



AVNEL GOLD MINING LIMITED

Avnel has commenced drilling program on the major gold anomaly discovered on the Fougadian Permit

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Avnel has commenced a drilling program at its Fougadian Permit, located south of its Kalana Mine in Mali. During 2007 detailed soil geochemical surveys, initiated across its large Fougadian Exploration Permit has outlined several km-scale, gold-in-soil anomalies with coincident arsenic anomalies.

The drill targets have been selected under the supervision of Dr Andy Killick, VP Exploration, based upon the geochemical anomalies, regolith mapping and re-interpretation of existing geophysical data.

The program for 2008 comprises the drilling of 5,000 metres of RC (reverse circulation percussion) drilling and 400m of diamond drilling. The drill program will focus on the Avnel-1 anomaly. A drill contractor commenced work in mid March 2008 and results are expected in quarter 3 2008.

The Avnel-1 anomaly is the largest and the most important in terms of gold and arsenic values. It extends for almost 4 kilometres in a N-S direction and for 1.5 kilometres in an E-W direction. The highest gold-in-soil values of the Avnel-1 anomaly show a preferential NNW-SSE orientation and they are contained in three parallel linear bands. The same preferential direction can be seen in the coincident high arsenic values. The Avnel-1 anomaly is also characterised by a cluster of potassium anomalies over an area 2km long by 1.5km wide.

The Fougadian Permit was awarded to Avnel Mali, a 100% owned subsidiary of Avnel Gold Mining Ltd. Avnel has a 90% interest and the Malian State a 10% interest in the permit. The Fougadian Exploration Permit, which covers 150 square kilometres, was awarded to Avnel in 2006 in accordance with the 1999 Mining Code. It is located in southern Mali, immediately south of Avnel's producing Kalana Mine and Exploitation Permit.

Avnel has identified 10 drill targets on its 387 sq.km Kalana Permit and has discovered high grade mineralization at the Djirila prospect in the south-east of the Kalana Permit. The very prospective Kalana Permit is held by Avnel for a 30 year period that started in 2003. For this reason drilling prior to the annual rainy season will focus on Fougadian Permit.

Avnel's principal asset is an 80-per-cent interest in Société d'Exploitation des Mines de Kalana (SOMIKA). SOMIKA is the holder of an exploitation permit encompassing 387.4 square kilometers 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 Mineral Reserve of 662,000 tonnes at 16.0g/t containing 341,000 ounces.

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.