28 October 2011

AVOCET MINING RESULTS FOR QUARTER ENDED 30 SEPTEMBER 2011

Strategic highlights

- Completion of further asset disposals in South East Asia; US$197 million of total US$200 million consideration now received
- Production and exploration activities now exclusively focused in West Africa
- Scoping study progressing for Inata expansion to between 245,000 and 330,000 ounces – results in Q1 2012
- Intention to move to a premium listing on the Official List of the Main Market of the London Stock Exchange

Operational highlights

- Q3 2011 gold production at Inata of 33,256 ounces at a cash cost of US$830 per ounce, compared with 39,423 ounces at a cash cost of US$677 per ounce in Q2 2011
- Production in Q3 affected by a SAG mill drive motor failure and by a short period of processing a higher proportion of transitional carbonaceous ore – Q4 production expected at or above 40,000 ounces
- Cost increase mainly reflects lower production in the quarter as well as higher fuel prices and increase in national labour costs
- Increase in Inata Mineral Resources to 3.36 million ounces, and Mineral Reserves at Inata to 1.46 million ounces
- Increase in Mineral Resources at Koulékoun to 1.47 million ounces
- Total West African Resource base currently at 5.4 million, more than doubled from 2.4 million at acquisition in 2009

Financial highlights

- EBITDA from continuing operations of US$15.0 million in Q3 2011 compared with US$16.6 million in Q2 2011
- Cash balance at the end of Q3 2011 of US$120.4 million
- Hedge buy back of US$39.8 million; full effect of restructuring on realised gold price in Q4 2011
- First interim dividend of US$6.5 million (equivalent to 2.1p per share) paid to shareholders in the period

Brett Richards, Chief Executive Officer, commented:

"Over the quarter Avocet continued its stated strategy of aggressively growing its asset base in West Africa, with significant resource increases in Burkina Faso and Guinea, as well as reserves at Inata. The disposal of our South East Asian assets is substantively complete, with US$197 million received to date that will be deployed in maintaining our growth in West Africa. We also announced today our decision to move to a premium listing on the Official List of the Main Market of the London Stock Exchange, a natural progression for what is today a sizeable, dividend paying gold producing and exploration company, and one that should enhance shareholder value.

Operationally, Inata is again producing at planned levels and we expect production to revert to a level at or above 40,000 ounces in the fourth quarter of the year."

A webcast presentation of these results will be available at www.avocetmining.com from 10.00 BST today.

For further information please contact:

Avocet Mining PLC	Buchanan Financial PR Consultants	Ambrian Partners Limited NOMAD & Joint Broker	J.P. Morgan Cazenove Lead Broker	Arctic Securities Financial Adviser & Market Maker	SEB Enskilda Market Maker
Brett Richards, CEO Mike Norris, FD Angela Parr, IR	Bobby Morse James Strong	Samantha Harrison Jen Boorer	Michael Wentworth-Stanley Neil Passmore	Arne Wenger Petter Bakken	Fredrik Cappelen
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Notes to Editors

Avocet Mining PLC ("Avocet" or "the Company") is a gold mining and exploration company listed on the AIM market of the London Stock Exchange (Ticker: AVM.L) and the Oslo Børs (Ticker: AVM.OL). Avocet announced today its decision to move to the Official List of the Main Board of the London 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 and 100 per cent owner of 8 exploration licences in the Bélahouro region surrounding Inata) and exploration in Guinea.

In December 2010 Avocet announced that it had signed a binding agreement for the conditional sale of its South East Asian assets to J&Partners L.P., a private company, for US$200 million. To date US$197 million of the total consideration has been received.

The substantial completion of this transaction has left Avocet as a West African gold producer and explorer, with a clear strategy for growth in that region.

The Inata deposit presently comprises a Mineral Resource of 3.36 million ounces and a Mineral Reserve of 1.46 million ounces. Inata poured its first gold in December 2009. Other assets in West Africa include exploration permits in Burkina Faso (the most advanced prospect within Bélahouro being the Souma trend, some 20 kilometres from Inata, with a Mineral Resource of 0.56 million ounces), Guinea (the most advanced being Koulékoun with a Mineral Resource of 1.47 million ounces) and Mali.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Strategic Review

Avocet has made further progress towards fulfilling its objective of becoming a leading West African gold mining and exploration company.

At Inata, the scoping study to expand production is progressing. The study will review the benefits of expansions in gold production to between 245,000 and 330,000 ounces including the positive impact this will have on unit cash costs. The study will consider how best to exploit the targeted reserve and the potential upside from resources in the Bélahouro region. The Company expects this expanded study to be completed in Q1 2012.

In Guinea, the growth of resources at Koulékoun has continued with a further increase announced today. Metallurgical test work is on-going, while government relations work also continues in order to better understand the impact of the new Mining Code on our intention to develop a large regional operation. All of these efforts will support Koulékoun's progress towards a definitive feasibility study in 2012.

The Inata hedge book was restructured during the period and the last deliveries into the old hedge structure were made in July. A one-off cost is reflected in the Q3 2011 earnings, being the cost of the 20 per cent of hedged ounces bought back in July. From Q4 onwards, 80 per cent of all sales will be at spot prices.

During the quarter, the Company paid its first dividend, following the adoption of a new dividend policy announced in July.

In view of these strategic developments, the Board has taken the decision, in the interest of the Company and its shareholders to move the trading of the Company's shares from the Alternative Investment Market ("AIM") to the Main Market of the London Stock Exchange ("LSE"). The Company intends to seek admission to the Official List and to trade on the premium segment of the Main Market of the LSE in the near future.

Update on South East Asia Asset Sale

The disposal of the Company's South East Asian assets is virtually complete, with a further US$27 million of proceeds received in September 2011. A total of US$197 million has now been received out of the US$200 million total proceeds. Completion of the sale of the last two exploration assets remains subject to local approvals, while working capital adjustments also remain outstanding in respect of those entities already disposed of. In September, the Company received a notice from the South Jakarta District Court, summoning it to appear before this court during November 2011 as the defendant to a claim brought by PT Lebong Tandai. The summons contained no details of the claim and Avocet believes that any claim would be baseless, and will defend itself vigorously.

Operational Review

The gold price performed strongly during the quarter, peaking at an all-time high of US$1,900 per ounce, and closing at US$1,625 per ounce.

Gold production in the quarter totaled 33,256 ounces compared with 39,423 ounces in Q2 2011. All gold produced in the quarter was from the Inata mine, as the sale of Avocet's South East Asian mines completed 24 June 2011. Production from Inata was lower than the previous quarter due to a mill outage in July combined with the impact of a short period of processing higher levels of carbonaceous material from the bottom of the Inata North starter pit.

Inata Mine	2010				2011		
	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
Production statistics[1]							
Ore mined (000's tonnes)	342	418	481	638	618	634	**580**
Waste mined (000's tonnes)	2,005	2,437	2,619	4,369	4,673	3,804	**6,211**
Ore and waste mined (000's tonnes)	2,347	2,855	3,100	5,007	5,291	4,438	**6,791**
Ore processed (000's tonnes)	228	389	549	593	645	586	**585**
Average ore head grade (g/t Au)	2.80	2.87	2.43	2.68	2.37	2.24	**2.18**
Process recovery rate	94%	95%	94%	94%	94%	93%	**89%**
Gold produced (ounces)	19,838	31,225	40,461	46,208	47,963	39,423	**33,256**
Cash costs (US$/oz)[1]							
- mining	-	147	114	132	136	200	**255**
- processing	-	211	211	209	205	238	**301**
- royalties and overheads	-	211	201	170	192	239	**274**
Total cash cost	-	569	526	511	533	677	**830**

(1) Production statistics include figures for Q1 2010; however cash costs are excluded for Q1 2010, as Inata did not reach commercial production until 1 April 2010.

While milling throughput of 585,000 tonnes was in line with Q2 2011, a SAG mill drive motor failure in July resulted in a ten day outage, and ore processed for Q3 2011 was therefore below expectation.

With the Inata Central pit only starting to contribute ore in the middle of the quarter, a higher than usual proportion of the ore processed during the quarter was sourced from mining at depth in the Inata North pit. This ore contains zones of fresh carbonaceous material that resulted in preg-robbing, reducing the recovery rate from 93 per cent in Q2 2011 to 89 per cent in Q3. By the end of the quarter, ore was being sourced primarily from the Inata Central pit, with the result that a lower proportion of ore will be sourced at depth in Inata North during the fourth quarter of 2011. Recoveries in the fourth quarter are therefore expected to improve towards the levels achieved in Q2 2011.

Mining activities focused on the Inata North and Central pits. A programme of maintenance work led to improvements in equipment availability, while the final units of third mining fleet were commissioned during the quarter. As anticipated, the stripping ratio increased to 10.7 in Q3 2011 compared with 6.0 in the previous quarter. As a result, total tonnages mined increased by 53 per cent compared with the previous quarter.

The third quarter saw continued increases in input costs throughout the mining sector. Inata's cost per ounce increased from US$677 per ounce in Q2 to US$830 per ounce in Q3. Approximately 80 per cent of the increase was a function of lower gold production, with the remainder principally reflecting higher tonnes mined and higher fuel costs. Following the government's decision during Q3 2011 to enforce irrecoverable VAT at 18 per cent, the Q3 2011 cost included a VAT charge in respect of the Q2 2011. In addition, national labour costs were higher following the wage settlement agreed during the Q2 2011. The increase in mining volumes meant that mining cost per tonne fell from US$1.78 in the Q2 2011 to US$1.25 in the Q3 2011. Mining costs in the fourth quarter are expected to be approximately US$1.50 per tonne.

Gold production in the fourth quarter is expected to be at or above 40,000 ounces at a cash cost of US$775 to US$825 per ounce, for a full year total of between 160,000 and 165,000 ounces at US$700 to US$725 per ounce.

The third quarter marks the rainy season in West Africa, and a break in the Company's drilling campaigns in Burkina Faso and Guinea. Focus in the period was therefore on analysis of drill results and the estimation of Mineral Resources and Mineral Reserves. Significant increases in Mineral Resources and Reserves at Inata were announced in the quarter, and a further increase in Mineral Resources at Koulékoun in Guinea was announced today. Avocet's total Mineral Resources in West Africa have now more than doubled from 2.36 million ounces at the time of the Company's acquisition of these assets in 2009, to 5.39 million ounces.

In August the Company announced an upgrade of the Mineral Resource for the Inata mine license area to 3.36 million ounces above a 0.5 g/t Au and beneath the 30 June 2011 topographic surface. This represented an increase of 1.24 million ounces, or 59 per cent, over the previously published Mineral Resource of 2.12 million ounces and an increase of 1.53 million ounces or 83 per cent, after taking into account depletion of the resource due to mining, since the drilling programme commenced in October 2010. Following this update in Inata's Mineral Resources, the Company undertook an analysis of economic factors and pit designs and in October announced a 40 per cent increase in Mineral Reserves to 1.46 million ounces. This reserve was based on 23.6 million tonnes of ore at an average grade of 1.93 g/t Au. Cash costs of US$1.50 per tonne for mining, US$22.74 per tonne for processing and administration, and a gold price of US$1,200 per ounce were assumed in determining this reserve.

Based on current production levels, the increased Mineral Reserve represents an extension of the Life of Mine to approximately 2020. This extension supports the Company's objective of increasing processing capacity at the Inata Mine, and a scoping study in this regard is underway, the results of which are expected in Q1 2012.

A further update to the Inata Mineral Resource is expected by the end of 2011 following completion of additional drilling in the fourth quarter of 2011 and the inclusion of approximately 16,000 assays from the 2010-2011 drilling programme that were not received at the time of the latest Mineral Resource update. A further update on the Inata Mineral Reserve is expected in Q1 2012, when the Company's target of 1.8 million ounces is expected to be reached.

Exploration in Guinea continued in the quarter with a three dimensional model of geology and mineralisation at Koulékoun being completed in August 2011. Today, the Company also announced an increase in Mineral Resources at Koulékoun to 1.47 million ounces, representing an increase of 34 per cent on the previous resource of 1.1 million ounces announced in May 2011 and an increase of 121 per cent since Avocet commenced exploration in 2010. This brings the Company closer to achieving its target of 2 million ounces at Tri-K by year end. The Company intends to progress Koulékoun to a definitive feasibility study in 2012.

Ongoing drilling in the Kodiéran District yielded positive results that were announced in October and demonstrate the prospective nature of this district and highlight the exploration and development potential of the greater Tri-K region.

Group Reserves and Resources	Gross			Net attributable		
	Tonnes	Grade (g/t)	Contained Ounces	Tonnes	Grade (g/t)	Contained Ounces
Mineral Reserves (pit)						
Proven	14,468,000	1.92	891,000	13,021,000	1.92	801,900
Probable	8,596,000	1.98	547,600	7,736,000	1.98	492,800
ROM Stockpiles						
Proven	494,000	1.50	23,900	445,000	1.50	21,500
Reserves Total	**23,558,000**	1.93	**1,462,500**	**21,202,000**	1.93	**1,316,200**
Mineral Resources						
Measured	17,672,000	1.72	979,600	15,905,000	1.72	881,600
Indicated	57,151,000	1.37	2,521,400	53,541,000	1.37	2,365,200
Measured + Indicated	74,822,000	1.46	3,501,000	69,445,000	1.45	3,246,900
Inferred	41,923,000	1.41	1,895,100	40,157,000	1.41	1,812,800
Resources Total	**116,745,000**	**1.44**	**5,396,100**	**109,602,000**	**1.44**	**5,059,700**

Note: Rounding errors may exist.

Financial Review

Since the signing on 24 December 2010 of the conditional agreement to sell the Group's assets in South East Asia, the operating results of these assets have been presented in the consolidated income statement as discontinued operations for the current and comparative periods. Those assets and liabilities that remained within the Group at 30 September 2011 have been presented separately as a disposal group in the statement of financial position at each balance sheet date. This is as required by International Financial Reporting Standards (IFRS). A detailed analysis of the results, assets, and cash flows of the disposal group is presented in the segmental information.

	Quarter ended 30 June 2010 Unaudited	Quarter ended 30 June 2011 Unaudited	Quarter ended 30 September 2010 Unaudited	**Quarter ended 30 September 2011 Unaudited**
Total gold production (ounces)	52,870	62,803	67,792	**33,256**
Average realised gold price (US$/oz)	1,203	1,292	1,139	**1,316**
Cash production costs (US$/oz)	701	802	619	**830**
EBITDA[1] from continuing operations (US$000)	18,297	16,600	18,018	**14,952**
EBITDA from continuing and discontinued operations (US$000)	24,559	26,083	27,860	**14,013**
Profit/(loss) before tax from continuing operations (US$000)[2.]	7,765	14,862	5,867	**(33,540)**
Profit before tax from continuing and discontinued operations (US$000)	10,900	96,973	13,308	**(19,064)**

1. EBITDA represents earnings before exceptional items, finance items, tax, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.
2. Loss for quarter ended 30 September 2011 includes hedge buy back cost of US$39.8 million.

The financial review table above reflects the production and earnings of both the continuing and discontinued operations in the comparative period. A like for like analysis of comparative results from continuing operations is provided for further insight.

Revenue from continuing operations was slightly down in Q3 at US$42.4 million compared with US$44.7 million in Q2 2011, as lower gold produced and sold offset the benefit of higher spot prices on unhedged sales. The percentage of gold sold into the hedge over the period was almost 50 per cent, as the old hedge structure continued into Q3 2011.

Mining and processing costs increased on a per ounce of production basis for reasons outlined above. Overhead costs in Burkina Faso were in line with the prior period but Group administration charges were notably reduced from the prior period.

Resulting EBITDA from continuing operations for Q3 was US$15.0 million compared with US$18.3 million in Q3 2010.

The Group reported a loss before tax from continuing operations for the quarter of US$33.5 million compared with a profit of US$5.9 million in the quarter ended 30 September 2010 and US$14.9 million in the Q2 2011. The third quarter results included an exceptional charge of US$39.8 million related to the hedge restructure.

Net cash generated by continuing operations during Q3 was US$3.2 million compared with cash generated from continuing operations of US$17.5 million in Q3 2010 and US$4.5 million in the Q2 2011. Other cash flows during Q3 2011 included capital expenditure at Inata of US$18.6 million, exploration investment of US$2.8 million in West Africa, and debt repayments of US$6.0 million. The Group had US$120.4 million of cash at the end of the quarter and debt of US$35.0 million.

BRETT A. RICHARDS
Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT
For the three months ended 30 September 2011

		Three months ended 30 September 2011 Unaudited			Three months ended 30 September 2010 Unaudited		
	Note	**Continuing operations**	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
		US$000	**US$000**	**US$000**	US$000	US$000	US$000
Revenue	3	**42,413**	**-**	**42,413**	44,299	33,190	77,489
Cost of sales	3	**(32,567)**	**(939)**	**(33,506)**	(34,535)	(26,058)	(60,593)
Gross profit/(loss)		**9,846**	**(939)**	**8,907**	9,764	7,132	16,896
Administrative expenses		**(2,295)**	**-**	**(2,295)**	(2,363)	-	(2,363)
Share based payments		**(387)**	**-**	**(387)**	(312)	-	(312)
Profit/(loss) from operations		**7,164**	**(939)**	**6,225**	7,089	7,132	14,221
Profit on disposal of investments	2,11	**-**	**2,427**	**2,427**	-	-	-
Profit on disposal of subsidiaries	2,11	**-**	**12,995**	**12,995**	-	-	-
Restructure of hedge	8	**(39,757)**	**-**	**(39,757)**	-	-	-
Finance items							
Exchange gains		**24**	**-**	**24**	317	-	317
Finance income		**20**	**-**	**20**	-	-	-
Finance expense		**(991)**	**-**	**(991)**	(1,539)	-	(1,539)
Net finance items – discontinued operations		**-**	**(7)**	**(7)**	-	309	309
(Loss)/profit before taxation		**(33,540)**	**14,476**	**(19,064)**	5,867	7,441	13,308
Analysed as:							
Profit/(loss) before taxation and exceptional items		**6,217**	**(946)**	**5,271**	5,867	7,441	13,308
Exceptional items	11	**(39,757)**	**15,422**	**(24,335)**	-	-	-
(Loss)/profit before taxation		**(33,540)**	**14,476**	**(19,064)**	5,867	7,441	13,308
Taxation		**7,323**	**-**	**7,323**	-	(452)	(452)
(Loss)/profit for the period		**(26,217)**	**14,476**	**(11,741)**	5,867	6,989	12,856
Attributable to:							
Equity shareholders of the parent company		**(23,635)**	**14,518**	**(9,117)**	5,169	6,110	11,279
Non-controlling interest		**(2,582)**	**(42)**	**(2,624)**	698	879	1,577
		(26,217)	**14,476**	**(11,741)**	5,867	6,989	12,856
Earnings per share							
Basic (loss)/earnings per share (cents per share)	5	**(11.87)**	**7.29**	**(4.58)**	2.63	3.11	5.74
Diluted (loss)/earnings per share (cents per share)	5	**(11.87)**	**7.17**	**(4.58)**	2.60	3.07	5.67
EBITDA[1]		**14,952**	**(939)**	**14,013**	18,018	9,842	27,860

(1) EBITDA represents earnings before exceptional items, finance items, taxation, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2011

	Note	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		Nine months ended 30 September 2011 Unaudited			Nine months ended 30 September 2010 Unaudited		
		US$000	**US$000**	**US$000**	US$000	US$000	US$000
Revenue	3	**142,929**	**67,236**	**210,165**	80,904	88,639	169,543
Cost of sales	3	**(106,055)**	**(51,101)**	**(157,156)**	(59,666)	(74,110)	(133,776)
Gross profit		**36,874**	**16,135**	**53,009**	21,238	14,529	35,767
Administrative expenses		**(7,101)**	**-**	**(7,101)**	(5,184)	-	(5,184)
Share based payments		**(1,053)**	**-**	**(1,053)**	(3,460)	-	(3,460)
Profit from operations		**28,720**	**16,135**	**44,855**	12,594	14,529	27,123
Profit on disposal of investments	11	**8,990**	**2,427**	**11,417**	1,986	-	1,986
Profit on disposal of subsidiaries	2,11	**-**	**85,802**	**85,802**	-	-	-
Restructure of hedge	8,11	**(39,757)**	**-**	**(39,757)**	-	-	-
Finance items							
Exchange losses		**(58)**	**-**	**(58)**	200	-	200
Finance income		**20**	**-**	**20**	-	-	-
Finance expense		**(4,023)**	**-**	**(4,023)**	(2,920)		(2,920)
Net finance items – discontinued operations		**-**	**(26)**	**(26)**	-	378	378
Expenses of listing on Oslo Børs		**-**	**-**	**-**	(2,363)	-	(2,363)
(Loss)/profit before taxation		**(6,108)**	**104,338**	**98,230**	9,497	14,907	24,404
Analysed as:							
Profit before taxation and exceptional items		**24,659**	**16,109**	**40,768**	9,874	14,907	24,781
Exceptional items	11	**(30,767)**	**88,229**	**57,462**	(377)	-	(377)
(Loss)/profit before taxation		**(6,108)**	**104,338**	**98,230**	9,497	14,907	24,404
Taxation		**2,721**	**(2,723)**	**(2)**	(873)	(2,052)	(2,925)
(Loss)/profit for the period		**(3,387)**	**101,615**	**98,228**	8,624	12,855	21,479
Attributable to:							
Equity shareholders of the parent company		**(2,160)**	**99,448**	**97,288**	6,819	10,973	17,792
Non-controlling interest		**(1,227)**	**2,167**	**940**	1,805	1,882	3,687
		(3,387)	**101,615**	**98,228**	8,624	12,855	21,479
Earnings per share							
Basic (loss)/earnings per share (cents per share)	5	**(1.09)**	**49.98**	**48.90**	3.49	5.61	9.10
Diluted (loss)/earnings per share (cents per share)	5	**(1.09)**	**49.07**	**48.00**	3.46	5.56	9.02
EBITDA(1)		**56,955**	**16,135**	**73,090**	32,172	24,362	56,534

(1) EBITDA represents earnings before finance items, taxation, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 30 September 2011

	Note	**Continuing operations**	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
		Three months ended 30 September 2011 Unaudited			Three months ended 30 September 2010 Unaudited		
		US$000	**US$000**	**US$000**	US$000	US$000	US$000
(Loss)/profit for the period		**(26,217)**	**14,476**	**(11,741)**	5,867	6,989	12,856
Revaluation of other financial assets	12	**-**	**-**	**-**	(1,568)	-	(1,568)
Total comprehensive income for the period		**(26,217)**	**14,476**	**(11,741)**	4,299	6,989	11,288
Attributable to:							
Equity holders of the parent company		**(23,635)**	**14,518**	**(9,117)**	3,601	6,110	9,711
Non-controlling interest		**(2,582)**	**(42)**	**(2,624)**	698	879	1,577
		(26,217)	**14,476**	**(11,741)**	4,299	6,989	11,288

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2011

	Note	**Continuing operations**	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
		Nine months ended 30 September 2011 Unaudited			Nine months ended 30 September 2010 Unaudited		
		US$000	**US$000**	**US$000**	US$000	US$000	US$000
(Loss)/profit for the period		**(3,387)**	**101,615**	**98,228**	8,624	12,855	21,479
Revaluation of other financial assets	12	**(2,903)**	**-**	**(2,903)**	(4,631)	-	(4,631)
Disposal of other financial assets	11	**(9,725)**	**-**	**(9,725)**	841	-	841
Reclassification of foreign exchange translation reserve on disposal of subsidiaries	2a	**(627)**	**-**	**(627)**	-	-	-
Total comprehensive income for the period		**(16,642)**	**101,615**	**84,973**	4,834	12,855	17,689
Attributable to:							
Equity holders of the parent company		**(15,415)**	**99,448**	**84,033**	3,029	10,973	14,002
Non-controlling interest		**(1,227)**	**2,167**	**940**	1,805	1,882	3,687
		(16,642)	**101,615**	**84,973**	4,834	12,855	17,689

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	Note	30 September 2011 Unaudited	31 December 2010 Audited	30 September 2010 Unaudited
		US$000	US$000	US$000
Non-current assets				
Goodwill		**-**	-	11,071
Intangible assets	6	**32,543**	11,091	21,812
Property, plant and equipment	7	**252,326**	239,979	302,187
Other financial assets	12	**2,313**	20,293	-
Deferred tax assets		**1,459**	1,459	5,251
		288,641	272,822	340,321
Current assets				
Inventories		**40,650**	20,379	39,535
Non-current assets held for sale		**-**	-	7,212
Trade and other receivables		**22,689**	16,157	26,320
Cash and cash equivalents	9	**120,373**	49,523	46,305
		183,712	86,059	119,372
Assets of disposal group classified as held for sale	2,3	**1,935**	125,550	-
Current liabilities				
Trade and other payables		**45,767**	28,430	49,987
Current tax liabilities		**-**	-	3,488
Other financial liabilities	8	**24,000**	24,000	24,000
		69,767	52,430	77,475
Liabilities included in disposal group held for sale	2,3	**-**	45,432	-
Non-current liabilities				
Other financial liabilities	8	**11,000**	54,000	60,000
Deferred tax liabilities		**6,007**	9,593	4,152
Other liabilities		**3,737**	3,737	18,075
		20,744	67,330	82,227
Net assets		**383,777**	319,239	299,991
Equity				
Issued share capital		**16,247**	16,086	16,004
Share premium		**149,915**	144,571	144,271
Other reserves		**15,614**	30,632	12,014
Retained earnings		**201,772**	118,606	118,253
Total equity attributable to the parent		**383,548**	309,895	290,542
Non-controlling interest		**229**	9,344	9,449
Total equity		**383,777**	319,239	299,991

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

9 months ended 30 September 2010	Share capital	Share premium	Other reserves	Retained earnings	Total attributable to the parent	Non-controlling interest	Total equity
	US$000	US$000	US$000	US$000	US$000	US$000	US$000
At 31 December 2009 (Audited)	15,904	142,778	11,321	101,611	271,614	5,762	277,376
Profit for the period	-	-	-	17,792	17,792	3,687	21,479
Revaluation of other financial assets	-	-	(4,631)	-	(4,631)	-	(4,631)
Disposal of other financial assets	-	-	841	-	841	-	841
Total comprehensive income for the period	**-**	**-**	**(3,790)**	**17,792**	**14,002**	**3,687**	**17,689**
Share based payments	-	-	-	761	761	-	761
Transfer between reserves	-	-	1,569	(1,569)	-	-	-
Issue of shares	100	1,493	-	-	1,593	-	1,593
Loss on issue from treasury shares	-	-	-	(342)	(342)	-	(342)
Movements on investments in treasury and own shares	-	-	2,914	-	2,914	-	2,914
At 30 September 2010 (Unaudited)	**16,004**	**144,271**	**12,014**	**118,253**	**290,542**	**9,449**	**299,991**

9 months ended 30 September 2011	Share capital	Share premium	Other reserves	Retained earnings	Total attributable to the parent	Non-controlling interest	Total equity
	US$000	US$000	US$000	US$000	US$000	US$000	US$000
At 31 December 2010 (Audited)	16,086	144,571	30,632	118,606	309,895	9,344	319,239
Profit for the period	-	-	-	97,288	97,288	940	98,228
Revaluation of other financial assets	-	-	(2,903)	-	(2,903)	-	(2,903)
Disposal of other financial assets	-	-	(9,725)	-	(9,725)	-	(9,725)
Reclassification of foreign exchange translation reserve on disposal of subsidiaries	-	-	(627)	-	(627)	-	(627)
Total comprehensive income for the period	-	-	(13,255)	97,288	84,033	940	84,973
Share based payments	-	-	-	1,001	1,001	-	1,001
Interim dividend	-	-	-	(6,814)	(6,814)	-	(6,814)
Issue of shares – exercise of share options	35	-	-	-	35	-	35
Issue of shares – bonuses	75	3,177	-	(3,200)	52	-	52
Issue of shares into EBT	51	2,167	(2,218)	-	-	-	-
Purchase of treasury shares	-	-	(2,910)	-	(2,910)	-	(2,910)
Release of EBT and treasury shares	-	-	1,373	(487)	886	-	886
Net exercise of share options settled in cash	-	-	-	(2,630)	(2,630)	-	(2,630)
Non-controlling interest share of dividend from subsidiary	-	-	-	-	-	(2,000)	(2,000)
Disposal of subsidiaries	-	-	-	-	-	(8,055)	(8,055)
Transfer acquisition reserve	-	-	1,992	(1,992)	-	-	-
At 30 September 2011 (Unaudited)	16,247	149,915	15,614	201,772	383,548	229	383,777

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**Nine months ended 30 September 2011 (Unaudited)** Continuing operations	Discontinued operations	Total	Nine months ended 30 September 2010 (Unaudited) Continuing operations	Discontinued operations	Total
		US$000	**US$000**	**US$000**	US$000	US$000	US$000
Cash flows from operating activities							
(Loss)/profit for the period		**(3,387)**	**101,615**	**98,228**	8,624	12,855	21,479
Adjusted for:							
Depreciation of non-current assets	7	**28,235**	**-**	**28,235**	19,578	9,833	29,411
Share based payments		**1,053**	**-**	**1,053**	3,460	-	3,460
Provisions		**-**	**574**	**574**	-	615	615
Taxation in the income statement		**(2,721)**	**2,723**	**2**	873	2,052	2,925
Non-operating items in the income statement	10	**35,066**	**(88,404)**	**(53,338)**	6,038	(325)	5,713
		58,246	**16,508**	**74,754**	38,573	25,030	63,603
Movements in working capital							
(Increase)/decrease in inventory		**(20,270)**	**341**	**(19,929)**	(7,975)	(293)	(8,268)
(Increase)/decrease in trade and other receivables		**(6,102)**	**(745)**	**(6,847)**	(16,081)	305	(15,776)
Increase/(decrease) in trade and other payables		**2,477**	**(1,256)**	**1,221**	7,004	(2,816)	4,188
Net cash generated by operations		**34,351**	**14,848**	**49,199**	21,521	22,226	43,747
Interest received		**20**	**17**	**37**	-	85	85
Interest paid		**(2,494)**	**-**	**(2,494)**	(3,428)	(2)	(3,430)
Tax (paid)/refunded		**(865)**	**(3,679)**	**(4,544)**	-	2,248	2,248
Net cash generated by operating activities		**31,012**	**11,186**	**42,198**	18,093	24,557	42,650
Cash flows from investing activities							
Payments for property, plant and equipment	7	**(40,582)**	**(881)**	**(41,463)**	(34,488)	(2,217)	(36,705)
Inata pre-commercial revenues capitalised	3	**-**	**-**	**-**	21,495	-	21,495
Inata pre-commercial costs capitalised	3	**-**	**-**	**-**	(14,296)	-	(14,296)
Deferred consideration paid		**-**	**(1,330)**	**(1,330)**	-	(1,555)	(1,555)
Exploration and evaluation expenses	3,6	**(22,027)**	**(2,995)**	**(25,022)**	(2,843)	(3,512)	(6,355)
Rehabilitation costs		**-**	**(393)**	**(393)**	-	-	-
Disposal of discontinued operation, net of cash disposed of	2c	**177,007**	**-**	**177,007**	-	-	-
Net cash received from disposal of other investments	11	**16,501**	**-**	**16,501**	-	-	-
Net cash generated by/(used in) investing activities		**130,899**	**(5,599)**	**125,300**	(30,132)	(7,284)	(37,416)
Cash flows from financing activities							
Restructure of hedge	8	**(39,757)**	**-**	**(39,757)**	-	-	-
Expenses of listing on Oslo Børs	11	**-**	**-**	**-**	(2,363)	-	(2,363)
Proceeds from issue of equity shares		**35**	**-**	**35**	1,883	-	1,883
Loans repaid	8	**(43,000)**	**-**	**(43,000)**	(6,000)	-	(6,000)
Dividend to equity holders of the parent company		**(6,505)**	**-**	**(6,505)**	-	-	-
Non-controlling interest share of dividend from subsidiary		**-**	**(2,000)**	**(2,000)**	-	-	-
Purchase of treasury shares		**(2,910)**	**-**	**(2,910)**	-	-	-
Settlement of share options		**(2,471)**	**-**	**(2,471)**	-	-	-
Net cash used in financing activities		**(94,608)**	**(2,000)**	**(96,608)**	(6,480)	-	(6,480)
Net cash movement		**67,303**	**3,587**	**70,890**	(18,519)	17,273	(1,246)
Intercompany transfers		**-**	**-**	**-**	15,047	(15,047)	-
Exchange gains/(losses)		**206**	**(246)**	**(40)**	495	-	495
Transfer of cash not held for sale	2,3	**3,341**	**(3,341)**	**-**	-	-	-
Total increase (decrease) in cash and cash equivalents		**70,850**	**-**	**70,850**	(2,977)	2,226	(751)
Cash and cash equivalents at start of the period		**49,523**	**-**	**49,523**	29,464	17,592	47,056
Cash and cash equivalents at end of period		**120,373**	**-**	**120,373**	26,487	19,818	46,305

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed consolidated interim financial statements, which are unaudited, have been prepared in accordance with the requirements of International Accounting Standard 34 as adopted for use in the European Union. This condensed interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed report is to be read in conjunction with the Annual Report for the year ended 31 December 2010, which has been prepared in accordance with IFRS as adopted by the European Union, and any public announcements made by the Group during the interim reporting period.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The unaudited condensed interim financial statements for the three and nine months ended 30 September 2011 have been prepared using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 31 December 2011, which are not expected to be significantly different to those set out in note 1 to the Group's audited financial statements for the year ended 31 December 2010.

The Company's statutory financial statements for the year ended 31 December 2010 have been filed with the Registrar of Companies and are available on the Company's website www.avocetmining.com. The auditor's report on those financial statements was unqualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

After review of the Group's operations, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

2. Disposal Group Classified as Held for Sale and Discontinued Operations

Disposal of discontinued operations to J&Partners L.P.

On 24 June 2011, Avocet completed the sale of its main South East Asian assets, namely its 100 per cent interest in the Penjom gold mine in Malaysia and its 80 per cent interest in PT Avocet Bolaang Mongondow ("PT ABM"), which owns the North Lanut mine and Bakan project in North Sulawesi, Indonesia, for proceeds of US$170 million. In the Q3 2011, Avocet announced that further sales had been concluded, namely PT Avocet Mining Services, Avocet Mining (Malaysia) OHQ Sdn. Bhd, its 75 per cent interest in PT Gorontalo Sejahtera Mining, and its 60 per cent in interest in PT Arafura Surya Alam. The combined gross proceeds for the disposals completed in the Q3 2011 were US$27 million. All of the sales completed in 2011 were originally announced on 24 December 2010.

In accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, all of the assets and liabilities of the Indonesian and Malaysian operations, apart from cash, were treated as a disposal group from the date of the announcement of the sale on 24 December 2010, and were disclosed separately in the statement of financial position at 31 December 2010 and 31 March 2011, and the remaining entities at 30 June 2011 and 30 September 2011. As the transaction was on a cash free debt free basis, the cash held by entities held for sale was classified as continuing operations rather than discontinued operations. Comparative statements of financial position, prior to the signing of the agreement for sale, are not re-presented. Prior to the reclassification, management reviewed the carrying values and recognition of assets and liabilities respectively, and no adjustments were required to measure assets and liabilities at the lower of carrying value or fair value less costs to sell. Since 24 December 2010, the date on which the criteria for being held for sale were met, no depreciation has been charged in the Group financial statements for the Malaysian and Indonesian assets, in accordance with IFRS.

The results of the disposal group are presented separately in the consolidated income statement and the segmental analysis, and comparative income statements are represented on this basis, as required by IFRS.

The provisional profit on disposal of the entities sold during 2011 is presented below in note 2a). The final profit will be determined following the agreement of completion accounts.

Disposal of Discontinued Operations to Golden Peaks Resources Limited

During the period, Avocet completed the sale of PT Arafura Mandiri Semangat (PT Arafura) and PT Aura Celebes Mandiri (PT ACM) to Reliance Resources Limited, a company owned by Golden Peaks Resources Limited (Golden Peaks). Consideration was in the form of 7.9 million Golden Peaks shares. Golden Peaks is listed on the Toronto Stock Exchange. PT AMS and PT ACM held non-core exploration projects in Indonesia. The carrying value of the assets was included in the balances of the disposal group held for sale at 31 December 2010. Further details of the profit on disposal is included in note 2d.

2. Disposal Group Classified as Held for Sale and Discontinued Operations – continued

(a) Provisional unaudited profit on disposal of discontinued operations to J&Partners L.P.

	Q2 2011	Q3 2011	2011 YTD
	US$000	**US$000**	**US$000**
Consideration received	**170,000**	**27,000**	**197,000**
Cash held in subsidiaries at completion	**15,558**	**1,719**	**17,277**
Working capital and other adjustments	**(4,565)**	**(6,812)**	**(11,377)**
Net consideration	**180,993**	**21,907**	**202,900**
Less transaction costs	**(17,450)**	**(679)**	**(18,129)**
Net assets disposed (b)	**(91,363)**	**(8,233)**	**(99,596)**
Foreign currency translation reserve recycled on disposal	**627**	**-**	**627**
Pre-tax provisional profit on disposal of discontinued operations	**72,807**	**12,995**	**85,802**
Taxation[1]	**-**	**-**	**-**
Post-tax provisional profit on disposal of discontinued operations	**72,807**	**12,995**	**85,802**

[1]The Company anticipates that no UK tax will be payable on the disposal of its operations in South East Asia on the basis that the sale qualifies for the UK substantial shareholding exemption.

(b) Provisional and unaudited carrying amounts of assets and liabilities of discontinued operations sold in the period to J&Partners L.P.

	Q2 2011	Q3 2011	2011 YTD
Assets	**US$000**	**US$000**	**US$000**
Goodwill	**13,555**	**-**	**13,555**
Intangible assets	**17,467**	**4,227**	**21,694**
Property, plant and equipment	**62,547**	**305**	**62,852**
Deferred tax assets	**1,977**	**-**	**1,977**
Inventories	**21,199**	**-**	**21,199**
Trade and other receivables	**8,957**	**555**	**9,512**
Other assets held for sale	**-**	**1,020**	**1,020**
Cash	**15,558**	**1,785**	**17,343**
	141,260	**7,892**	**149,152**
Liabilities			
Trade and other payables	**(13,158)**	**(223)**	**(13,381)**
Tax liabilities	**(3,108)**	**-**	**(3,108)**
Deferred tax liabilities	**(3,492)**	**-**	**(3,492)**
Other liabilities	**(21,520)**	**-**	**(21,520)**
	(41,278)	**(223)**	**(41,501)**
Net assets	**99,982**	**7,669**	**107,651**
Non-controlling interest share of assets disposed	**(8,619)**	**564**	**(8,055)**
Net assets disposed	**91,363**	**8,233**	**99,596**

2. Disposal Group Classified as Held for Sale and Discontinued Operations – continued

(c) Cash flows on disposal of discontinued operations to J&Partners L.P.

	Q2 2011	Q3 2011	2011
	US$000	**US$000**	**US$000**
Disposal consideration	**170,000**	**27,000**	**197,000**
Advance payment in respect of cash held by subsidiaries at completion	**9,704**	**353**	**10,057**
Transaction costs paid	**(5,995)**	**(6,712)**	**(12,707)**
Net cash received in the period	**173,709**	**20,641**	**194,350**
Cash held in subsidiaries sold	(15,558)	(1,785)	(17,343)
Net cash movement on disposal of subsidiaries	**158,151**	**18,856**	**177,007**

In addition to the cash-free debt-free purchase consideration of US$197 million, a further US$10.1 million was received in respect of cash balances in the disposed subsidiaries as estimated at the time of signing of the sale agreements in December 2010. Actual cash balances at that date, which are subject to review and finalisation as part of the completion accounts, are expected to be US$17.3 million, US$15.2 million of which is attributable to the Group. On agreement of the completion accounts, the Company will receive a further payment in respect of cash held at completion, payment is estimated at US$5.1 million. The Company will also receive or pay amounts related to working capital, being the difference between estimates at 24 December 2010 and actual balances in the completion accounts.

(d) Disposal of Exploration Assets to Reliance Resources Limited

	2011 YTD
	US$000
Consideration received	**2,313**
Net liabilities held for sale	**114**
Profit on disposal	**2,427**

All consideration received was in the form of shares in Golden Peaks Resources Limited.

3. Segmental Reporting

For the three months ended 30 September 2011		Continuing operations UK	Continuing operations West Africa	Continuing operations Total	Discontinued operations Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
INCOME STATEMENT						
Revenue		**-**	**42,413**	**42,413**	**-**	**42,413**
Cost of Sales		**572**	**(33,139)**	**(32,567)**	**(939)**	**(33,506)**
Cash production costs:						
- mining		-	(8,476)	(8,476)	-	(8,476)
- processing		-	(10,017)	(10,017)	-	(10,017)
- overheads		-	(6,063)	(6,063)	-	(6,063)
- royalties		-	(3,040)	(3,040)	-	(3,040)
		-	(27,596)	(27,596)	-	(27,596)
Changes in inventory		-	4,902	4,902	-	4,902
Other cost of sales	(a)	605	(2,690)	(2,085)	(939)	(3,024)
Depreciation and amortisation	(b)	(33)	(7,755)	(7,788)	-	(7,788)
Gross profit		**572**	**9,274**	**9,846**	**(939)**	**8,907**
Administrative expenses and share based payments		(2,682)	-	(2,682)	-	(2,682)
(Loss)/profit from operations		**(2,110)**	**9,274**	**7,164**	**(939)**	**6,225**
Profit on disposal of investments		-	-	-	2,427	2,427
Profit on disposal of subsidiaries		-	-	-	12,995	12,995
Restructure of hedge		-	(39,757)	(39,757)	-	(39,757)
Net finance items		37	(984)	(947)	(7)	(954)
(Loss)/profit before taxation		**(2,073)**	**(31,467)**	**(33,540)**	**14,476**	**(19,064)**
Analysed as:						
(Loss)/profit before tax & exceptional items		(2,073)	8,290	6,217	(946)	5,271
Exceptional items		-	(39,757)	(39,757)	15,422	(24,335)
Taxation		-	7,323	7,323	-	7,323
(Loss)/profit for the period		**(2,073)**	**(24,144)**	**(26,217)**	**14,476**	**(11,741)**
Attributable to:						
Equity shareholders of parent company		(2,073)	(21,562)	(23,635)	14,518	(9,117)
Non-controlling interests		-	(2,582)	(2,582)	(42)	(2,624)
		(2,073)	**(24,144)**	**(26,217)**	**14,476**	**(11,741)**
EBITDA	**(c)**	**(2,077)**	**17,029**	**14,952**	**(939)**	**14,013**

(a) Other cost of sales represents costs not directly attributable to production, including exploration expenditure expensed;
(b) Includes amounts in respect of the amortisation of mine closure provision at Inata;
(c) EBITDA represents earnings before exceptional items, finance items, tax, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

3. Segmental Reporting (continued)

At 30 September 2011		Continuing operations UK	West Africa	Total	Discontinued Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
STATEMENT OF FINANCIAL POSITION						
Non-current assets		3,926	284,715	288,641	-	288,641
Inventories		-	40,650	40,650	-	40,650
Trade and other receivables		3,101	19,588	22,689	-	22,689
Assets held for sale		-	-	-	1,935	1,935
Cash and cash equivalents		100,490	19,883	120,373	-	120,373
Total assets		**107,517**	**364,836**	**472,353**	**1,935**	**474,288**
Current liabilities		(15,650)	(54,117)	(69,767)	-	(69,767)
Non-current liabilities		(430)	(20,314)	(20,744)	-	(20,744)
Total liabilities		**(16,080)**	**(74,431)**	**(90,511)**	**-**	**(90,511)**
Net assets		**91,437**	**290,405**	**381,842**	**1,935**	**383,777**

For the three months ended 30 September 2011		UK	West Africa	Total	Discontinued Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
CASH FLOW STATEMENT						
(Loss)/profit for the period		(2,073)	(24,144)	(26,217)	14,476	(11,741)
Adjustments for non-cash and non-operating items	(d)	379	41,526	41,905	(15,423)	26,482
Movements in working capital		(508)	(11,992)	(12,500)	(479)	(12,979)
Net cash (used in)/generated by operations		**(2,202)**	**5,390**	**3,188**	**(1,426)**	**1,762**
Net interest received/(paid)		20	(550)	(530)	-	(530)
Purchase of property, plant and equipment		-	(18,586)	(18,586)	3	(18,583)
Deferred exploration expenditure		-	(2,796)	(2,796)	-	(2,796)
Net proceeds from disposal of discontinued operations		18,856	-	18,856	-	18,856
Restructure of hedge		(39,757)	-	(39,757)	-	(39,757)
Dividend		(6,505)	-	(6,505)	-	(6,505)
Other cash movements	(e)	(28,943)	16,153	(12,790)	1,423	(11,367)
Total decrease in cash and cash equivalents		**(58,531)**	**(389)**	**(58,920)**	**-**	**(58,920)**

(d) Includes depreciation and amortisation, share based payments, movement in provisions, profit on disposal of assets, taxation in the income statement, and other non-operating items in the income statement;

(e) Other cash movements include cash flows in respect of financing activities, and exchange gains or losses.

3. Segmental Reporting (continued)

		Continuing operations			Discontinued operations	
For the three months ended 30 September 2010		**UK**	**West Africa**	**Total**	**Total**	**TOTAL**
		US$000	**US$000**	**US$000**	**US$000**	**US$000**
INCOME STATEMENT						
Revenue		**-**	**44,299**	**44,299**	**33,190**	**77,489**
Cost of Sales		**435**	**(34,966)**	**(34,531)**	**(26,062)**	**(60,593)**
Cash production costs:						
- mining		-	(4,609)	(4,609)	(11,812)	(16,421)
- processing		-	(8,519)	(8,519)	(5,201)	(13,720)
- overheads		-	(4,807)	(4,807)	(2,362)	(7,169)
- royalties		-	(3,330)	(3,330)	(1,334)	(4,664)
		-	(21,265)	(21,265)	(20,709)	(41,974)
Changes in inventory		-	(1,160)	(1,160)	(833)	(1,993)
Other cost of sales	(a)	464	(1,645)	(1,181)	(1,806)	(2,987)
Depreciation and amortisation	(b)	(29)	(10,896)	(10,925)	(2,714)	(13,639)
Gross profit		**435**	**9,333**	**9,768**	**7,128**	**16,896**
Administrative expenses and share based payments		(2,675)	-	(2,675)	-	(2,675)
(Loss)/profit from operations		**(2,240)**	**9,333**	**7,093**	**7,128**	**14,221**
Net finance items		(474)	(748)	(1,222)	309	(913)
(Loss)/profit before taxation		**(2,714)**	**8,585**	**5,871**	**7,437**	**13,308**
Taxation		-	-	-	(452)	(452)
(Loss)/profit for the period		**(2,714)**	**8,585**	**5,871**	**6,985**	**12,856**
Attributable to:						
Non-controlling interest		-	698	698	879	1,577
Equity shareholders of parent company		(2,714)	7,887	5,173	6,106	11,279
		(2,714)	8,585	**5,871**	**6,985**	12,856
EBITDA	**(c)**	**(2,211)**	**20,229**	**18,018**	**9,842**	**27,860**

(a) Other cost of sales represents costs not directly attributable to production, including exploration expenditure expensed;
(b) Includes amounts in respect of the amortisation of mine closure provisions at Inata, Penjom and North Lanut;
(c) EBITDA represents earnings before exceptional items, finance items, tax, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

3. Segmental Reporting (continued)

At 30 September 2010		UK	West Africa	Total	Total	TOTAL
		Continuing operations			Discontinued operations	
		US$000	US$000	US$000	US$000	US$000
STATEMENT OF FINANCIAL POSITION						
Non-current assets		5,750	245,086	250,836	89,485	340,321
Inventories		-	16,859	16,859	22,676	39,535
Trade and other receivables		842	18,568	19,410	6,910	26,320
Assets held for sale		4,612	2,600	7,212	-	7,212
Cash and cash equivalents		7,800	18,687	26,487	19,818	46,305
Total assets		**19,004**	**301,800**	**320,804**	**138,889**	**459,693**
Current liabilities		(2,119)	(57,992)	(60,111)	(17,364)	(77,475)
Non-current liabilities		(28,063)	(36,768)	(64,831)	(17,396)	(82,227)
Total liabilities		**(30,182)**	**(94,760)**	**(124,942)**	**(34,760)**	**(159,702)**
Net assets		**(11,178)**	**207,040**	**195,862**	**104,129**	**299,991**
For the three months ended 30 September 2010		**UK**	**West Africa**	**Total**	**Total**	**TOTAL**
		US$000	**US$000**	**US$000**	**US$000**	**US$000**
CASH FLOW STATEMENT						
(Loss)/profit for the period		(2,714)	8,585	5,871	6,985	12,856
Adjustments for non-cash and non-operating items	(d)	823	11,682	12,505	2,803	15,308
Movements in working capital		1,096	(1,929)	(833)	1,220	387
Net cash (used in)/generated by operations		**(795)**	**18,338**	**17,543**	**11,008**	**28,551**
Net interest (paid)/received		(46)	(984)	(1,030)	14	(1,016)
Net tax received		-	-	**-**	1,458	1,458
Purchase of property, plant and equipment		(35)	(19,459)	(19,494)	(897)	(20,391)
Deferred exploration expenditure		(73)	(416)	(489)	(1,196)	(1,685)
Other cash movements	(e)	(2,691)	(1,030)	(3,721)	(2,238)	(5,959)
Total (decrease)/increase in cash and cash equivalents		**(3,640)**	**(3,551)**	**(7,191)**	**8,149**	**958**

(d) Includes depreciation and amortisation, share based payments, movement in provisions, taxation in the income statement, and other non-operating items in the income statement;
(e) Other cash movements include deferred consideration paid, cash flows from financing activities, and exchange gains or losses.

3. Segmental Reporting (continued)

For the nine months ended 30 September 2011		Continuing operations UK	Continuing operations West Africa	Continuing operations Total	Discontinued operations Total	TOTAL
		US$000	**US$000**	**US$000**	**US$000**	**US$000**
INCOME STATEMENT						
Revenue		-	142,929	142,929	67,236	210,165
Cost of Sales		**997**	**(107,052)**	**(106,055)**	**(51,101)**	**(157,156)**
Cash production costs:						
- mining		-	(22,874)	(22,874)	(27,336)	(50,210)
- processing		-	(29,246)	(29,246)	(12,046)	(41,292)
- overheads		-	(17,558)	(17,558)	(4,842)	(22,400)
- royalties		-	(10,198)	(10,198)	(2,552)	(12,750)
		-	(79,876)	(79,876)	(46,776)	(126,652)
Changes in inventory		-	6,926	6,926	(44)	6,882
Other cost of sales	(a)	1,098	(5,968)	(4,870)	(4,281)	(9,151)
Depreciation and amortisation	(b)	(101)	(28,134)	(28,235)	-	(28,235)
Gross profit		**997**	**35,877**	**36,874**	**16,135**	**53,009**
Administrative expenses and share based payments		(8,154)	-	(8,154)	-	(8,154)
(Loss)/profit from operations		**(7,157)**	**35,877**	**28,720**	**16,135**	**44,855**
Profit on disposal of investments		-	8,990	8,990	2,427	11,417
Profit on disposal of subsidiaries		-	-	-	85,802	85,802
Restructure of hedge		-	(39,757)	(39,757)	-	(39,757)
Net finance items		(655)	(3,406)	(4,061)	(26)	(4,087)
(Loss)/profit before taxation		**(7,812)**	**1,704**	**(6,108)**	**104,338**	**98,230**
Analysed as:						
Profit before tax & exceptional items		(7,812)	32,471	24,659	16,109	40,768
Exceptional items		-	(30,767)	(30,767)	88,229	57,462
Taxation		(865)	3,586	2,721	(2,723)	(2)
(Loss)/profit for the period		**(8,677)**	**5,290**	**(3,387)**	**101,615**	**98,228**
Attributable to:						
Equity shareholders of parent company		(8,677)	6,517	(2,160)	99,448	97,288
Non-controlling interests		-	(1,227)	(1,227)	2,167	940
		(8,677)	**5,290**	**(3,387)**	**101,615**	**98,228**
EBITDA	(c)	**(7,056)**	**64,011**	**56,955**	**16,135**	**73,090**

(a) Other cost of sales represents costs not directly attributable to production, including exploration expenditure expensed;
(b) Includes amounts in respect of the amortisation of mine closure provision at Inata;
(c) EBITDA represents earnings before exceptional items, finance items, tax, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

3. Segmental Reporting (continued)

For the nine months ended 30 September 2010		Continuing operations			Discontinued operations	
		UK	West Africa	Total	Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
INCOME STATEMENT						
Revenue		**-**	**80,904**	**80,904**	**88,639**	**169,543**
Cost of Sales		**(605)**	**(59,061)**	**(59,666)**	**(74,110)**	**(133,776)**
Cash production costs:						
- mining		-	(9,194)	(9,194)	(33,126)	(42,320)
- processing		-	(15,099)	(15,099)	(14,931)	(30,030)
- overheads		-	(8,650)	(8,650)	(6,791)	(15,441)
- royalties		-	(6,078)	(6,078)	(3,550)	(9,628)
		-	(39,021)	(39,021)	(58,398)	(97,419)
Changes in inventory			2,309	2,309	(1,487)	822
Other cost of sales	(a)	(514)	(2,862)	(3,376)	(4,392)	(7,768)
Depreciation and amortisation	(b)	(91)	(19,487)	(19,578)	(9,833)	(29,411)
Gross (loss)/profit		**(605)**	**21,843**	**21,238**	**14,529**	**35,767**
Administrative expenses and share based payments		(8,644)	-	(8,644)	-	(8,644)
(Loss)/profit from operations		**(9,249)**	**21,843**	**12,594**	**14,529**	**27,123**
Profit on disposal of investments		1,986	-	1,986	-	1,986
Net finance items before exceptional		(939)	(1,781)	(2,720)	378	(2,342)
Exceptional finance items		(2,363)	-	(2,363)	-	(2,363)
(Loss)/profit before taxation		**(10,565)**	**20,062**	**9,497**	**14,907**	**24,404**
Analysed as:						
(Loss)/profit before tax and exceptional items		(10,188)	20,062	9,874	14,907	24,781
Exceptional items		(377)	-	(377)	-	(377)
Taxation		(873)	-	(873)	(2,052)	(2,925)
(Loss)/profit for the period		**(11,438)**	**20,062**	**8,624**	**12,855**	**21,479**
Attributable to:						
Non-controlling interest		-	1,805	1,805	1,882	3,687
Equity shareholders of parent company		(11,438)	18,257	6,819	10,973	17,792
		(11,438)	**20,062**	**8,624**	**12,855**	**21,479**
EBITDA	**(c)**	**(9,158)**	**41,330**	**32,172**	**24,362**	**56,534**

(a) Other cost of sales represents costs not directly attributable to production, including exploration expenditure expensed;
(b) Includes amounts in respect of the amortisation of mine closure provisions at Inata, Penjom and North Lanut;
(c) EBITDA represents earnings before exceptional items, finance items, tax, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

3. Segmental Reporting (continued)

For the nine months ended 30 September 2011		Continuing operations UK	West Africa	Total	Discontinued operations Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
CASH FLOW STATEMENT						
(Loss)/profit for the period		(8,677)	5,290	(3,387)	101,615	98,228
Adjustments for non-cash and non-operating items	(d)	617	61,016	61,633	(85,107)	(23,474)
Movements in working capital		(3,423)	(20,472)	(23,895)	(1,660)	(25,555)
Net cash (used in)/generated by operations		**(11,483)**	**45,834**	**34,351**	**14,848**	**49,199**
Net interest (paid)/received		(590)	(1,884)	(2,474)	17	(2,457)
Net tax paid		(865)	-	(865)	(3,679)	(4,544)
Purchase of property, plant and equipment		(9)	(40,573)	(40,582)	(881)	(41,463)
Deferred exploration expenditure		-	(22,027)	(22,027)	(2,995)	(25,022)
Net proceeds from disposal of discontinued operations		177,007	-	177,007	-	177,007
Restructure of hedge		(39,757)	-	(39,757)	-	(39,757)
Dividend		(6,505)	-	(6,505)	-	(6,505)
Other cash movements	(e)	(47,851)	19,553	(28,298)	(7,310)	(35,608)
Total increase in cash and cash equivalents		**69,947**	**903**	**70,850**	**-**	**70,850**

For the nine months ended 30 September 2010		UK	West Africa	Total	Total	TOTAL
		US$000	US$000	US$000	US$000	US$000
CASH FLOW STATEMENT						
(Loss)/profit for the period		(11,438)	20,062	8,624	12,855	21,479
Adjustments for non-cash and non-operating items	(d)	8,444	21,505	29,949	12,175	42,124
Movements in working capital		943	(17,995)	(17,052)	(2,804)	(19,856)
Net cash (used in)/generated by operations		**(2,051)**	**23,572**	**21,521**	**22,226**	**43,747**
Net interest (paid)/received		(602)	(2,826)	(3,428)	83	(3,345)
Net tax received		-	-	-	2,248	2,248
Purchase of property, plant and equipment		(56)	(34,432)	(34,488)	(667)	(35,155)
Inata pre-commercial revenues capitalised	(f)	-	21,495	21,495	-	21,495
Inata pre-commercial costs capitalised	(f)	-	(14,296)	(14,296)	-	(14,296)
Deferred exploration expenditure		(122)	(2,721)	(2,843)	(5,062)	(7,905)
Other cash movements	(e)	(6,815)	15,877	9,062	(16,602)	(7,540)
Total (decrease)/increase in cash and cash equivalents		**(9,646)**	**6,669**	**(2,977)**	**2,226**	**(751)**

(d) Includes depreciation and amortisation, share based payments, movement in provisions, taxation in the income statement, and other non-operating items in the income statement;

(e) Other cash movements include deferred consideration paid, cash flows from financing activities, and exchange gains or losses.

(f) All costs and revenues at Inata between 1 January and 31 March 2010 related to the testing and development phase, prior to the commencement of commercial operations. Therefore, these costs and revenues were capitalised as part of mining property, plant and equipment. Since 1 April 2010, all revenues and operating expenses in respect of mining operations at Inata have been recognised in the income statement.

4. Unaudited Quarterly Income Statement

	Q1 2011 (Unaudited)	Q2 2011 (Unaudited)	Q3 2011 (Unaudited)	2011 YTD (Unaudited)	2010 (Audited)
	US$000	**US$000**	**US$000**	**US$000**	**US$000**
Revenue					
Continuing operations	55,767	44,749	42,413	142,929	132,779
Discontinued operations	32,021	35,215	-	67,236	121,814
	87,788	**79,964**	**42,413**	**210,165**	**254,593**
Cost of sales					
Continuing operations	(39,288)	(34,200)	(32,567)	(106,055)	(95,135)
Discontinued operations	(24,430)	(25,732)	(939)	(51,101)	(105,533)
	(63,718)	**(59,932)**	**(33,506)**	**(157,156)**	**(200,668)**
Gross profit	**24,070**	**20,032**	**8,907**	**53,009**	**53,925**
Administrative expenses – continuing operations	(1,934)	(2,872)	(2,295)	(7,101)	(7,040)
Share based payments – continuing operations	(361)	(305)	(387)	(1,053)	(8,625)
Profit from operations	**21,775**	**16,855**	**6,225**	**44,855**	**38,260**
Profit on disposal of investments – continuing operations	-	8,990	-	8,990	2,669
Profit on disposal of investments – discontinued operations	-	-	2,427	2,427	-
Profit on disposal of discontinued operations	-	72,807	12,995	85,802	-
Restructure of hedge			(39,757)	(39,757)	-
Loss on disposal of property, plant and equipment – discontinued operations	-	-	-	-	(151)
Finance items – continuing operations					
Exchange gains/(losses)	62	(144)	24	(58)	(49)
Finance income	-	-	20	20	5
Finance expense	(1,676)	(1,356)	(991)	(4,023)	(4,766)
Expenses of listing on Oslo Børs	-	-	-	-	(2,363)
Net finance items – discontinued operations	160	(179)	(7)	(26)	(56)
Profit/(loss) before tax	**20,321**	**96,973**	**(19,064)**	**98,230**	**33,549**
Analysed as:					
Profit before taxation and exceptional items	20,321	15,176	5,271	40,768	33,394
Exceptional items	-	81,797	(24,335)	57,462	155
Profit/(loss) before taxation	**20,321**	**96,973**	**(19,064)**	**98,230**	**33,549**
Taxation					
Continuing operations	(2,621)	(1,981)	7,323	2,721	(12,021)
Discontinued operations	(1,330)	(1,393)	-	(2,723)	(3,316)
	(3,951)	(3,374)	7,323	(2)	(15,337)
Profit/(loss) for the period					
Profit/(loss) from continuing operations	9,949	12,881	(26,217)	(3,387)	5,454
Profit from discontinued operations	6,421	80,718	14,476	101,615	12,758
Profit/(loss) for the period	**16,370**	**93,599**	**(11,741)**	**98,228**	**18,212**
EBITDA	**32,994**	**26,083**	**14,013**	**73,090**	**86,272**

5. Earnings per Share

Earnings per share are analysed in the table below, presenting earnings per share for continuing and discontinued operations.

	30 September 2011 (three months) Unaudited	30 September 2010 (three months) Unaudited	**30 September 2011 (nine months) Unaudited**	30 September 2010 (nine months) Unaudited
	Shares	Shares	**Shares**	Shares
Weighted average number of shares for the period				
- number of shares with voting rights	**199,077,172**	196,491,602	**198,955,805**	195,449,124
- effect of share options in issue	**3,419,163**	2,433,452	**3,720,090**	1,771,774
- total used in calculation of diluted earnings per share	**202,496,335**	198,925,054	**202,675,895**	197,220,898

	US$000	US$000	**US$000**	US$000
Earnings per share from continuing operations				
Profit for the period from continuing operations	**(26,217)**	5,871	**(3,387)**	8,624
Adjust for non-controlling interest	**2,582**	(698)	**1,227**	(1,805)
Profit for period attributable to equity shareholders of the parent	**(23,635)**	5,173	**(2,160)**	6,819
Earnings per share				
- basic (cents per share)	**(11.87)**	2.63	**(1.09)**	3.49
- diluted (cents per share)	**(11.87)**	2.60	**(1.09)**	3.46
Earnings per share from discontinued operations				
Profit for the period	**14,476**	6,985	**101,615**	12,855
Adjust for non-controlling interest	**42**	(879)	**(2,167)**	(1,882)
Profit for period attributable to equity shareholders of the parent	**14,518**	6,106	**99,448**	10,973
Earnings per share				
- basic (cents per share)	**7.29**	3.11	**49.98**	5.61
- diluted (cents per share)	**7.17**	3.07	**49.07**	5.56
Total earnings per share				
- basic (cents per share)	**(4.58)**	5.74	**48.90**	9.10
- diluted (cents per share)	**(4.58)**	5.67	**48.00**	9.02

6. Intangible Assets

Intangible assets represent deferred exploration expenditure. The movement in the period is analysed below:

	30 September 2011 (9 months)
At 1 January 2011	**11,091**
Additions	**22,027**
Transferred to disposal group	**(575)**
At 30 September 2011	**32,543**

7. Property, plant and equipment

Nine months ended 30 September 2011	Mining property and plant West Africa	Office equipment UK	Total
	US$000	US$000	US$000
Cost			
At 1 January 2011	272,227	570	272,797
Additions	40,573	9	40,582
At 30 September 2011	**312,800**	**579**	**313,379**
Depreciation			
At 1 January 2011	32,494	324	32,818
Charge for the period	28,134	101	28,235
At 30 September 2011	**60,628**	**425**	**61,053**
Net Book Value			
At 30 September 2011	**252,172**	**154**	**252,326**
At 1 January 2011	239,733	246	239,979

8. Other Financial Liabilities

8.1. Interest bearing debt

Other financial liabilities of US$35 million represent the balance outstanding under a project finance facility from Macquarie Bank Limited relating to the Inata gold project. US$6 million of the project finance facility was repaid in the three month period, in accordance with the facility terms. A total of US$18 million has been repaid in the year to date. $24 million of this project finance facility is due for repayment within one year.

US$25 million drawn under a corporate facility with Standard Chartered Bank was repaid on 24 June 2011 following the substantial completion of the sale of Company's South East Asian assets. The facility was secured on the Penjom assets.

8.2. Forward contracts for the delivery of non-financial items – restructure of hedge book

During the year, the Group continued to physically deliver gold to meet forward sale contracts in respect of the Inata mine in Burkina Faso. During the nine months ended 30 September 2011, 67,619 ounces were delivered to meet contract requirements. As at 30 September 2011, 222,750 ounces remained, with physical deliveries contracted at 8,250 ounces per quarter until June 2018, at a forward price of US$950 per ounce.

Following the substantial completion of the disposal of Avocet's South East Asian assets on 24 June 2011, the Group announced the restructuring and partial buy back of the forward contracts on 27 July 2011, with the result that the hedged proportion of production from its one remaining producing mine, Inata, was reduced from approximately 60 per cent to approximately 20 per cent. The restructure consisted of eliminating 58,432 ounces under the forward contracts at a cost of US$39.8 million and extending the delivery profile of the remaining ounces by four years to June 2018. At 30 September 2011 these forward contracts represented a mark-to-market liability of US$157.3 million based on a gold price of US$1,620 per ounce at that date.

The forward contracts are considered to be outside of the scope of IAS 39, on the basis that they are for own use and gold produced will continue to be physically delivered to meet the contractual requirement in future periods, and therefore no value is reflected in the consolidated financial statements for the remaining contracts, as allowed by the exemption conferred by IAS 39.5. The restructuring of the contracts, as a response to the significant change in the Group's production profile following the disposal of the Penjom Mine and North Lanut, has not changed the nature or purpose of the contracts, which continue to be held for own use, nor does it represent a practice of net settlement.

9. Cash and cash equivalents

Included in Group cash and cash equivalents is US$14.7 million of restricted cash. US$14.0 million of restricted cash relates to the minimum account balance held in Macquarie Bank Limited, a condition of the Inata project finance facility, and US$0.7 million relates to amounts held on restricted deposit in Burkina Faso for the purposes of environmental rehabilitation work, as required by the terms of the Inata mining licence.

10. Non-operating items in the Income Statement

In arriving at net cash flow from operating activities, the following non-operating items in the income statement have been adjusted for:

	30 September 2011 (three months) Unaudited	30 September 2010 (three months) Unaudited	**30 September 2011 (nine months) Unaudited**	30 September 2010 (nine months) Unaudited
	US$000	US$000	**US$000**	US$000
Exchange losses/(gains) – continuing operations	**327**	(568)	**296**	(397)
Exchange (gains)/losses – discontinued operations	**(10)**	(295)	**(201)**	(242)
Finance expense – continuing operations	**991**	1,540	**4,023**	2,920
Finance income – continuing operations	**(20)**	-	**(20)**	-
Net finance items – discontinued operations	**7**	(14)	**26**	(83)
(Profit)/loss on disposal of other financial assets	**-**	-	**(8,990)**	1,152
Profit on disposal of subsidiaries	**(12,995)**	-	**(85,802)**	-
Expenses of listing on Oslo Børs	**-**	-	**-**	2,363
Restructure of hedge	**39,757**	-	**39,757**	-
Profit on disposal of investments	**(2,427)**	-	**(2,427)**	-
Non-operating items in the income statement	**25,630**	663	**(53,338)**	5,713

11. Exceptional Items

	30 September 2011 (3 months) Unaudited	30 September 2010 (3 months) Unaudited	**30 September 2011 (9 months) Unaudited**	30 September 2010 (9 months) Unaudited
	US$000	US$000	**US$000**	US$000
Profit on disposal of subsidiaries	**12,995**	-	85,802	-
Restructure of hedge	**(39,757)**	-	(39,757)	-
Profit/(loss) on disposal of investments	**2,427**	-	2,427	-
Profit/(loss) on disposal of other financial assets or investments	**-**	-	8,990	(1,152)
Profit on redemption of debenture	**-**	-	-	3,138
Expenses of listing on Oslo Børs	**-**	-	-	(2,363)
Exceptional gain/(loss)	**(24,335)**	-	57,462	(377)

Profit on Disposal of Subsidiaries

Profit on disposal of subsidiaries relates to the provisional profit on disposal of the majority of Avocet's South East Asian assets. Further details of the provisional profit on disposal are included in note 2.

Restructure of Hedge

On 27 July 2011, Avocet announced the restructure of the forward contracts for delivery of gold bullion ("the hedge"). The restructure consisted of eliminating 58,432 ounces under the forward contracts at a cost of US$39.8 million and extending the delivery profile of the remaining ounces by four years to June 2018. Further details are provided in note 8.

Profit/(loss) on Disposal of Investments

Avocet completed the sale of PT Arafura Mandiri Semangat (PT Arafura) and PT Aura Celebes Mandiri (PT ACM) to Reliance Resources Limited, a company owned by Golden Peaks Resources Limited (Golden Peaks). Consideration was in the form of 7.9 million shares in Golden Peaks, a company listed on the Toronto Stock Exchange. PT Arafura and PT ACM held non-core exploration projects in Indonesia, and were included in the balances of the disposal group held for sale at 31 December 2010. Further details are provided in note 2d.

Profit/(loss) on disposal of other financial assets

During the year, Avocet disposed its entire holding of shares in Avion Gold Corp ("Avion") for cash consideration of US$16.5 million. The Avion shares were acquired as consideration for the disposal of the Houndé group of licences in 2010. The shares were recorded in the balance sheet at fair value, with movements in fair value recognised in equity, in accordance with IAS39. On the disposal of the shares, accumulated gains previously recognised in equity were transferred to the income statement and recognised in the profit on disposal.

During the comparative period, Avocet disposed of the shares held in Dynasty Gold Corp ("Dynasty"). Shares in Dynasty were also recorded in the balance sheet at fair value, with movements in fair value recognised in equity. On the disposal of the shares, accumulated losses previously recognised in equity were transferred to the income statement and recognised in the loss on disposal.

Profit on Redemption of Debenture

In the comparative period, a profit on disposal arose from the redemption of a debenture held by Wega Mining AS, a wholly-owned subsidiary of Avocet Mining PLC, in Merit Mining Corp ("Merit"). This debenture, along with all remaining assets in Merit, had been fully written down as part of the fair value adjustments on the acquisition of Wega Mining. At the time of the acquisition it was not considered likely that Merit would have the resources to settle the debenture. Following the investment of approximately CA$16 million in Merit by Hong Kong Huakan Investment Co Ltd, the repayment was possible, and the gain was therefore classified as exceptional.

Oslo Listing Costs

On 16 June 2010 Avocet announced its successful listing on Oslo Børs. Costs of the listing, which were not directly attributable to new shares issued, were treated as exceptional costs in the period of the listing. These included US$1.8 million of Stamp Duty Reserve Tax costs following the transfer of existing Avocet shareholders from the UK based registration system to the Norwegian VPS share registration system.

12. Other Financial Assets

	30 September 2011 (3 months) Unaudited	30 September 2010 (3 months) Unaudited	**30 September 2011 (9 months) Unaudited**	30 September 2010 (9 months) Unaudited
	US$000	US$000	**US$000**	US$000
At 1 July/1 January	**-**	6,180	**20,293**	9,428
Additions	**2,313**	-	**2,313**	-
Disposals	**-**	-	**(17,390)**	(569)
Fair value adjustment	**-**	(1,568)	**(2,903)**	(4,247)
Transfer to assets held for sale	**-**	(4,612)	**-**	(4,612)
At 30 September	**2,313**	-	**2,313**	-

Additions during the quarter relate to shares in Golden Peaks Resources Limited, a company listed on the Toronto Stock Exchange. The shares were acquired as consideration for the disposal of two of the Group's assets in South East Asia. Further details are provided in note 2d.

Other financial assets disposed of during the year represented the Company's interest in Avion Gold Corporation (see note 10).

Other financial assets disposed of during the comparative period represented the Company's interests of 19 per cent in Dynasty Gold Corporation (Dynasty) (see note 11). The transfer to assets held for sale in Q3 2010 represents the fair value of the Company's 15 per cent holding in Monument Mining Limited, a company listed on the TSX Venture Exchange in Canada, the disposal of which was completed in Q4 2010.

All of the investments discussed above were accounted for as other financial assets rather than equity accounted, on the basis that the Company was not in a position to exercise significant influence over the activities of, and had no board representation in, any of the companies. The shares were measured at fair value, with gains or losses on re-measurement recognised in equity. On disposal, accumulated gains or losses previously recognised in equity were recognised in the income statement as part of the exceptional gain or loss calculation (note 11).