



AVNEL GOLD MINING LIMITED

Avnel Gold Mining Ltd. Reports Phase Two Results from its Gold Exploration on the Kalana Exploitation Permit, South Mali, identifying three new prospective drill targets

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Avnel Gold Mining Ltd. (AVK:TSX) is pleased to announce that the second phase of detailed soil geochemical surveys, initiated across its large Kalana Exploitation Permit has outlined three significant, km-scale gold-in-soil anomalies that are spatially associated with corresponding arsenic anomalies in addition to the six already outlined in the Phase One Program as previously reported.

The second phase (Phase 2) field work was completed from October to December 2004. A total of 1,907 soil samples were collected during the second program within five grid areas.

The following is a summary description of the significant, km-scale gold-and-arsenic-in-soil anomalies that have been outlined by the Phase 2 soil programs.

Grid-10 Area (Phase II): Gold anomalism forms a broad band in the Grid-10 area that attains a strike extent of about 2.5km and a maximum width extent of about 1km (open to the west), which trends diagonally across the central and western parts of the grid area with a NW to WNW orientation (fig. 1). The anomaly comprises two main clusters of higher Au values (>75ppb; 95th percentile) with values ranging up to 1.6g/t Au. A good correlation with arsenic has been noted. Grid-10 covers much of the grid areas worked in the past by SONAREM-SOGEMORK and Ashanti Goldfields, and is known as the Kalanako I prospect. SONAREM-SOGEMORK mapped the area and executed 22 diamond drill holes in the period 1967-1977.

Grid-7A Area (Phase II): In the Grid-7A area, gold anomalism is represented by clusters of high Au values (fig. 1), the two largest clusters of anomalous values being located in the NW quadrant of the grid. When taken together, these clusters represent an anomalous, NW-trending band with a strike length of 2km. A weaker, NNW-trending band of gold anomalism is present in the south-central part of the grid, again represented by two distinct but small clusters of higher Au values separated by a water drainage, which, when taken together, define a 1.5km-long gold anomaly. Both these areas of gold anomalism are associated with artisanal working sites. The main anomalous arsenic values correlate with the gold anomalies.

Grid-11: Area (Phase II): In the Grid-11 area, the most interesting pattern of gold anomalies lies in the north-central part of the area where four small clusters of anomalous Au values are aligned in a NW direction, which collectively form an anomalous linear feature (fig. 1). One of these clusters is associated with an artisanal working site. A smaller, sub-circular gold anomaly, defined by two values of 235 and 119ppb Au is located along strike to the SE and across a wide stream drainage basin. The arsenic anomaly pattern mimics that of the gold pattern, depicting a general NW orientation diagonally along the central part of the grid area.

Avnel management is very encouraged by the results of the soil geochemical surveys in both Phase One and Phase Two as almost all the chosen grid areas have produced significant, km-scale, coinciding gold-in-soil and arsenic-in-soil anomalies, suggesting large fluid systems and a common genesis. Many of the soil anomalies have a pronounced NNW or NW elongation suggesting a fundamental fault control on gold emplacement, similar to that at the Kalana deposit that lies within the northern part of the exploitation permit.

Avnel management believes that each of the nine soil anomalies is a valid drill target that requires a program of concentrated RAB and RC drilling. An initial drill program was undertaken on the grid 8 anomaly identified in the Phase One program and results are being evaluated.

The soil sampling program was planned and supervised in the field by Michel Mercier a consulting geochemist and exploration geologist with more than 15 years of experience in West Africa. Mr. Mercier was formerly the chief geochemist for Barrick Gold Corporation in Africa (1996-7) who has since consulted for Geo-Services International, Northern Mining, Barrick Gold Corporation, and Nevsun Resources in Eastern, Central and Western Africa.

Sample protocol entailed the collection of approximately 3 to 4kg samples in the field at a depth varying between 0.6 to 1m. The samples were sent to the exploration prep lab at the Kalana mine site where each sample was weighed, dried and then sieved to -80 mesh. A 100g pulp material was dispatched to the Abilab analytical facilities in Bamako, a well recognized assay lab in West Africa, where a 30g sub-sample was analyzed for Au. In addition, all samples were analysed for a 35 multi-element suite (0.5g Aqua Regia digestion, ICP-AES) by Assayers Canada in Vancouver (Canada). The multi-element suite included As, Cu, Pb and Zn.

Quality Assurance and Quality Control (QA-QC) entailed adding control samples at the level of 4% of the number of samples, comprising standards (1%), blanks (1%), and duplicates (2%). The standards were prepared on site using blank material and the reference material OxM16. The QA-QC program on the sample preparation and data was conducted by Mr. Mercier.

The Phase II results were reviewed by Roy Meade, Chief Executive Officer of Avnel Gold Mining Limited, who is a "Qualified Person" in accordance with National Instrument 43-101. The Phase 2 exploration report is available on the Avnel Gold website (www.avnelgold.com)

Avnel Gold Mining Ltd. is a newly listed (TSX: AVK) gold mining and exploration company. Avnel's principal asset is an 80-per-cent interest in Société d'Exploitation des Mines d'Or de Kalana (SOMIKA). SOMIKA is the holder of an exploitation permit encompassing 387.4 square kilometers around the Kalana gold mine in southern Mali. The Malian government holds the remaining 20 per cent in SOMIKA.

Avnel Gold Mining Ltd. is also aggressively exploring the large Kalana Exploitation Permit in order to augment the resources available to the Kalana mine and to explore for large gold deposits of the sediment-hosted disseminated style similar to the Morila deposit, one of several multi-million ounce gold mines in Mali.

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Caution Regarding Forward Looking Statements:

Statements regarding the corporation's plans with respect to the Kalana Mine and exploration of the Kalana Permit are forward-looking statements. There can be no assurance that the planned ongoing development of the Kalana Gold Mine will be completed as forecast or that the exploration program on the Kalana Permit will identify minerals resources.

The TSX has neither approved nor disapproved the form or content of this information release.

FIGURE 2 – Colour-contoured gold map for the geochemical survey grids (Phases I and II) within the Kalana Exploitation Permit.

SOCIÉTÉ DES MINES D'OR DE KALANA (SOMIKA EXPLORATION)

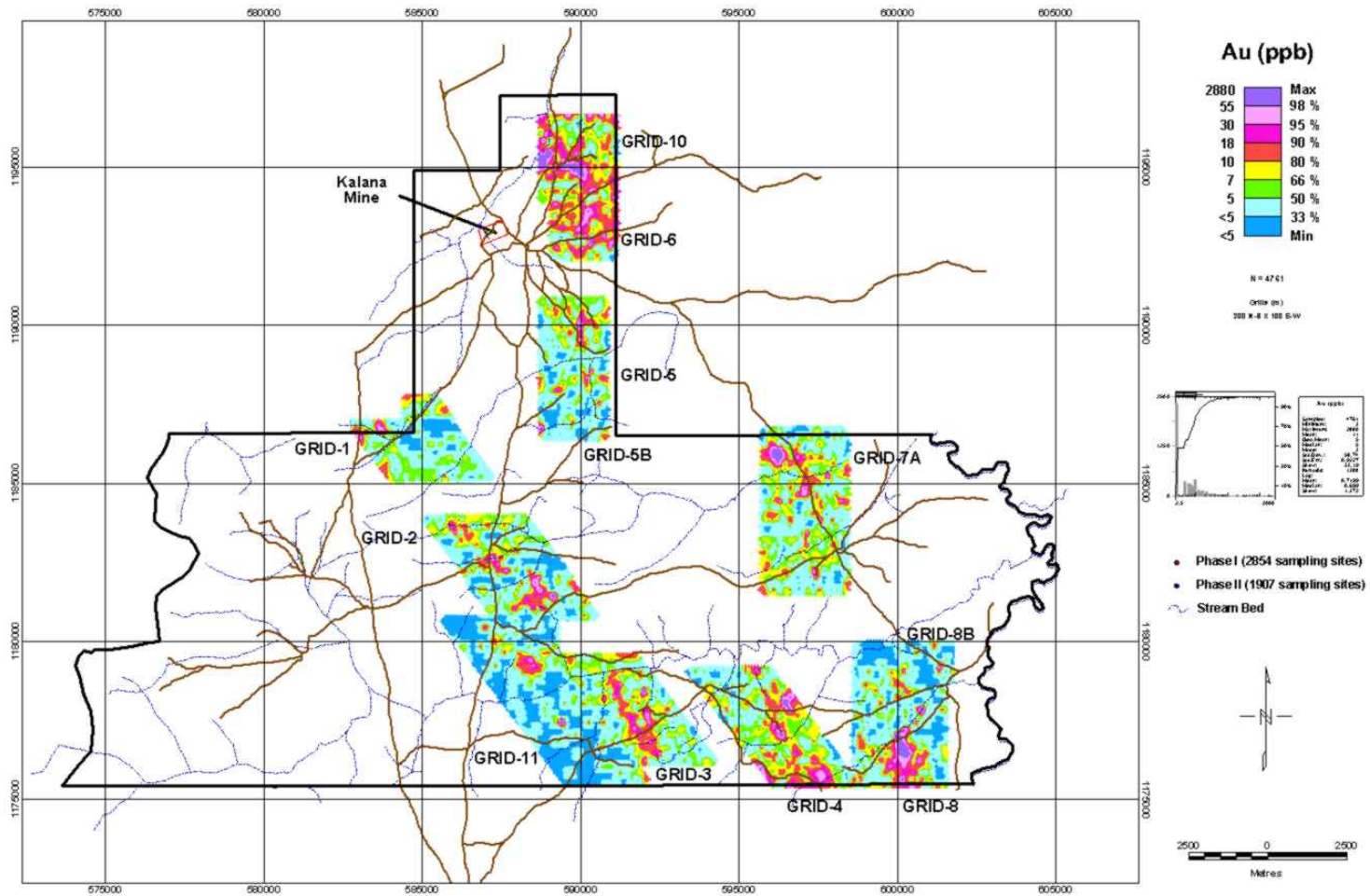


FIGURE 2 - Colour-contoured gold map for the geochemical survey grids (Phases I and II) within the Kalana Exploitation Permit.

