



AVNEL GOLD MINING LIMITED

AVNEL GOLD MINING LIMITED (AVK: TSX) ANNOUNCES SECOND QUARTER 2007 RESULTS

Period ended June 30, 2007.

For Immediate Release: August 13, 2007

Avnel achieves net income of \$0.3 million the second quarter of 2007 and gold sales for the quarter of 7,994 ounces

Results

Avnel Gold Mining Limited ("Avnel" or the "Company") recorded net income of \$0.3 million (\$0.004 per share) for the three months ended June 30, 2007 and net income of \$1.0 million (\$0.02 per share) for the first six months of 2007 compared to net losses of \$0.02 million (\$0.0003 per share) and \$1.3 million (\$0.02 per share) respectively for the same period of 2006.

Gold production totalled 6,144 ounces for the quarter, with a head grade of 24.3g/t compared to production of 6,951 ounces with a head grade of 33.4 g/t in the corresponding period of 2006. Gold sales during the quarter totalled 7,994 ounces at an average price of \$581 per ounce. 3,060 ounces were sold into a forward contract at an average price of \$443 per ounce. 4,934 ounces were sold at spot with an average price of \$667 per ounce. Cash costs per ounce sold increased from \$336 per ounce in the second quarter of 2006 to \$344 per ounce in the second quarter of 2007.

Operations

Avnel's principal asset is an 80% interest in Societe des Mines d'Or De Kalana ("SOMIKA"). The State of Mali holds the remaining 20% interest in SOMIKA. SOMIKA is the owner and operator of the Kalana Gold Mine located in the southwest of Mali and is the holder of an exploration permit in respect of 387.4 kilometres squared in south western Mali. 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.

Production data for the Kalana Mine for the three and six month periods ended June 30, 2007 and 2006 are as follows:

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
Tonnes milled	8,694	7,184	15,947	13,378
Gold grade - grams per tonne (g/t)	24.3	33.4	31.1	29.5
Recovery rate - %	90.3	90.0	92.6	89.4
Gold production - ounces	6,144	6,951	14,764	11,363
Cost per tonne milled	\$292	\$327	\$289	\$308
Operating cost per ounce of gold sold	\$344	\$336	\$318	\$366
Operating cost per ounce of gold produced	\$413	\$338	\$313	\$362

Gold production of 6,144 ounces in the second quarter of 2007 was in line with plan and 12% lower than the production in the second quarter of 2006. The higher gold production than plan was due to higher mill throughput (23%), lower grade (20%) and higher gold recovery of 90.3% (plan 88.7%).

Tonnes milled in the second quarter of 2007 were 21% above the production achieved in the corresponding period of 2006 and 23% above the planned production for the second quarter. Production from stopping on vein 1 was ahead of plan as productivity improved with up dip mining from the 160 level.

The gold grade of ore milled in the second quarter of 2007 was 17% lower than the corresponding period of 2006 and was 21% lower than the plan. Mining has commenced in lower mineral reserve grade blocks (19g/t) during the quarter and this has resulted in a decrease in grade to mill. Mining of these lower grade mineral reserve blocks has started ahead of plan as the overall ore production is 23% ahead of schedule. Gold recovery (90.3%) in the plant was similar to the corresponding period in 2006 but exceeded the plan (87.6%). Gold recovery decreased from the first quarter of 2007 due to a lower head grade.

Development advanced 419 metres in the second quarter of 2007 compared to the planned 528 metres. Development on 150 and 180 level was delayed during the installation and commissioning of the new rock winding arrangements at No 2 shaft.

Exploration

Avnel completed the first phase of exploration on the Fougadian Exploration Permit. A total of 8,241 soil samples (including 468 controls) were collected along E-W oriented lines spaced 200 meters apart (N-S), with a sample spacing of 50 meters in an E-W direction. All samples were analysed for gold (fire assay) and for a 35 multi-element suite (ICP-AES) that includes arsenic, copper and potassium. Parallel to the sampling programme, three other studies have been initiated: an inventory of the orpillage sites present within the permit (26 orpillage sites have been inventoried in the Fougadian Permit totalling approximately 12,400 pits, and six sites among them contain more than 1,000 pits); a regolith study; and an interpretation of the SYSMIN airborne geophysical survey.

The results of the survey have outlined several km-scale, gold-in-soil anomalies and coincident arsenic anomalies. The numerous significant gold and arsenic anomalous clusters that have been delineated were grouped into 14 anomalies (Avnel-1 to Avnel-14). It was observed that these 14 gold anomalies fall along three major mineralised corridors. Two of these corridors are sub-parallel, strike approximately N-S and can be traced nearly continuously through the length of the property. The third corridor strikes NNE-SSW and passes through the south-eastern and north-eastern quadrants of the licence.

Avnel is now preparing a phase two exploration program that will include a RC drill program and possibly diamond drilling in the 2008 field season.

Additional information is available in the MD&A for the quarter ended June 30, 2007 which is available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and the Company's website www.avnelgold.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.

The TSX has neither approved nor disapproved the form or content of this information release.