



AVNEL GOLD MINING LIMITED

AVNEL GOLD MINING LIMITED (AVK: TSX) ANNOUNCES THIRD QUARTER 2006 RESULTS

Period ended September 30, 2006.

For Immediate Release: November 13, 2006

Avnel Gold achieves \$78,000 income in third quarter and acquires the Fougadian Exploration Permit adjacent to the Kalana Exploitation Permit. Underground mine development advances improve significantly and No 2 Shaft is commissioned for temporary rock hoisting from shaft bottom.

Results

Avnel Gold Mining Limited ("Avnel" or the "Company") recorded net income of \$0.078 million (\$0.001 per share) for the three months ended September 30, 2006 and a net loss of \$1,232,000 (\$0.02 per share) for the first nine months of 2006 compared to net losses of \$1.5 million (\$0.03 per share) and \$5,401,000 (\$0.34 per share) respectively for the same period of 2005, there having been 200,000 shares outstanding prior to the Initial Public Offering in June 2005. Avnel currently has 56,123,528 shares outstanding.

Gold production totalled 6,205 ounces with the head grade of 26.7g/t. Gold sales during the quarter totalled 6,821 ounces at an average price of \$526 per ounce. 3,150 ounces were sold into a forward contract at an average price of \$419 per ounce. 3,671 ounces were sold at an average price of \$618 per ounce

Operations

The Kalana Mine was initially developed and mined by SOGEMORK from 1985 to 1991. The mine was then put on care and maintenance until SOMIKA (80% subsidiary of Avnel Gold, Limited) commenced production in 2004. The mine has limited developed ore reserves and it is planned to complete the necessary shaft sinking and haulage development to enable the mine to achieve an annual production rate of approximately 60,000 tonnes and an average 26,000 ounces of gold over the 8 years commencing in 2008. During 2007 underground production will increase as new mining areas are exposed by ongoing development.

Production data for the Kalana Mine for the 3 and 9 month periods ended September 30, 2006 and 2005 are as follows:

	<u>Three months ended</u> <u>September 30</u>		<u>Nine months ended</u> <u>September 30</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Tonnes milled ex underground	6,594	7,623	18,528	22,080
Tonnes milled ex sand stockpile	1,512	1,190	2,956	4,362
Total tonnes milled	8,106	8,813	21,484	26,442
Head grade ex underground ore - g/t	31.5	16.7	32.1	15.1
Head grade ex sand stockpile - g/t	5.7	4.9	5.9	4.7
Total mill head grade - g/t	26.7	15.1	28.5	13.4
Gold recovery -%	89.3	86.0	89.4	85.0
Ounces Produced	6,205	3,653	17,568	9,716

Metres developed	290	61.0	522	145
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Gold production was above forecast as the higher grade and gold recovery compensated for the lower tonnes mined. For the nine months to September 30, 2006 underground grade at 32.1 grams per tonne has been better than the ore reserve grades. The majority of ore was mined from vein 1 at an average grade of 32.9 grams per tonne compared to the reserve grade of 19.14 grams per tonne Gold recovery at 89.4% in the gravity plant has exceeded the budget of 85%.

Underground production tonnes was significantly lower than budget. This was partially attributable to the mechanical failure of Number 1 shaft winder. The No 1 shaft was out of production for a period of 21 days of which 10 days were in the third quarter On June 14, the Number 1 Shaft winder failed mechanically and the repair to the gearbox was completed on July 6. During this period 1,724 tonnes of low grade coarse sand stockpiles were processed in the mill. Underground development continued at a reduced rate during this period using the Number 2 Shaft to access the mine. No ore was hoisted to surface. It is estimated 1,680 tonnes would have been hoisted to the mill during this 21 day period.

The completion of the development of No 2 shaft deepening and related infrastructure has been delayed due to productivity and logistical issues. The logistical issues have been substantially rectified and ongoing training with inexperienced underground crews is beginning to show results

Underground development increased to 290 metres during the quarter compared to 232 metres in the first half of 2006. It is forecast that total meters developed will increase to 550 in the fourth quarter.

Sinking of No 2 shaft advanced 14m in quarter three to its final depth. The 180 level station and shaft loading box were installed and temporary rock hoisting system from the 180 level commissioned. This was scheduled to be complete in quarter two. The final skip arrangement will be installed in quarter 2, 2007

Development of the 150 level from No 2 shaft north to vein 18 advanced 19m during the quarter after the shaft equipping on 180 level was completed. Due to the delay in completing the shaft 2, the development is 5 months behind schedule. Due to the delays in deepening No 2 shaft and associated development the forecast capital expenditure of \$1.8 million for this project will be exceeded.

The No 1 Sub Incline Shaft was commissioned for rock hoisting from the 160 level to the 100 level. Development of the 160 level to access the vein 18 South and 18A South ore reserve blocks advanced 94m during the quarter. Development will be extended to access vein 1 ore reserves to facilitate up dip mining of this ore block during 2007.

During the development of vein 1 below 100 level and vein 18 below 100 level, water has been exposed as development proceeded down dip. In vein 1 this water influx moves down dip as mining proceeds down dip, indicating that the water is probably “trapped in structures associated with the vein fractures” and is not being replenished as mining goes deeper. Water ingress into the mine through vein 1 was not seen above 100 level when the mine was re-opened in 2003 and it can be assumed that this water drained into the 100 level pumping stations during the mining of the vein between 1985 and 2001. Once the haulages on 150,160 and 180 levels intersect vein 1 and vein 18, it is anticipated that water will drain to these levels, thereby reducing the current problems in the stopes to pump water up to the 100 level. During early 2007 a new major pump station will be developed on the 180 level at No 2 Shaft and equipped with pumps to pump this water to surface.

Exploration: Avnel acquires the Fougadian Exploration Permit, located directly south of the Kalana Permit

On 10 October, 2006 Avnel Gold Mining Limited through its subsidiary, Avnel Mali, was awarded the Fougadian Exploration Permit in Southern Mali. The permit area covers 150 square kilometres, south of the Kalana Permit that Avnel Gold Mining Limited has an 80% interest. Avnel Mali holds a 90% interest in the Fougadian Permit and the Government of the Republic of Mali holds 10% free carried interest.

Avnel is obliged to incur expenditures of at least \$310,000 in the first year after the award of the permit.

The details of the acquisition of the Fougadian Permit were included in a Material Change Report dated 17 October, 2006 (see www.sedar.com) and a press release dated 17 October 2006 (see www.avnelgold.com).

The Fougadian Permit was covered by the Or-Bagoe soil geochemistry program completed in 1988 by the UNDP. Samples were collected from E-W lines spaced 1 kilometre apart with 200m spacing in an E-W direction. The survey identified several kilometre length gold anomalies. Avnel believes these have significant potential to host gold mineralisation.

Avnel's principal asset is an 80% interest in Société d'Exploitation des Mines de Kalana (SOMIKA). SOMIKA is the holder of an exploitation permit encompassing 387.4 square kilometres around the Kalana gold mine in southern Mali. The Malian government holds the remaining 20 per cent in SOMIKA. The Kalana Mine is an operating mine with a Proved and Probable Ore Reserve of 428,000 ounces at an average grade of 14.2g/t. Exploration to date has identified km-scale gold anomalies on 11 targets of which two have been tested.

ON BEHALF
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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.