

# AVOCET MINING PLC

7th Floor, 9 Berkeley Street, London W1J 8DW  
e-mail: avocetmining@avocet.co.uk

Tel: 020 7907 9000 Fax: 020 7907 9019  
website: www.avocet.co.uk

## NEWS RELEASE

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### AVOCET MINING EXCEEDS BUDGETED GOLD PRODUCTION, IMPROVES GOLD RESERVE POTENTIAL AND ADJUSTS TO TUNGSTEN DOWNTURN

The company's gold production from its Penjom mine in Malaysia was 27,130 ounces for the three months ending 31 December 2001 as expectations were exceeded for both process recovery rates and ore grades. Recoveries averaged 84% compared with a budgeted 78%, and gold grades averaged approximately 10% higher than indicated by the results of a recently completed evaluation of Penjom's mineral resources. These mineral resources, as summarised below, have been validated by independent consultants under the classification guidelines set out in the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (the JORC Code, September 1999).

*Penjom Mineral Resource Summary at 1 October 2001 at a 0.8 g/t cut-off*

Category	Tonnes	Grade (Au g/t)	Troy Ounces
Measured	2,098,000	5.56	374,698
Indicated	1,342,000	4.32	186,477
Inferred	1,285,000	4.36	179,953
<b>Total</b>	<b>4,725,000</b>	<b>4.88</b>	<b>741,953</b>
Ore Stockpiles	502,532	2.90	46,893
<b>Grand Total</b>	<b>5,227,532</b>	<b>4.69</b>	<b>788,846</b>

Summarised below are Penjom's mineral resources included within the present open pit design.

*Penjom In-Pit Resource Summary at 1 October 2001*

Category	Tonnes	Grade (Au g/t)	Troy Ounces
Measured	1,027,185	7.10	234,543
Indicated	384,197	6.04	74,629
Inferred	314,699	5.30	53,629
<b>Total</b>	<b>1,726,081</b>	<b>6.54</b>	<b>362,801</b>
Ore Stockpiles	260,888	4.09	34,341
<b>Grand Total</b>	<b>1,986,969</b>	<b>6.22</b>	<b>397,142</b>

The above approximates Penjom's in-pit resource position as reported at 1 April 2001 even though the mine has processed ore containing over 65,000 ounces since then.



Excluded from the summarised mineral resources is approximately 100,000 ounces of gold that would be economically recoverable from Penjom's main open pit. However, because of its high grade and location, this resource is being evaluated for extraction by underground mining methods. Some of the significant drillhole intersections within this additional resource are given below.

Hole #	From (m)	To (m)	Length (m)	Au g/t (uncut)
RC2370	49	73	24	17.82
RC2371	22	38	16	24.37
RC2382	33	43	10	7.54
RC2383	46	49	3	68.59
RC2398	50	58	8	48.71
RC2398	83	85	2	9.35
RC2398	89	98	9	35.74
RC2398	123	130	7	22.29

If underground mining is feasible, Penjom's exploration potential could be greatly enhanced in areas where mineral zones are known to exist outside the mine's currently projected open pit design. Additionally, there are still exploration targets for extending Penjom's open pit operations.

The company's priorities for its gold business are to accelerate its exploration activities at Penjom, add to its exploration property portfolio within Malaysia, and acquire a mature exploration property within south-east Asia that can be fast-tracked for mine development. Subject to financing, all of these activities are close to fruition. With the validation of Penjom's mineral resources to standards that are acceptable to banking institutions, Avocet hopes to receive adequate funding commitments shortly.

Since the company's interim announcement of 17 December 2001, the average tungsten concentrate price, as reported by the London Metal Bulletin, has fallen a further 21% to a level that is below the production costs of almost all the world's tungsten mines including the company's Panasqueira mine in Portugal. With high consumer inventories and continuing stockpile releases by the U.S. government, tungsten prices are likely to remain depressed for some time. Therefore, Panasqueira has reduced its production to levels that only satisfy its long term contracts that have minimum floor prices at a premium to current market prices. The company is evaluating all its options with regard to realising the value of its position as one of the few significant producers of tungsten concentrates outside of China, the world's dominant producer.

For further information please contact:

**Avocet Mining PLC**

John Catchpole (Chief Executive and Finance Director)

Jonathan Henry (Executive Vice President)

020 7907 9000

Website: [www.avocet.co.uk](http://www.avocet.co.uk)

**4C Communications Ltd.**

Carina Corbett

020 8949 7171