



**Avocet Mining**

**Avocet Mining PLC**

7th Floor 9 Berkeley Street

London W1J 8DW

Tel +44 (0) 20 7907 9000

Fax +44 (0) 20 7907 9019

E-mail [avocetmining@avocet.co.uk](mailto:avocetmining@avocet.co.uk)

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

## News Release

For Immediate Release

Date 21<sup>st</sup> December 2004

### **AVOCET ADDS FURTHER VALUE TO THE PENJOM GOLD MINE**

Avocet Mining PLC ("the Company") is pleased to report that exploration successes have continued at the Company's Penjom Gold Mine in Malaysia. The mine has increased its gold resources by a further 27% and now shows a significant improvement to the economic value of future gold production. These results have also led to an even higher degree of confidence in future additions to gold reserves.

With the publication, in July 2004, of the Company's financial results for the year ending 31 March 2004, the Company announced that, compared to the prior year, it had increased Penjom's mineral resource inventory by 29%. This indicated the feasibility of expanding the mine's main Kalampong open pit for a 43% increase in future gold production. Since then, the Company has conducted an exploration programme to validate and optimise the resources within Kalampong's expanded pit limits, and to investigate potential resources outside those limits. To date, 24,000 metres of drilling has been completed. The following table summarises Penjom's new mineral resources position.

<b>Penjom Mineral Resources at 31 October 2004 at a cut-off of 0.8 g/t Au</b>									
	*Measured & Indicated			*Inferred			Total		
	tonnes	g/t	ounces	tonnes	g/t	ounces	tonnes	g/t	ounces
In-Situ	2,023,000	5.14	334,100	2,550,000	3.98	326,300	4,573,000	4.49	660,400
Stockpiles	989,606	4.38	139,211	243,339	1.33	10,375	1,232,945	3.77	149,586
<b>Total</b>	<b>3,012,606</b>	<b>4.89</b>	<b>473,311</b>	<b>2,793,339</b>	<b>3.75</b>	<b>336,675</b>	<b>5,805,945</b>	<b>4.34</b>	<b>809,986</b>
Difference from 31 March 2004	197,555		45,591	618,989		62,795	816,545		108,386

\* In accordance with the "JORC Code" of Australia

The above represents a 187,000 ounce improvement from the resources reported at 31 March 2004, taking account of the 78,777 ounces of resources that have been processed in the first eight months of the current financial year. The results of production indicate that mineral resource predictions continue to underestimate gold content on account of the conservative way the orebody is modelled given Penjom's complex geology. This has not been factored into the new resource calculations.

Based on the above mineral resource position, a new production plan has been generated for an interim pit which is within the larger extent of Kalampong's limits. Forecasted production from this plan, as of 31 October 2004, is 421,100 ounces of gold contained in 2,528,400 tonnes of ore at an average grade of 5.18 g/t. Compared to the reserve and production forecast at 31 March 2004, the new plan features the following improvements:

- 33,000 ounce increase from an open pit volume that is 40% smaller.
- 13 million tonne reduction in waste removal which costs approximately US\$1.10 per tonne.
- Reduction in the proportion of inferred resources mined from 35% to 19%.

Further exploration is planned in order to upgrade mineral resources to reserves outside the interim pit's limits and to pursue new extensions that have now been highlighted. Identifying mineral resources amenable to underground mining is also a high priority.

Avocet is a mining company listed on the AIM market of the London Stock Exchange. The Company's principal activities are gold mining and exploration in Malaysia (as 100% owner of the Penjom mine, the country's largest gold producer), Tajikistan (as 75% owner of the Zeravshan Gold Company, Tajikistan's principal gold mine), and Indonesia (as 80% owner of the North Lanut gold mine in North Sulawesi).

---

For further information please contact:

**Avocet Mining PLC**

John Catchpole (Chief Executive)

Jonathan Henry (Finance Director)

020 7907 9000

**4C Communications Ltd**

Carina Corbett

020 8949 7171

020 7907 4761