



AVNEL GOLD MINING LIMITED

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

Period ended December 31, 2007.

For Immediate Release: March 31, 2008

Gold production at the Kalana Gold Mine increases 12% to 25,359 ounces in 2007 with underground head grade of 24.2g/t

Results

Gold production at the Company's Kalana Mine increased by 12% from 22,638 ounces in 2006 to 25,359 ounces in 2007 and cash costs increased to \$412 per ounce of gold sold, from \$394 per ounce sold in 2006. Tonnes milled increased by 27% from 27,743 tonnes in 2006 to 35,222 tonnes in 2007.

Avnel Gold Mining Limited ("Avnel" or the "Company") recorded a net loss of \$0.9 million (\$0.01 per share) for the twelve months ended December 31, 2007 and a net loss of \$0.6 million (\$0.01 per share) for the fourth quarter compared to net losses of \$2.7 million (\$0.05 per share) and \$1.4 million (\$0.03 per share) respectively for the same periods of 2006. Revenue increased from \$11.9 million in 2006 to \$15.9 million in 2007 due to higher gold production and higher average gold sales price of \$629/oz (\$513/oz in 2006).

Mine operating costs for the year ended December 31, 2007 amounted to \$10,895,000 compared with \$9,448,000 in 2006. The reasons for the increase were due to higher underground production (46%) and mill tonnes (27%), escalation of materials costs, adverse movement in the U.S. dollar to CFA exchange rate and payment of customs duty on imported goods. Cash operating cost of \$296 per tonne milled in 2007 was significantly lower than the cost per tonne in 2006 mainly because of 27% more tonnes milled.

Operations

Avnel's principal assets are an 80% indirect interest in Societe des Mines d'Or De Kalana ("SOMIKA") and a 90% indirect interest in the Fougadian Exploration Permit, through its subsidiary, Avnel Mali SARL. The State of Mali holds the remaining 20% interest in SOMIKA and 10% interest in the Fougadian Exploration Permit. SOMIKA is the owner of a gold mine located in the southwest of Mali (the "Kalana Gold Mine") and is the holder of an exploration permit in respect of 387.4 kilometers squared in south western Mali (the "Kalana Permit"). 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.

The Kalana Gold Mine was acquired by Avnel in late 2002 following which the existing plant and infrastructure were upgraded. Mining operations were resumed by SOMIKA in January 2004 with commercial production commencing in March 2004. From 2004 to 2007, Avnel increased gold production at the Kalana Gold Mine from 7,396 ounces in 2004 to 25,359 ounces in 2007. At the same time, Avnel has invested significantly in the capital expenditures and underground development required to expand production to a planned annual rate of 60,000 tonnes. The Kalana Gold Mine development was behind schedule in 2005 and 2006 and it is now anticipated that underground production will increase from 35,000 tonnes in 2007 to 52,000 tonnes in 2008 with the objective of developing the mine to attain its design throughput rate of 60,000 tonnes per annum on a sustainable basis.

Production data for the Kalana Mine for the periods ended December 31, 2007 and 2006 are as follows:

The following table shows the production from the Kalana Gold Mine:

	2007	2006
Tonnes milled	35,222	24,116
Gold grade - grams per tonne (g/t)	24.2	28.2
Recovery rate - %	92.0%	90.1%
Gold production - ounces	25,359	22,638
Cost per tonne milled	\$296	\$317
Operating cost per ounce of gold sold	\$412	\$394

Tonnes milled in 2007 were 27% higher than the production achieved in 2006. Gold production at 25,359 ounces in 2007 was 12% higher than 2006 reflecting higher tonnes milled and gold recovery, with lower head grade.

Underground mining production increased 46% in 2007 and exceeded the Company's business plan by 14%. Stopping productivity improved as the mining crews gained experience with improved training from expatriate supervisors. Stope production continued to improve as it was possible to mine stopes up dip from the 160m level. This was due to the establishment of the infrastructure on 160m level at the No. 1 sub-incline shaft. Production in previous years has been hampered by having to mine stopes down dip.

The gold grade of underground ore mined of 24.2 g/t in 2007 was 23% lower than that obtained in the previous year (31.6g/t). Gold grade was expected to decrease as mining moved into lower grade reserve blocks.

Gold recovery in 2007 increased to 92%. It exceeded the prior year's recovery rate because of improved performance in the recovery section despite increased mill throughput and lower head grade. The plant was designed for 79% gold recovery from the gravity plant.

Mine development totalled 2,043 metres in 2007 compared to 1,098 metres in 2006. Development exceeded the planned rate for the year. This improvement is due to improved productivity of the development crews and the establishment of the No. 2 shaft infrastructure. The No. 2 shaft was commissioned for men, material and rock hoisting in May 2007. All development rock on 150m and 180m level was hoisted to surface in a 2 ton skip.

Exploration:

On October 17, 2006, Avnel was awarded the Fougadian Exploration Permit which lies south of the Kalana Permit. The Fougadian Exploration Permit covers an area of 150 square kilometres including a portion of the Niessoumala exploration area. The permit has been awarded in accordance with the 1999 Mining Code and a foundation agreement (the "Foundation Agreement") has been signed between Avnel Mali, a 100% wholly-owned subsidiary of Avnel, and the Government of the Republic of Mali. Avnel has a 90% indirect interest and the Malian State holds a 10% in the Fougadian Exploration Permit, provided a decision is made to construct a mine. The Foundation Agreement provides for the exploration and exploitation of Group 2 minerals as defined in the 1999 Mineral Code. Group 2 minerals includes gold and silver, and base metals, but excludes precious stones, semi-precious stones and fossils.

Avnel has completed the first phase of exploration on the Fougadian Exploration Permit. A total of 8,241 soil samples (including 468 controls) were collected along East to West (E-W) oriented lines spaced 200 meters apart North to South (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 were completed: an inventory of the orpaillage sites present within the Fougadian Exploration Permit (26 orpaillage sites have been inventoried in the Fougadian Exploration 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 soil sampling 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 has received two reports from The Mineral Corporation, copies of which can be found on the Company's website at www.avnelgold.com. The Mineral Corporation conducted a mapping and regolith study on the Fougadian Exploration Permit. The reports indicated that a complete lateritic regolith is preserved in the western part of the Fougadian Exploration Permit. The regolith has been incised and eroded by streams flowing West to East, leaving some lateritic residuum on the intervening ridges.

The Mineral Corporation interpreted existing airborne magnetic and radiometric data generated through the SYSMIN program in 2001. The reports suggested that coincident potassium and magnetic anomalies are potential targets for further gold exploration. The reports also identified two North striking corridors defined by co-incident potassium and magnetic anomalies.

Using the geophysical interpretation, regolith study and geochemical soil sampling, the bedrock geology was interpreted, given there is no bedrock outcrop. Present indications are that the stratigraphy probably strikes in a North-South direction.

Avnel announced on March 26, 2008 that it has commenced a drilling program on the major gold anomaly (Avnel 1). The program includes 400m of diamond drilling and 5,000m of reverse circulation drilling.

On October 15, 2007, Avnel announced the appointment of Dr. Andy Killick as Vice President Exploration.

The Annual Financial Statements and Annual Information Form are available on Sedar (www.sedar.com) and the Avnel Gold 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.