



AVNEL GOLD MINING LIMITED

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

Period ended March 31, 2006.

For Immediate Release: May 15, 2006

Underground gold grade increases to 25.04g/t at the Kalana Mine and a follow up diamond drill program confirms and extends zone of gold mineralization at Djirila Main

Results

Avnel Gold Mining Limited ("Avnel" or the "Company") recorded a net loss of \$1.3 million (\$0.02 per share) for the three months ended March 31, 2006 compared to net losses of \$1.6 million (\$10.75 per share) for the same period of 2005. The high loss per share for the March 2005 results from there being only 200,000 shares outstanding prior to the Initial Public Offering on June 30, 2005 when a further 47,193,605 shares were issued.

Gold production totalled 4,411 ounces with the head grade increasing to 25.04g/t. Gold sales during the quarter totalled 3,480 ounces at an average price of \$428 per ounce. 3,180 ounces were sold into a forward contract at an average price of \$416 per ounce. 300 ounces were sold at an average price of \$548 per ounce. At March 31 2006 the gold inventory stock is 3,390 ounces.

Exploration: Avnel Confirms and Extends Zone of Significant Gold Mineralisation in a Diamond Core Drill Program at the Djirila Main Zone, Kalana Property, South Mali

A follow-up diamond drill programme at the Djirila Main Zone, Grid 8 area of the Kalana Exploitation Permit has confirmed and extended the mineralised zone discovered in 2005.

The gold mineralisation in the Djirila Main Zone is best developed in DDH-02 (**11.14g/t Au over 24m** from 68-92m and **4.81g/t Au over 10m** from 136-146m), in DDH-06 (**14.57g/t Au over 3m** from 98-101m), in DDH-11 (**19.3g/t Au over 2m** from 46-48m, **12.55g/t Au over 19m** from 80-99m and **5.72g/t Au over 2m** from 120-122m), in DDH-12 (**3.04g/t Au over 7m** from 92-99m), in DDH-13 (**3.74g/t Au over 14m** from 98-112m), and in DDH-14 (**3.14g/t Au over 3m** from 113-116m).

This mineralised zone has now been traced by diamond core drilling along a NNE strike for more than 225m where it has been found to have a vertical to steep easterly dip. The width of the mineralised zone varies from 3 to 50 metres and appears to be associated with a NNE-trending corridor of faulting and silica-sulphide emplacement. The zone of artisanal workings stretches another 150m beyond the present drill program

A ground geophysical survey (IP) conducted over the Djirila Hill area has outlined a linear zone marked by both resistivity and chargeability anomalies parallel to the Djirila Main Zone verifying the presence of the quartz vein network and anomalous sulphides that have been found in the core drill program.. The continuation of the geophysical anomalies to the north and south of the present DDH locations indicates that the Djirila Main Zone may have additional significant strike length. In addition, a parallel zone of combined resistivity and chargeability geophysical anomalies has been identified 450m to the east of the Djirila Main Zone, which requires follow-up investigation.

Avnel has completed a Technical Report to interpret the results to date, Based on the recommendations in this report a reverse circulation drill hole program is planned in quarter 2 to provide sufficient data to evaluate the potential inferred resources at Djirila Main and to examine the possible extension north and south.

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 the necessary shaft sinking and haulage development has commenced to enable the mine to achieve an annual production rate of 60,000 tonnes and an average 26,000 ounces of gold over the 8 years commencing in 2008. During 2006 and 2007 underground production will increase as new mining areas are exposed by ongoing development.

Production data for the Kalana Mine for the periods ended March 31, 2006 and 2005 are as follows:

	Three months ended March 31	
	2006	2005
Tonnes milled ex underground	6,135	7,051
Tonnes milled ex sand stockpile	59	3,172
Total tonnes milled	6,194	10,223
Head grade ex underground ore - g/t	25.04	14.50
Head grade ex sand stockpile - g/t	4.35	4.90
Total mill head grade - g/t	25.04	11.50
Gold recovery -%	88.5	84.0
Ounces Produced	4,411	3,178
Metres developed	160.0	26.9

During 2005 and 2006, underground production has mainly come from mining of a new ore reserve block below the lowest haulage level (100m below surface). The ore reserve block is being developed down dip and rock is scraped up dip to the haulage level. This mining method will limit the production capacity of the mine until ore can be gravitated to new haulages being developed on the 150 and 180 levels lower in the mine. Productivity of the underground crews is improving, but at a slower rate than anticipated.

Underground grade at 25.04g/t has been better than both the budget grade of 22.17g/t and forecast ore reserve grades. Gold recovery at 88.5% in the gravity plant has exceeded the budget of 85%. Underground production tonnes were lower than budget 7,569 tonnes. Gold production was 4% below budget as the higher grade partially compensated for the lower tonnes mined.

Underground development increased to 160 metres during the quarter compared to 103 metres in quarter 4, 2005. The development of the 150 level haulage and ventilation raise from No 2 shaft advanced 69m. Sinking of No 2 shaft will re-commence in quarter 2. The No 1 Sub Incline Shaft advanced 16m to the 160 level station and 29m were completed on the 160 level. In quarter 2 the Sub Incline Shaft will be completed and development of the 160 level to access the vein 18 South and 18A South ore reserve blocks can commence.

On 100 level the haulage north has intersected the Vein 18 ore reserve block. This ore reserve block will be developed between the 100 and 150 levels. Winzings from 100 level to the 130 level commenced. Raising from the 150 level will commence in quarter 4 when the 150 level haulage from No 2 Shaft is complete.

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 kilometres around the operating Kalana gold mine in southern Mali.

For further information contact:

Roy Meade
Chief Executive Officer
Phone +44 207 589 9082; Fax +44 207 589 8507

Email: rmeade@avnelgold.com

Website: www.avnelgold.com

Barry Mire or Neil Murray-Lyon
Renamark Financial Communications
Tel : +1 514 939 3989; Fax +1 514 939 8507

Website: www.renamarkfinancial.com

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.