



AVNEL GOLD MINING LIMITED

Avnel Gold Mining Limited completes drilling in Phase 3 exploration program at the Kalana Exploitation Permit, South Mali

For Immediate Release: August 4, 2005

Avnel Gold Mining Limited (AVK:TSX) is pleased to announce that it has completed an exploration drilling program as part of Phase 3 of its exploration of the 387 square kilometre Permit in Mali.

Avnel has identified 9 gold-in-soil anomalies on the Permit during Phase 1 and Phase 2 geochemical soil sampling programs.

Avnel elected to commence drilling on the Grid 8 area, after an initial soil geochemistry program conducted in 2004, where outstanding results have been obtained in terms of the high relative percentile values, the potential length of the soil anomaly, and its good correlation with an equally strong arsenic anomaly. It is in this area that a float specimen from an eluvial horizon of local origin produced an assay of 21.2 g/t Au while a meta-sedimentary rock with minor quartz stringers returned an assay value of 2.7 g/t Au.

Consequently in the second quarter 2005 fourteen lines of exploratory RAB drill holes were planned over eight anomalies in the Grid-8 zone and 4 lines of RC holes were planned over the heart of the largest and highest percentile soil anomaly (2.0km x 0.8km anomaly using the 20ppb contour within which lies an 800m x 350m anomaly using a 67ppb contour).

In all, 150 angled RAB holes and 27 RC holes (thirteen angled and 14 vertical) were executed during this phase of drilling which ended in mid June. In all, 6,197m of RAB drilling and 2,872m of RC drilling were completed on E-W lines with all angled holes oriented -50° to N270°.

The second quarter 2005 drilling 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 for 3 years and who has since consulted for Geo-Services International, Northern Mining, Barrick Gold Corporation, and Nevsun Resources in Eastern, Central and Western Africa.

Mr Graham Greenway, Principal Resource Geologist, of Snowden Mining Industry Consultants visited the exploration and observed the work in the field during a one week visit to the Permit.

The assay results of the drill holes will be announced in quarter three.

Avnel Gold Mining Ltd. is 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.