



AVNEL GOLD MINING LIMITED

NOT FOR DISSEMINATION IN THE UNITED STATES OR
FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES

AVNEL GOLD MINING LIMITED ANNOUNCES RIGHTS OFFERING

For immediate release February 7, 2007

Avnel Gold Mining Limited (the “Company”) (TSX: AVK) announces that it is commencing a rights offering (the “Offering”) as described below. Gross proceeds of the Offering will be approximately US\$3,000,000. The Company intends to use the proceeds of the Offering (after payment of the expenses of the Offering) to finance necessary capital expenditures, including costs of development of the Kalana Gold Mine, exploration and for general working capital purposes.

The Company will be issuing rights (“Rights”) to eligible holders of record (“Shareholders”) of outstanding common shares of the Company (“Common Shares”) at the close of business on February 21, 2007 (the “Record Date”) to subscribe for additional Common Shares on the terms set forth in a rights offering circular (the “Circular”) to be mailed by the Company to Shareholders. The Circular will also be available on SEDAR at www.sedar.com. Each Shareholder will receive one Right for each Common Share held on the Record Date. Each eight (8) Rights entitle the holder to acquire one Common Share of the Company upon payment of the subscription price of CDN\$0.50 prior to the expiration of the Rights at 4:00 pm (Toronto time) on March 15, 2007 and satisfaction of the other requirements for exercise of the Rights set forth in the Circular. Shareholders who exercise all of their Rights will also be entitled to acquire additional Common Shares, if any, which are not subscribed for by other holders of Rights pursuant to an additional subscription privilege, the terms of which are described in the Circular. Shareholders that hold their Common Shares indirectly, including through a broker, CDS Clearing and Depository Services Inc. (“CDS”) or a participant in the CDS system should contact the broker, CDS or the CDS participant to determine how Rights may be exercised.

Elliott International, L.P. (“Elliott”), which, together with its affiliates, is the Company’s largest beneficial shareholder, has entered into a stand-by agreement with the Company pursuant to which Elliott has agreed to purchase, or arrange for the purchase of, all Common Shares issuable on the exercise of Rights which are not acquired by other holders of Rights or pursuant to the additional subscription privilege.

The securities commissions of Ontario, Alberta, British Columbia and Saskatchewan and the Toronto Stock Exchange (the “TSX”) have accepted the materials filed by the Company in connection with the Offering. Except as set forth in the Circular, the Rights and underlying Common Shares are not being offered to, and the Rights may not be exercised by, persons who are residents of any jurisdiction other than the Provinces of Ontario, Alberta, British Columbia and Saskatchewan. For further details, please refer to the section in the Circular entitled “Ineligible Shareholders”.

ON BEHALF OF AVNEL GOLD MINING LIMITED

Roy Meade
Chief Executive Officer
Avnel Gold Mining Limited
UK Representative Office
39 Cheval Place
London, SW7 1EW

Phone +44 207 589 9082, Fax +44 207 589 8507
Website: www.avnelgold.com
Email: rmeade@avnelgold.com

For further information, please contact the Company at the coordinates set out above or:

Barry Mire or Neil Murray-Lyon
Renmark Financial Communications
Tel : +1 514 939 3989; Fax +1 514 939 8507
Website: www.renmarkfinancial.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.

The Rights and underlying Common Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.