

Avanti Mining Arranges US\$40 Million Preconstruction Loan

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 31, 2013) - [Avanti Mining Inc.](#) (TSX VENTURE:AVT)(PINKSHEETS:AVNMF) and its wholly owned subsidiary Avanti Kitsault Mine Ltd. ("Avanti" or the "Company") is pleased to announce that it has entered into a binding and committed term sheet with Resource Capital Fund VI L.P. ("RCF") for a US\$40 million preconstruction loan (the "PC Loan").

The purpose of the PC Loan is to provide the Company with working capital to commence preconstruction activities at the Kitsault project in anticipation of the project construction starting immediately upon receipt of the permits.

The loan proceeds will be used for:

- Detailed engineering in order to reduce capital cost risk, commit to long lead items and prepare tender documents for contract awards.
- Funding for replacement (by the BC Government) of the Nass River Bridge to allow heavier construction loads.
- Communication infrastructure for the Kitsault mine site to support construction
- Letter of Credit for BC Hydro to re-energize the existing power line to serve the Kitsault mine
- Tailings dam asphalt core paving machine deposit
- Kitsault camp expansion
- Expand Avanti's management team for construction and operations
- Complete permitting and continue environmental monitoring
- Project debt financing fees & expenses payable to the mandated banks

The British Columbia ("BC") permits for construction were applied for in April 2013 after receipt of the BC Environmental Assessment Certificate in March 2013. The permitting process is well advanced and the permits are expected by the end of this year.

"The new financing is intended to provide Avanti with sufficient working capital to conclude the arrangements for debt, strategic partner and equity financings to fully fund the Kitsault development. It demonstrates the Company's and RCF's positive long term view on the molybdenum market and the robust economics of the Kitsault project." said A J Ali, Chief Financial Officer.

"We appreciate the continued support of RCF in financing the Kitsault project." said Mark Premo, President, & CEO. "This new financing will substantially de-risk the project with permitting and detailed engineering activities preceding construction start up next year".

Major terms of the Financing:

Funding of the US\$40 million will take place in multiple tranches. The first tranche of US\$10 million will be advanced upon receipt of shareholder approval of the loan transaction with the remaining US\$30 million to be advanced in three tranches of US\$10 million each on an agreed schedule and upon satisfaction of certain conditions. The investment committee of RCF has approved the term sheet and closing of the PC Loan is subject to satisfactory completion of final loan documents, approval of the shareholders of Avanti, approval of the TSX-V and other customary conditions. There is no certainty that the transaction will close successfully or that the conditions will be met.

The PC Loan will accrue interest at 8% per annum and interest will be payable quarterly in cash or shares. The Company will pay RCF a 2.5% establishment fee on the PC Loan in cash or shares, at the election of

RCF at the time of closing. If the Company terminates the proposed PC Loan or is unable to proceed with the proposed PC Loan, it shall be required to pay RCF a termination fee of 1.0% of the total proposed PC Loan amount.

The PC Loan will convert into a convertible loan on June 30, 2014 if Avanti has not completed a rights offering of at least US\$175 million plus the amounts then outstanding on the PC Loan and the Company's existing bridge loan with RCF and CEF. As previously announced in the Company's press release dated July 4, 2013, RCF has the right to backstop all or a portion of the rights offering. The convertible loan will be due on December 31, 2014. The convertible loan will be convertible at the option of RCF and will have a conversion price of C\$0.055 per share.

The PC Loan will be secured by a first charge on the assets of the Company and its shares on a pari passu basis with the Company's existing bridge loan. It will require approval from TSXV as well as the shareholders and certain consents from CEF under the existing bridge loan agreement.

The Company has applied for the TSX approval and is proposing to hold a shareholders' meeting on December 4, 2013 with closing of the loan transaction shortly after that.

About Resource Capital Fund VI L.P.

Resource Capital Fund VI L.P. ("RCF") is a US\$2 billion private equity fund with mandates to make investments exclusively in the construction of mines across a diversified range of hard mineral commodities and geographic regions. RCF is managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF has provided financing for Avanti to acquire and develop the Kitsault deposit since 2008 and owns approximately 37% of the Company's issued and outstanding shares.

About Avanti:

The Company acquired the past producing Kitsault molybdenum mine located north of Prince Rupert in British Columbia in 2008 and has been focused on its development ever since. It has spent the last five years in a comprehensive environmental assessment process with both the BC and Canadian governments, and with extensive consultation with the First Nations. It received the BC Environmental Assessment Certificate in March 2013 and the Company expects the Canadian Environmental Assessment Approval shortly. All the Federal review steps have been completed and the final decision by the Federal Minister of Environment is pending. In April 2013 the Company applied for permits to commence construction and the permitting process is well advanced. The Company is currently awaiting the permits to start construction.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: This news release contains certain forward-looking information concerning the business of [Avanti Mining Inc.](#) All statements, other than statements of historical fact, included herein including, without limitation, the sufficiency of the funds to be received from the PC Loan, the use of proceeds from the PC Loan and the timing of closing and the satisfaction of the conditions to the availability and completion of the PC Loan, the Company's plans to arrange debt and equity financing to build the Kitsault project, and the development of the Kitsault project, are forward-looking statements. These forward-looking statements are based on the opinions of management at the date the statements are made and are based on assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events to differ materially from those projected in forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely

availability of permits and other governmental approvals; results of negotiations with a potential strategic partner and other risks and uncertainties disclosed in the Company's Annual Information Form for the year ended December 31, 2012, which is available at www.sedar.com. The Company is under no obligation to update forward-looking statements if circumstances or management's opinions should change, excepting as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

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