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**AVNEL GOLD MINING LIMITED ANNOUNCES
US\$5,231,000 FINANCING**

ST. PETER PORT, Guernsey, March 31, 2008 – Avnel Gold Mining Limited (“**Avnel**” or the “**Company**”) (TSX: AVK) is pleased to announce that it has entered into definitive agreements with its principal shareholders, Elliott International, L.P. (“**Elliott International**”) and certain of its affiliates (collectively “**Elliott**”), and the Fern Trust, and two other Avnel shareholders, with respect to a US\$5,250,000 financing of the Company.

The financing involves three transactions. First, a non-brokered private placement of 6,542,857 ordinary shares in the capital of Avnel (the “**Offering**”) will be made to Elliott International and The Liverpool Limited Partnership, an affiliate of Elliott International, and two other Avnel shareholders, at a price of \$0.35 per ordinary share for gross proceeds of CDN\$2,290,000 (US\$2,231,000). Second, a secured term loan in the principal amount of US\$3,000,000 will be provided by Manchester Securities Corp., an affiliate of Elliott International, to Avnel (the “**Loan Facility**”), which is to be repaid on December 31, 2009. The Loan Facility shall be secured by a security interest granted over all of the ordinary shares of Avnel Gold, Limited held by the Company and Avnel’s interest under an intercompany loan agreement among Avnel, Avnel Gold, Limited and Société d’Exploitation des Mines d’Or de Kalana, S.A. Third, the maturity date of the term loan notes (the “**Term Loan Notes**”) previously issued by Avnel on June 30, 2005 to each of Elliott and the Fern Trust shall be extended from December 31, 2008 to December 31, 2009 (the “**Term Note Extensions**”). The Term Loan Notes will continue on the same terms in all other respects.

The net proceeds from the Offering and the Loan Facility will be used for the advancement of Avnel’s properties in Mali and exploration on the Kalana and Fougadian exploration permits, and for working capital and general corporate purposes.

Each of Elliott and the Fern Trust has beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the ordinary shares of Avnel. Accordingly, each of the Offering, the Loan Facility and the Term Loan Extensions (collectively, the “**Proposed Transactions**”) is a “related party transaction” for the purposes of Multilateral Instrument 61-101 – “Protection of Minority Share Holders in Special Transactions” (“**MI 61-101**”). Avnel intends to rely on an exemption from the requirement to obtain a formal valuation and minority shareholder approval prescribed by MI 61-101 as they apply to the Proposed Transactions, as at the time the Proposed Transactions were agreed to, the Company has determined that neither the aggregate of the fair market value of the subject matter of, nor the fair market value of the consideration for, the Proposed Transactions exceeded 25% of Avnel’s market capitalization as calculated and determined in accordance with MI 61-101.

The Proposed Transactions are expected to close concurrently on or about April 10, 2008, subject to the receipt of all regulatory and stock exchange approvals, the completion of standard documentation and satisfaction of other customary terms and conditions.

About the Company:

Avnel is a gold mining producing company operating the Kalana gold mine and is engaged in the exploration of the Kalana and Fougadian exploration permits.

Avnel's principal asset is an 80% interest in Société d'Exploitation des Mines d'Or de Kalana ("SOMIKA"). SOMIKA is the holder of a 30 year exploitation permit encompassing 387.4 sq. km. around and to the south of the operating Kalana gold mine in South West Mali. Avnel also holds the Fougadian exploration permit covering an area of 150 sq. km. which lies to the South of the main Kalana exploration permit.

Forward-Looking Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts are forward-looking statements. Although Avnel believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Avnel does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.