



## Highlights

	6 months to 30 September 2005	6 months to 30 September 2004	Variance	Year to 31 March 2005
	US\$'000	US\$'000		US\$'000
Turnover	<b>42,697</b>	32,588	+31%	71,060
Operating cash flow	<b>8,886</b>	10,258	-13%	17,092
Gross profit	<b>5,680</b>	7,260	-22%	18,559
Pre-tax profit	<b>4,567</b>	6,148	-26%	15,803
Retained profit	<b>3,444</b>	4,572	-25%	11,686
Earnings per share	<b>3.30c</b>	4.41c	-25%	11.26c
Average spot gold price (US\$/oz)	<b>433</b>	397	+9%	414
Average realised gold price (US\$/oz)	<b>402</b>	397	+1%	414
Gold production (ozs)	<b>104,270</b>	82,000	+27%	172,938
Average total cash cost (US\$/oz)	<b>289</b>	271	+7%	278

**Gold production up 27% to 104,270 ounces**

**Penjom reserves up 41% to 559,200 ozs: resources at 989,900 ozs**

**North Lanut producing at forecast levels and profitability**

**Low cost dump leach project completed at ZGC**

**Significant drill results from two exploration prospects in Indonesia**

**Gross profit down 22%**

**Hedge position down 30%, increased costs at ZGC for waste stripping**

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**Avocet Mining recorded first half gold production in excess of 100,000 ounces for the first time in its history. Strong cash flow from our South-East Asian operations, progress towards turning around our operation in Central Asia and substantial successes from our exploration programmes in those regions gives me confidence in the Company's future. I am also pleased to note that since the period end, as recently announced, Avocet has expanded its presence in Central Asia with a strategic investment in Western China. We are experiencing an environment of increasing costs in our industry; nevertheless, I believe this will be countered by a strong future gold price.**

## Financial Results

For the six months ended 30 September 2005 turnover was US\$42.7 million (2004: US\$32.6 million). Total gold sales were 105,010 ozs (2004: 81,965 ozs), with an average realised price of US\$402/oz (2004: US\$397/oz). Sales were below the average spot gold price on account of the delivery of 24,000 ounces to reduce a gold hedging position the Company has had in place for a number of years in order to satisfy financial covenants on debt now repaid in full. As part of a US\$10 million revolving credit facility from Macquarie Bank of Australia the Company has agreed to liquidate at least 4,000 ounces of this gold hedge per month commencing April 2005. As of today's date 50,000 hedged ounces (2004: 80,000 ounces) remain outstanding with an average delivery price of US\$305/oz.

Gross profit was US\$5.7 million (2004: US\$7.3 million) giving a gross margin for the period of 13% (2004: 22%). The reduced margin was caused by higher production costs which included US\$3 million for increased waste stripping at ZGC's operations in Tajikistan. The Penjom mine in Malaysia incurred a cost of gold sold of US\$271/oz (2004: US\$270/oz). This cost included depreciation of US\$30/oz (2004: US\$44/oz) and an additional charge of US\$8/oz (2004: US\$15/oz) representing waste stripping

costs that had been deferred but are now being amortised over the mine's life. ZGC's cost of gold sold was US\$625/oz (2004: US\$448/oz) inclusive of US\$12/oz of depreciation (2004: US\$20/oz). Our new mine at North Lanut in Indonesia reported its first interim results which included a cost of gold sold of US\$270/oz inclusive of US\$78/oz of depreciation.

Pre-tax profit was down 26% to US\$4.6 million (2004: US\$6.1 million). Administrative costs remained at US\$1.1 million.

The Group made a profit after tax and minority interests of US\$3.4 million (2004: US\$4.6 million). As a result, basic earnings per share were 3.30 cents (2004: 4.41 cents).

Operating cash flow was US\$8.9 million (2004: US\$10.3 million). Cash uses included tax payments of US\$4.2 million (2004: US\$1.8 million) and investments in fixed assets and exploration totalling US\$7.2 million (2004: US\$14.3 million), mainly for expansion activities at ZGC and the purchase of a mining fleet for North Lanut. Overall, the Group's cash resources decreased by US\$2.8 million during the period to US\$9.3 million. The Group has access to US\$10 million under a revolving credit facility which was undrawn at the end of the period under review. Apart from equipment leases totalling US\$1.6 million, the Company had no debt outstanding at the end of the period.

## Operations and Projects

### Penjom, Malaysia

Gold production from the Penjom mine in Malaysia continued to exceed expectations as ore tonnages were in excess of reserves scheduled by the last reported resource model dated October 2004. As we reported at the time of our last annual results we have committed to a larger interim open pit requiring a higher rate of waste stripping with a corresponding rise in unit mining costs. The balance of gold in stockpiles, at 150,200 ounces, remains at a similar level to that reported in March 2005. These stockpiles will

### Penjom operating highlights

	6 months to 30 September 2005	6 months to 30 September 2004	Year to 31 March 2005
<b>Production statistics:</b>			
Tonnes Mined (ore and waste)	<b>10,461,000</b>	6,503,400	14,076,000
Tonnes Processed	<b>285,400</b>	254,600	527,500
Grade Processed (g/t)	<b>7.39</b>	8.24	7.92
Recovery Rate	<b>90%</b>	87%	89%
Gold Produced (ozs)	<b>60,530</b>	59,000	119,850
<b>Cash operating costs (US\$/oz):</b>			
Mining	<b>135</b>	115	109
Processing	<b>62</b>	59	57
Admin. & Royalties	<b>37</b>	37	37
Total Cash Costs	<b>234</b>	211	203

## Chairman's Statement (cont)

reduce overall cash costs in the future. Various projects for improving plant performance were completed which increased both throughput and gold recoveries. Considering the high natural carbon content of Penjom's ores, we are not aware of any other mining operation in the world that produces equivalent gold recoveries from such ore without the much higher capital and operating costs of pre-treating the ore with other methods.

At Penjom, as elsewhere in the Group and the mining business globally, we have seen a sharp rise in many of the key costs of production including labour, fuel, steel and other consumables. Even so, the 11% rise in Penjom's total unit cash cost for the period compares favourably with those reported by the rest of the world's gold mining industry which have typically increased by more than 20%. In July 2005 the Malaysian government announced that it was removing the peg between the US Dollar and the Malaysian Ringgit. So far this has had no material effect on Penjom's costs but we are looking at ways to hedge this risk.

The results from exploration drilling over the last 12 months, which are further detailed below, have resulted in a significant improvement in Penjom's future. A new production plan from the update of Penjom's resources shows that, at 30 September 2005, mineable reserves from a further open pit expansion contain 409,000 ounces of gold (2,213,000 tonnes at 5.75 g/t). Together with gold in stockpiles this gives 559,200 ounces of gold (3,598,000 tonnes at 4.83 g/t) available for processing, an increase of 41% compared to that reported for 31 March 2005 excluding those reserves mined during the interim period. 25% of these updated reserves are derived from inferred resources.

### Zeravshan Gold Company, Tajikistan

Since reopening the Jilau Main open pit in June 2004, ZGC's mining operations at the Jilau mine have focused on stripping waste from that pit in order to access the higher grade ores that will constitute the bulk of Jilau's future gold production from its existing carbon-in-leach (CIL) plant. For the period under review, this activity accounted for 73% of Jilau's total ore and waste production which caused a shortfall in ore for processing from the

smaller Khirskhona and Jilau North open pits. Therefore, 63% of ore processed was sourced from low grade stockpiles which reduced head grades to the plant by over 18%. Also, despite completion of needed repairs to the CIL plant, processing throughput and gold recoveries were both below prior results. Reasons included reliance on harder ores from Khirskhona and the influence of refractory ores from our nearby Taror project which were processed for testing purposes. Treatment from the latter included about 17,500 tonnes at a grade of 4.39 g/t. Despite these factors, and after excluding the extraordinary costs of waste stripping at Jilau Main which were all expensed, the Jilau mine's performance was close to breakeven.

So far we have spent approximately US\$5 million of a reported US\$10 million budget for Jilau's improvement and expansion. Some of these expenditures, particularly on replacing and adding to Jilau's mining fleet, have been delayed due to world-wide demand for such equipment. Nevertheless, we have completed Jilau's essential dump leach facilities on schedule and with at least a US\$1 million saving over our original estimate. The first gold pour from these facilities occurred in September. We have also installed a new expatriate management team which has made significant improvements to operations and work practices. As a result we are already experiencing increases in mine production rates with significant declines in unit tonnage costs despite the increases experienced in the costs of consumables and labour.

Testwork on the Taror and Chore underground mining projects, with a combined reserve base of three million ounces, based on prior feasibility studies, has commenced at two independent laboratories. Amongst various options, the Company is exploring the Geobiotics treatment process which utilises an inexpensive bacterial heap leach process for pre-treating refractory ores. A pilot plant for testing this process is under construction at Jilau.

### ZGC operating highlights

	6 months to 30 September 2005	6 months to 30 September 2004	Year to 31 March 2005
<b>Production statistics:</b>			
Tonnes Mined (ore and waste)	<b>3,771,700</b>	3,067,300	6,434,000
Tonnes Processed	<b>780,600</b>	803,750	1,627,000
Grade Processed (g/t)	<b>0.80</b>	0.98	0.93
Recovery Rate	<b>86%</b>	90%	89%
Gold Produced (ozs)	<b>18,000</b>	23,000	44,240
<b>Cash operating costs (US\$/oz):</b>			
Mining	<b>308</b>	175	190
Processing	<b>183</b>	144	148
Admin. & Royalties	<b>122</b>	108	101
Total Cash Costs	<b>613*</b>	427*	439*

\*Includes the costs of mining waste from the Jilau Main high wall which was the equivalent of US\$41/oz and US\$165/oz for the six months ending 30 September 2004 and 30 September 2005, respectively, and US\$64/oz for the year to 31 March 2005.

### North Lanut operating highlights

	6 months to 30 September 2005	6 months to 30 September 2004	Year to 31 March 2005
<b>Production statistics:</b>			
Tonnes Mined (ore and waste)	<b>1,338,000</b>	n/a	985,250
Tonnes Leached	<b>536,000</b>	n/a	301,700
Average ore head grade (g/t)	<b>1.81</b>	n/a	1.45
Recovery Rate	<b>83%</b>	n/a	63%
Gold Produced (ozs)	<b>25,740</b>	n/a	8,852
<b>Cash operating costs (US\$/oz):</b>			
Mining	<b>95</b>	n/a	274
Processing	<b>31</b>	n/a	69
Admin. & Royalties	<b>65</b>	n/a	157
Total Cash Costs	<b>191</b>	n/a	500

\* Operation commenced in October 2004

### North Lanut, Indonesia

Since the start of the year North Lanut has overcome its start-up problems with the benefit of a new and experienced management team. The mine is now operating at close to design capacity and gold production is running at an annualised rate of over 50,000 ounces with cash costs at below US\$200/oz. The Indonesian government has come under pressure recently over its large budget deficit and it has been forced to reduce fuel price subsidies. By purchasing a new mining fleet to largely replace expensive and inefficient mining contractors, we have reduced this negative impact on costs.

Reported gold recovery from the leach pads appears to be above the feasibility study's assumptions that averaged 75%. However a dump leach operation of this nature needs more time to settle down before we can confidently ascertain actual and prospective recoveries.

### Exploration

The Group budgeted just under US\$5 million for exploration this financial year and to the end of September 2005 we had spent US\$2.3 million. This included over 30,000 metres of drilling at existing operations and at two new prospects.

A major focus for Penjom has been updating its gold resources and developing a new gold production schedule. The revised October 2005 resource model represents a substantial increase in the resource base at Penjom. It increased the mineral inventory by 348,700 ounces from that last quoted as at 31 March 2005, to 989,900 ounces (9,029,000 tonnes at 3.41 g/t) before the depletion of the orebody by 68,350 ounces in the half year period. This equates to a like for like 36% increase in the last reported resource at Penjom which has benefited from the addition of 283 new drill holes (36,100 metres) in the Kalampong open pit area at a cost of US\$1.6 million, or US\$4.60 per ounce of resource added. Approximately 40% of the revised resource is in the inferred category and a new phase of drilling has commenced to upgrade this and to bring in further resources. Our resource evaluation continues to assure us that there is underground mining potential that could substantially increase Penjom's longevity.

Elsewhere in Malaysia, we continue to undertake metallurgical testwork on the Buffalo Reef prospect, near Penjom. Given our significant presence in Malaysia, where we produce over 85% of the country's gold, we are confident of new opportunities which we are currently pursuing.

Exploration at ZGC has focused on infill drilling at the current open pits of Khirskhona and Jilau North where the majority of ore being mined is in the inferred category. The results from this work will be assembled into a revised resource model which we expect to finalise before the end of the current financial year. We have commenced an exploration programme at Saurai in the same geologic environment as Jilau. We have also lodged an application with the Tajikistan government for the commencement of exploration work at Chore where, aside from a million ounce pre-feasibility estimate by previous western owners; there is a 5.3 million ounce gold resource identified by the Russians and Tajiks based largely on underground development. Receipt of a licence has been slowed by bureaucracy, but we remain confident we will receive this so that exploration work can commence in the spring.

Exploration activities in Indonesia have included drilling of extensions to the Riska orebody at the North Lanut mine in North Sulawesi. These extensions, where recent drilling has included 68m at 1.46 g/t, have been uncovered during mining operations and we are confident that they will extend the mine life. We will also revise the mine plan to add the resources at Effendi where we have previously reported 118,000 ounces of gold. This resource excludes high-grade intercepts in more recently drilled holes which will result in an upgrade of the resource. As we announced in July examples of these include 57m at 2.99 g/t Au, 65m at 2.54 g/t Au, 15m at 7.70 g/t Au and 26m at 4.39 g/t Au.

Also within the North Lanut Contract of Work (CoW), recent drilling results from the Bakan prospects, most noticeably Osela and Durian, have been particularly encouraging since their geology is similar to the area around North Lanut. Further to exploration results announced in July 2005, we have received the following significant drill results:

## Chairman's Statement (cont)

Drilling results		From	To	Length	Grade
Prospect	Hole ID	(m)	(m)	(m)	(g/t Au)
Durian	BKD31	6.0	61.0	55.0	2.35
Durian	and	38.0	52.0	14.0	5.76
Durian	incl	43.0	48.0	5.0	9.33
Osela	OSD032	0.0	47.0	47.0	16.2
Osela	incl	4.0	8.0	4.0	149.0
Osela	OSD033	3.0	53.0	50.0	1.45
Osela	incl	49.0	51.0	2.0	12.8
Osela	OSD034	0.0	65.0	65.0	2.49
Osela	incl	40.0	44.0	4.0	13.0
Osela	OSD036	10.0	24.0	14.0	2.16
Osela	incl	18.9	24.0	5.1	4.59

We are confident that the Bakan district will exceed our initial target of a 500,000 ounce resource and we have initiated a second phase drilling campaign to further evaluate these resources in order to bring them to a pre-feasibility development status in 2006.

Also on the North Lanut CoW, at the Pusian prospect, we have received results from initial drilling that followed on from the successful trenching earlier this year. Drill results are very encouraging, as shown in the table below, and warrant further work on this prospect.

Drilling results		From	To	Length	Grade
	Hole ID	(m)	(m)	(m)	(g/t Au)
	PSD002	0.0	5.0	5.0	4.85
	incl	2.0	5.0	3.0	7.44
	and	20.0	33.0	13.0	1.56
	PSD004	29.4	40.5	11.1	12.4
	incl	33.6	37.6	4.0	29.9
	PSD005	38.0	50.0	12.0	1.73
	incl	42.0	48.0	6.0	2.73
	and	70.0	76.0	6.0	2.09
	and	109.5	117.0	7.5	1.98

Elsewhere in Indonesia, we are continuing surface exploration work at our South Sulawesi prospect and we have now received all results from the initial 10 hole scout drilling campaign at Idenburg. We will report on these shortly in a separate news release.

### Outlook

The gold price continues to hold strong with 18 year highs having been broken on a number of occasions in the last three months. Continued strong performance from our two mines in South-East Asia will generate strong cash flows for the Group sufficient for us to reinvest in the excellent opportunities in that region. We remain focused on establishing a strong presence in Central Asia and to ensure that ZGC's Jilau operation will become profitable by June 2006 and that we will start to realise the upside from its projects at Taror and Chore as well as the exploration prospects that it holds.

Without a further uplift in the gold price, inflation with respect to our costs of production may affect negatively our future performance in relation to profitability. However, the strength and experience of our operations' management has already proved

that we are highly capable of containing these costs. Even taking into account the high cash costs we have attributed to ZGC's operations, we remain competitive in an industry where global median cash costs for the production of gold are approaching US\$300/oz.

It is pleasing to report, as we anticipated, that our gold resources and reserves have once again been increased significantly at Penjom. We will move to the new mine plan and continue further exploration drilling to firm up some of the inferred portion of the new resource as well as further definition work on additional resources both to the north and south of the current pit. We expect Penjom's open pit operations to produce in excess of 110,000 ounces for the current year.

Our exploration portfolio has grown rapidly. With recent results at Bakan and Pusian in Indonesia, and further surface work at a number of other projects, we have a diversified pipeline of projects to bring into future production. Meanwhile, a number of excellent acquisition opportunities have been brought to our attention as a result of our reputation as a company that delivers on our promises for both our shareholders and industry partners.

We recently announced the acquisition of a major interest in Dynasty Gold Corporation of Canada. Following completion of this deal, we will work with Dynasty in developing their three exploration properties in Western China, which represent one of the largest land positions of any foreign mining company. We are particularly interested in Dynasty's Hatu gold project and believe this can be brought into production in a relatively short period of time. We also believe this acquisition is a first step in advancing our presence in Central Asia with potential synergies with our existing business in Tajikistan, a country that borders China to the west. The cost of entry is US\$6 per ounce of resource owned by Dynasty.

Following approval by shareholders at a recent EGM, we are proceeding with the court approved process to restructure our balance sheet in order to allow the Company to use distributable reserves for dividend payments in the future, if deemed appropriate. We expect to have court approval in December 2005.

In the current environment, where top quality mining professionals are in high demand, I am extremely pleased that we have acquired and retained the highest quality of people for the realisation of Avocet's full potential. On behalf of the Company's shareholders I offer them our thanks for their dedication towards the Company's performance to date and to its future which I believe will be both exciting and prosperous.



Nigel McNair Scott  
16 November 2005

# Consolidated Profit and Loss Account

	note	<b>6 months to 30 September 2005 Unaudited</b>	6 months to 30 September 2004 Unaudited	Year to 31 March 2005 Audited
		<b>US\$000</b>	US\$000	US\$000
<b>Turnover</b>		<b>42,697</b>	32,588	71,060
Cost of sales		<b>(37,017)</b>	(25,328)	(52,501)
<b>Gross profit</b>		<b>5,680</b>	7,260	18,559
Administrative expenses		<b>(1,078)</b>	(1,115)	(2,623)
<b>Operating profit</b>		<b>4,602</b>	6,145	15,936
Net interest and similar charges		<b>(35)</b>	3	(133)
<b>Profit on ordinary activities before taxation</b>		<b>4,567</b>	6,148	15,803
Tax on profit on ordinary activities		<b>(1,775)</b>	(2,392)	(5,601)
<b>Profit on ordinary activities after taxation</b>		<b>2,792</b>	3,756	10,202
Equity minority interest		<b>652</b>	816	1,484
<b>Profit for the financial period retained</b>		<b>3,444</b>	4,572	11,686
<b>Basic earnings per share</b>	1	<b>3.30c</b>	4.41c	11.26c
<b>Diluted earnings per share</b>	1	<b>3.25c</b>	4.33c	11.06c

# Consolidated Balance Sheet

	note	<b>6 months to 30 September 2005 Unaudited</b>	6 months to 30 September 2004 Unaudited	Year to 31 March 2005 Audited
		US\$000	US\$000	US\$000
<b>Fixed assets</b>				
Negative goodwill		(1,463)	–	(1,501)
Positive goodwill	2	3,482	661	637
		<b>2,019</b>	661	(864)
Intangible assets		5,986	3,984	3,644
Tangible assets		36,428	34,843	35,770
		<b>44,433</b>	39,488	38,550
<b>Current assets</b>				
Stocks		21,066	16,384	19,563
Debtors due within one year		4,335	1,695	3,392
Debtors due after more than one year		2,216	3,156	2,685
Cash at bank and in hand		9,298	17,243	12,079
		<b>36,915</b>	38,478	37,719
<b>Creditors: amounts falling due in less than one year</b>		<b>(14,223)</b>	(21,772)	(14,808)
<b>Net current assets</b>		<b>22,692</b>	16,706	22,911
<b>Total assets less current liabilities</b>		<b>67,125</b>	56,194	61,461
<b>Creditors: amounts falling due after more than one year</b>		<b>(1,049)</b>	–	–
<b>Provision for liabilities and charges</b>		<b>(4,130)</b>	(2,468)	(2,453)
		<b>61,946</b>	53,726	59,008
<b>Capital and reserves</b>				
Called up share capital		41,547	41,070	41,389
Share premium account		43,280	43,210	43,258
Other reserves		17,909	17,909	17,909
Investments in own shares		(748)	(722)	(713)
Profit and loss account		(41,053)	(51,604)	(44,497)
<b>Equity shareholders' funds</b>		<b>60,935</b>	49,863	57,346
Equity minority interests		1,011	3,863	1,662
		<b>61,946</b>	53,726	59,008

# Consolidated Cash Flow Statement

	<b>6 months to 30 September 2005 Unaudited</b>	6 months to 30 September 2004 Unaudited	Year to 31 March 2005 Audited
	US\$000	US\$000	US\$000
<b>Net cash inflow from operating activities</b>	<b>8,886</b>	10,258	17,092
<b>Returns on investment and servicing of finance</b>			
Interest received	<b>112</b>	177	311
Interest paid	<b>(74)</b>	(171)	(411)
<b>Net cash inflow/(outflow) from returns on investment and servicing of finance</b>	<b>38</b>	6	(100)
<b>Taxation</b>	<b>(4,165)</b>	(1,752)	(5,219)
<b>Capital expenditure and financial investment</b>			
Purchase of fixed assets	<b>(4,764)</b>	(11,957)	(12,785)
Deferred exploration costs	<b>(2,422)</b>	(2,373)	(4,395)
Purchase of investments	–	(317)	367
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(7,186)</b>	(14,647)	(16,813)
<b>Acquisitions and disposals</b>			
Purchase of investments	–	–	(476)
Net cash movement from disposal of subsidiary undertakings	–	(22)	(22)
<b>Net cash outflow from acquisitions and disposals</b>	<b>–</b>	(22)	(498)
<b>Financing</b>			
Proceeds from issue of ordinary shares	<b>180</b>	–	367
Investment in own shares	<b>(306)</b>	–	(311)
Repayment of borrowings	–	(181)	(6,020)
Capital repayments on finance leases	<b>(164)</b>	(23)	(23)
<b>Net cash outflow from financing</b>	<b>(290)</b>	(204)	(5,987)
<b>Decrease in cash</b>	<b>(2,717)</b>	(6,361)	(11,525)

## Other Primary Statements

	<b>6 months to 30 September 2005 Unaudited</b>	6 months to 30 September 2004 Unaudited	Year to 31 March 2005 Audited
	<b>US\$000</b>	US\$000	US\$000
<b>Statement of total recognised gains and losses</b>			
Profit attributable to shareholders	<b>3,444</b>	4,572	11,686
Exchange translation adjustments	–	88	43
<b>Total recognised gains and losses</b>	<b>3,444</b>	4,660	11,729
<b>Reconciliation of movements in Group shareholders' funds</b>			
Total recognised gains and losses	<b>3,444</b>	4,660	11,729
New capital subscribed (net of costs)	<b>180</b>	–	367
Investment in own shares	<b>(35)</b>	(317)	(270)
Net change in shareholders' funds	<b>3,589</b>	4,343	11,826
Opening shareholders' funds	<b>57,346</b>	45,520	45,520
Closing shareholders' funds	<b>60,935</b>	49,863	57,346

### Notes:

1. The calculation of earnings per share is based on after-tax profits of US\$3,444,000 (2004: US\$4,572,000) and on the weighted average number of 104,396,306 shares in issue (2004: 103,696,530).

The fully diluted calculation of earnings per share is based on after-tax profits of US\$3,444,000 (2004: US\$4,572,000) and on the weighted average number of shares in issue and exercisable under share options of 106,014,075 (2004: 107,259,107).

2. In March 2002 the Group acquired an 80% interest in PT Avocet Bolaang Mongondow. This acquisition included a deferred consideration of a 4% royalty on revenues from the first 500,000 ounces of gold produced. As the mine production is now more certain, the directors have included in goodwill their best estimate of contingent consideration at a discounted value of \$2.937 million, which will be re-assessed in future periods.
3. The interim financial information complies with the relevant financial reporting standards and the accounting policies are applied on a basis consistent with those applied in the annual financial statements.
4. The financial information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the year ended 31 March 2005 is an abridged version of the full accounts, which received an unqualified auditors' report and have been filed with the Registrar of Companies.
5. This statement is being sent to Shareholders and will be available from the Company's Registered Office.

# Independent Review Report to Avocet Mining PLC

## Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 September 2005 which comprises the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Other Primary Statements and the related notes 1 to 5. We have read the other information contained in the interim report which comprises only the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. Our responsibilities do not extend to any other information.

This report is made solely to the Company, in accordance with guidance contained in APB Bulletin 1999/4 "Review of Interim Financial Information". Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

## Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules, which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

## Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of

management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2005.

GRANT THORNTON UK LLP  
Chartered accountants

London  
16 November 2005

- 1 The maintenance and integrity of the Avocet Mining PLC website is the responsibility of the directors: the interim review does not involve consideration of these matters and, accordingly, the Company's reporting accountants accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.
- 2 Legislation in the United Kingdom governing the preparation and dissemination of the interim report differ from legislation in other jurisdictions.

## Directors and Advisers

### Executive directors

J T Catchpole – Chief Executive Officer  
J G Henry – Finance Director  
G L Toll – Technical Director

### Non-executive directors

N. G. McNair Scott – Chairman  
Sir Richard Brooke Bt.  
J F Newman  
R A Pilkington  
J D Pollock

### Secretary and registered office

A P McFarlane  
7th Floor 9 Berkeley Street London W1J 8DW

### Registrars and transfer office

Lloyds TSB Registrars  
The Causeway Worthing  
West Sussex BN99 6DA

### Bankers

Barclays Bank plc, Macquarie Bank Limited  
HSBC

### Nominated advisor

Grant Thornton UK LLP

### Stockbrokers

Evolution Securities Limited

### Auditors

Grant Thornton UK LLP

### Solicitors

Field Fisher Waterhouse



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