



Avocet Mining

News Release

For Immediate Release

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Q1 2010 TRADING UPDATE

GOLD PRODUCTION UP 73% ON PREVIOUS QUARTER

	West Africa	South East Asia	Total
Gold produced (oz)	19,838	25,039	44,877
Average realised gold price (US\$/oz)	1,108	1,107	1,107
Cash cost (US\$/oz)	n/a ¹	735	735

- **Total Q1 gold production of 44,877 ounces, an increase of 73% over the previous quarter due to the first contribution from Inata**
- **Average realised gold price of US\$1,107/oz was up from prior quarter of US\$1,103/oz**
- **South East Asia cash cost improves from prior quarter, reduced by 4% to US\$735/oz¹**
- **Inata production in April was 9,166 ounces**
- **Total Group production is now at an annualised rate of over 200,000 ounces**
- **Near mine exploration initiated in the Bélahouro district around Inata**

Jonathan Henry, Chief Executive Officer, commented:

“Inata’s better than scheduled ramp up means that Avocet’s annual production rate has now risen to over 200,000 ounces. We are targeting further improvements in production as Inata continues to ramp up to full design capacity, and also in resource expansion. With a recently initiated exploration programme, we are confident this will lead to significant resource increases in the next 12 to 24 months.”

¹ During Q1 2010 Inata had not reached commercial production. Accordingly, all revenue and costs for the quarter have been capitalised and no cash cost is reported for Inata. From 1 April 2010 all revenue and costs at Inata will be recognised in the income statement and cash costs will be reported from that date.

Trading update

West Africa

In March 2010 Inata achieved its highest monthly total for hauled material since mining began in early 2009. At the end of March 2010 the ROM stockpile stood at over 520,000 tonnes at a grade in excess of 2.6 g/t (equivalent to approximately 50,000 contained ounces of gold). Mining is scheduled to accelerate from Q3 2010 with the expansion of the mining fleet. This will ensure the mine maintains ore feed to the mill when producing at design capacity, as well as starting to strip waste in Inata Central, the second pit to be mined.

A ten day planned shut-down took place in March to implement minor plant modifications identified during commissioning. Despite this, the mine produced a total of 8,652 ounces of gold during the month of March, and in April, which included a further five day planned shut-down, it produced 9,166 ounces.

Gold production in the quarter was 19,838 ounces, reflecting 228,830 ore tonnes milled at a grade of 2.8 g/t and recovery of 95%. Gold production is expected to reach a steady state rate of over 10,000 ounces per month in May 2010. All gold will be sold at spot prices until Q3 2010. Inata remains on schedule to produce over 100,000 ounces in 2010, and has now enabled Avocet's total gold production rate to rise to over 200,000 ounces per year.

As previously announced, commercial production has been moved forward from Q3 2010 to Q2 due to the successful commissioning and ramp up achieved to date. Accordingly, all revenue and costs for the March quarter have been capitalised and no unit cash cost is reported. From 1 April, all revenue and costs will be recognised in the income statement and unit cash costs will be reported from that date.

The Company has also commenced exploration activities on the Bélahouro group of licences that cover over 1,600 square kilometres of ground surrounding the Inata mining lease. An airborne geophysics survey is underway, which will apply electro-magnetic, radiometric and magnetic survey techniques to a prospective land package not previously explored with this form of exploration. Furthermore, a 20,000 metre scout drilling programme at Souma, 20 kilometres from Inata, is planned to commence in May 2010, which will further test the known mineralised targets as well as test regional anomalies along strike.

South East Asia

Gold production in Q1 2010 from Penjom and North Lanut totalled 25,039 ounces at a lower cash cost of US\$735/oz compared to the previous quarter of 25,877 ounces at US\$766/oz. Total production was broadly in line with guidance, with output at North Lanut slightly higher than expected, which compensated for slightly lower production at Penjom. At Penjom optimisation work continues on the revised resource model announced on 17 March 2010 and the results of this work are expected in Q2 2010. North Lanut continues to mine and treat both Rasik and Riska ore with increased grade and recovery being achieved at a subsequent benefit to unit costs. Further efficiency and cost cutting measures are in progress to maximise cash generation in South East Asia. Combined production from South East Asia is expected to be approximately 8,500 ounces per month in Q2 2010 and 9,500 ounces per month in the second half of 2010.

Key operating statistics are shown in the attached Appendix.

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
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Notes to Editors

Avocet Mining PLC (“Avocet” or “the Company”) is a gold mining company listed on the AIM of the London Stock Exchange (Ticker: AVM). On 27 April 2010 the Company announced that it has submitted an application for listing on the Oslo Stock Exchange. The Company’s principal activities are gold mining and exploration in Burkina Faso (as 90 per cent owner of the Inata gold mine), Malaysia (as 100 per cent owner of the Penjom gold mine, the country’s largest gold producer) and Indonesia (as 80 per cent owner of the North Lanut gold mine and Bakan project in North Sulawesi). The Company has a number of other advanced exploration projects in West Africa and South East Asia.

Background to operations

Inata has a resource of 1.7 million ounces and reserves of 932,000 ounces. Inata poured first gold in December 2009 and is currently ramping up to full production rates in excess of 10,000 ounces per month. Other assets in West Africa 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).

Penjom is Malaysia’s largest gold mine 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.

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. North Lanut is located within a Contract of Work which includes exploration and mining rights over approximately 50,000 hectares in an area highly prospective for gold. Avocet holds an 80 per cent interest and an Indonesian company, PT Leborg Tandai, owns the remaining 20 per cent.

Appendix – Key operating statistics by quarter

	2009 quarters ended					2010
	March	June	Sept	Dec	2009	March
Penjom						
Ore mined (tonnes)	265,944	372,145	247,958	86,285	972,332	104,631
Waste mined (tonnes)	4,556,004	4,396,358	4,165,516	4,124,764	17,242,642	3,735,151
Ore and waste mined (tonnes)	4,821,948	4,768,503	4,413,474	4,211,049	18,214,974	3,839,782
Ore processed (tonnes)	180,480	179,146	185,767	179,658	725,050	185,378
Average ore head grade (g/t)	3.27	3.38	3.34	2.95	3.24	2.80
Process recovery rate	85%	80%	82%	85%	83%	83%
Gold Produced (oz)	16,077	15,664	16,401	14,512	62,654	13,669
Cash costs (US\$/oz)						
Mining	409	395	390	476	416	482
Processing	175	170	168	215	181	218
Royalties and overheads	107	104	102	120	108	118
	691	669	660	811	705	818
North Lanut						
Ore mined (tonnes)	310,628	300,837	422,528	396,136	1,430,129	414,486
Waste mined (tonnes)	698,570	457,032	554,861	579,875	2,290,338	392,169
Ore and waste mined (tonnes)	1,009,198	757,869	977,389	976,011	3,720,467	806,655
Ore processed (tonnes)	262,810	319,399	333,346	366,692	1,282,247	265,299
Average ore head grade (g/t)	1.86	2.04	1.54	1.41	1.69	1.93
Process recovery rate	72%	57%	75%	68%	67%	69%
Gold Produced (oz)	11,297	11,899	12,333	11,365	46,895	11,370
Cash costs (US\$/oz)						
Mining	263	275	271	350	289	330
Processing	112	125	123	188	137	155
Royalties and overheads	113	101	113	172	124	150
	488	501	507	710	550	635
Total						
Gold Produced (oz)	27,374	27,563	28,734	25,877	109,548	25,039
Cash costs (US\$/oz)						
Mining	349	343	339	420	362	413
Processing	149	151	149	203	162	189
Royalties and overheads	110	103	107	143	115	133
	608	597	595	766	639	735

Note – excludes 19,838 ounces produced by Inata during Q1 2010 when the mine had not reached commercial production. No cash cost is reported for this period.