



AVNEL GOLD MINING LIMITED

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UNITED STATES

COMPLETION OF TSX LISTING AND CANADIAN INITIAL PUBLIC OFFERING

FOR IMMEDIATE RELEASE

June 30, 2005

Avnel Gold Mining Limited (“Avnel”) is pleased to announce that Avnel has successfully completed its Canadian initial public offering and raised C\$9,419,140 with the issue of 12,393,605 units at a price of C\$0.76 per unit.

Each unit consists of one Common Share (the “Common Shares”) of Avnel and one-half of one Common Share Purchase Warrant (each whole common share Purchase Warrant entitling the holder to purchase one Common Share (the “Warrant Shares”) at a price of C\$1.06 per Warrant Share at any time before 5 p.m. on June 30, 2010. The net proceeds after deducting the Agents’ fees are C\$9,016,600. Avnel has also granted the Agents a non-transferable option to purchase 279,666 units at the offer price up until June 30, 2007.

The units are separated into Common Shares and Warrants and will commence trading on June 30, 2005 under the symbol AVK for the Common Shares and AVK.wt for the Warrants.

Avnel’s principle asset is an 80% interest in Société d’Exploitation des Mines d’Or de Kalana (“SOMIKA”). The Malian Government holds the remaining 20% in SOMIKA.

SOMIKA is a holder of an Exploitation Permit (the “Permit”) in respect of 387.4 km² in South Western Mali. The Permit has a tenure of 30 years from 7 April, 2003 and is capable of being extended for two further 10 year periods thereafter.

The Permit entitles SOMIKA to mine precious metals on the Permit and carry out exploration and if successful further exploitation of the Permit.

The Kalana Gold Mine is situated in the North Western corner of the Permit. It was developed by a Malian State company with Russian technical and financial aid during the late 1980's and after 1991 was put on care and maintenance during the Kalana Privatisation process.

Snowden Mining Industry Consultants (Pty) Ltd. ("Snowdens"), using the guidelines of the CIM Standards in accordance with NI 43-101, have classified 1,020,000 oz/au as a measured and indicated resource and 249,000 oz/au as an inferred resource. Snowdens have classified 439,000 oz/au (derived from the mineral resources) as a proved and probable reserve.

The Kalana Gold Mine is in production and underground development is proceeding to enable the mine to reach its nameplate throughput of 60,000 tons per year at a grade of approximately 17.33 g/t over the first 10 years of the mine life.

Avnel's strategic objective, through SOMIKA, is to commercially exploit the reserves at the Kalana Gold Mine, and enhance the economics of the Kalana Gold Mine through underground exploration to increase mineral reserves and through surface exploration (including feasibility studies) to convert surface resources into reserves. Avnel's intention is to continue exploration of the Permit area to identify new resources.

Avnel will focus on identifying these new resources prior to committing to expanding production at the Kalana Gold Mine. The scale of expansion at the Kalana Gold Mine will be influenced by the size and location of any new discovery.

The present exploration focus is on mineralization representative of disseminated replacement type hosted by sedimentary rocks, Morila or Sadiola analogues, or multiple Au-quartz vein systems, as mined at Kalana Gold Mine, located close to the Kalana Gold Mine that might be processed by the current operations or a new plant located on the Permit suitable for large open cast mining operations.

The first phase of exploration completed in 2004 consisted of the compilation of a database and field work and soil sampling programmes. The soil geochemical, termite mound and pit sampling identified six significant Au-in-soil anomalies with a strong Au-Arsenic correlation. Avnel has very recently completed a RAB and Reverse Circulation drilling program on one of the identified anomalies and results and interpretation thereof are awaited.

Mr. Roy Meade, Avnel's Chief Executive Officer, has expressed his satisfaction on the completion of the Offering and stated "that the proceeds will enable the completion of on-going mine development to achieve the production rate under the present mine plan at an average cost per oz. of approximately US\$228, as well as the continuation of the company's exploration strategy on the very prospective permit."

The Independent technical reports prepared by Snowdens, being the "Kalana Gold Mine Technical Report" dated February 20, 2005 and the Technical Report "Kalana Phase I Exploration" dated November 4, 2004 are available on www.SEDAR.com.

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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.