in December 1996 with reserves of 223,000 ounces. Successful resource development means Penjom has produced over one million ounces of gold to date and still has nearly one million ounces of resource.

North Lanut in North Sulawesi, Indonesia, was developed by Avocet from the exploration stage and has produced over 270,000 ounces since it was commissioned in 2004. Avocet purchased an 80 per cent interest in PT Avocet Bolaang Mongondow, an Indonesian company holding a 6th generation Contract of Work (“CoW”), from Newmont Mining Corporation in 2002. North Lanut is located within the CoW, which includes exploration and mining rights over approximately 50,000 hectares in an area highly prospective for gold. An Indonesian company, PT Lebong Tandai, owns the remaining 20 per cent.

Inata in Burkina Faso, West Africa, has a resource of 1.7 million ounces and reserves of 944,000 ounces. Inata poured first gold in December 2009 and is currently commissioning to full production rates in excess of 10,000 ounces per month. Other assets include exploration licences in Burkina Faso, Guinea and Mali (the most advanced being the Tri-K gold exploration project in Guinea with a resource of 667,000 ounces).