AVNEL GOLD MINING LIMITED

AVNEL GOLD MINING LIMITED (AVK: TSX) ANNOUNCES FIRST QUARTER 2008 RESULTS

Period ended March 31, 2008.

For Immediate Release: May 15, 2008

Avnel records a net income of $201,000 in the first quarter of 2008 and gold sales for the quarter of 5,959 ounces. Drilling has commenced on Avnel's Fougadian Exploration Permit.

Results

Avnel Gold Mining Limited ("Avnel" or the "Company") recorded net income of $201,000 for the three months ended March 31, 2008 compared to net income $769,000 for the same period in 2007. The decrease compared to last year is mainly due to the increase in total expenses of 52% whilst revenue has only increased by 29%.

Revenue has increased to $5,496,000 in the first quarter of 2008 from $4,278,000 in the same quarter of 2007. Gold sales of 5,959 ounces decreased in the first quarter of 2008 compared to 7,466 ounces sold in the first quarter of 2007. Average sales price increased from $571 per ounce in the first quarter of 2007 to $920 per ounce in the first quarter of 2008. Spot price has increased significantly from last year. Sales in the first quarter of 2007 included 2,900 ounces sold forward at a significantly lower price than the spot price.

Operations

Avnel's principal asset is an 80% interest in Societe des Mines d'Or De Kalana ("SOMIKA"). Avnel holds a 90% interest in the Fougadian Exploration Permit through its subsidiary, Avnel Mali SARL. 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.

Production data for the Kalana Mine for the three month period ended March 31, 2008 and 2007 are as follows:

		Three months ended March 31	
		2008	**2007**
	Tonnes milled	10,290	7,254
	Gold grade - grams per tonne (g/t)......................................	17.06	39.21
	Recovery rate - %	89.5	94.3
	Gold production - ounces…………………………………………………..	5,050	8,620
	Cost per tonne milled..	$301	$322
	Operating cost per ounce of gold sold……………………………………….	$552	$325
	Operating cost per ounce of gold produced…………………………………	$614	$271

Gold production of 5,050 ounces in the first three months of 2008 was 9% above plan and 41% lower than the production in the first quarter of 2007. The higher gold production than plan was due to lower mill throughput (0.4%), higher grade (8%) and higher gold recovery (1.4%).

Tonnes milled in the first quarter of 2008 were 42% above the production achieved in the corresponding period of 2007 and in line with the planned production for the first quarter. 60% of ore was mined from vein 1 with ore being gravitated to the 180m level. Production from vein 18 above 150m level was below plan as the vein split into two parallel veins. The top vein is at a higher grade and the mining teams have focused on opening up this vein for stoping. The vein 18 geometry is not fully understood and diamond drilling will assist to provide stoping layouts. On 180m level, development advancing north has opened up an unplanned mining block and this provided approximately 20% of the ore to the mill.

The gold grade (17.06g/t) of ore milled in the first quarter of 2008 was 56% lower than that obtained in the first quarter of 2007, which was an exceptional high grade. The grade was 17.3g/t in the fourth quarter of 2007. The grade was 8% higher than the planned grade (15.85g/t) which is forecast to increase in the second half of the year. Gold recovery of 89.5% in the first quarter of 2008 exceeded the planned rate (88.2%).

Development advanced 617 metres in the first quarter of 2008 compared to the planned 558 metres and 534 metres in the first quarter of 2007. The 180m level haulage north advanced 80m and is anticipated it will intersect vein 18 North reserve block in April. In February, the 180m level haulage north intersected a steep dipping vein that is being developed by raising between 180m level and 150m level. The position and geometry of this vein was not anticipated by the current geological model that is based on historic drill holes spaced 50m apart.

Development of diamond drill sites on 150m level have proceeded ahead of plan and will be completed in the second quarter. Using the existing compressed air diamond drill, 1,218m were drilled during the quarter. The holes were targeting vein 18 north and vein 17 north between 100m level and 180m level to assist with mine production planning for 2008 and 2009. A new hydraulic drill was not delivered in the quarter as planned but will be in operation in the second quarter. The drill holes will be drilled from 150m and 180m levels down to the 300m level. These holes will provide additional information on the existing mineral resources and reserves between 180m and 300m levels. This information will be used to update the mineral resource and reserve estimates in early 2009.

Mine operating costs for the three months ended March 31, 2008 amounted to $3,456,000 compared with $2,302,000 in the first quarter of 2007, an increase of 50%. One of the key factors driving the increase in costs is that the number of tonnes milled in the first quarter of 2008 was 42% greater than in the same quarter of 2007. A greater amount of ore development tonnes were mined in the first quarter of 2008 compared to the first quarter of 2007. Ore development tonnes are mined at a higher unit cost than ore mined from stopes. Other reasons for the increase in costs is an approximately 6% increase of employee wages and salaries and the weakening of the US Dollar against the CFA Franc. The average exchange rate of the US dollar to the CFA Franc has changed from 521 in the first quarter of 2007 to 447 in the first quarter of 2008, making CFA Franc costs incurred in Mali 17% more expensive in US dollar terms.

Cash operating costs of $301 per tonne milled in the first quarter of 2008 were 7% lower than the cost per tonne in the corresponding period of 2007. Cash operating costs per ounce sold of $552 per ounce of gold sold in the first quarter of 2008 increased significantly from $325 per ounce in the same period for 2007. The main factor increasing the costs per ounce of gold sold is the decrease in grade and higher operating costs.

Exploration

Avnel advanced its exploration of the Fougadian Exploration Permit by commencing an exploration drill program in March. The Fougadian Permit is located directly south of its Permit on which the Kalana Mine is operating.

The drill program is focused on the Avnel-1 anomaly that is the largest and the most important in terms of gold and arsenic values on the Fougadian Permit. It extends for almost 4 kilometres in a N-S direction and for 1.5 kilometres in an E-W direction.

Two diamond drill holes were completed to a depth of 190 metres. The core will be examined to provide information on the geology underlying this gold anomaly. 5,000m of RC drill holes will be completed during the second quarter covering a portion of the anomaly. Results are expected in the third quarter.

Financing

As a result of the Company having incurred recurring operating losses, additional funding has been put in place to cover an expected working capital shortfall during the second and third quarters of 2008 (the “Financing”). The Financing, which was completed on April 14, 2008, involved three transactions with the Company’s principal shareholder and two other shareholders of the Company. Elliott, the majority shareholder, and two other shareholders of the Company have purchased 6,542,857 common shares of the Company at a subscription price of Cdn$0.35 per common share in the form of a private placement (the “Private Placement”). This raised gross proceeds of Cdn$2,290,000. Elliott has also provided the Company with $3,000,000 in the form of a term loan, secured on the Company’s assets, with an interest rate of 10%, for the purpose of providing additional working capital to bridge the projected cash shortfall in the second and third quarters of 2008 (the “Bridge Loan”). The Company projects that the Bridge Loan could be repaid out of operating cash flow in 2009. In addition the Company’s existing term loans with Elliott and Fern have been extended by one year from their current maturity of December 31, 2008 to December 31, 2009.

Additional information is available in the MD&A for the quarter ended March 31, 2008 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.