



**AVNEL GOLD MINING LIMITED**

**PRESS RELEASE**

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**IAMGOLD & AVNEL GOLD ANNOUNCE OPTION AGREEMENT ON THE  
KALANA GOLD PROJECT**

**ST. PETER PORT, Guernsey, August 11, 2009** – Avnel Gold Mining Limited (TSX: AVK) – IAMGOLD Corporation (“IAMGOLD”) and Avnel Gold Mining Limited (“Avnel”) have entered into an option agreement (the “Option Agreement”) whereby IAMGOLD has the option to acquire up to an initial 51% interest in Avnel’s 80% interest in Société d’Exploitation de Mines d’Or de Kalana (the “Kalana project”) in Mali, West Africa. All amounts shown are in US dollars unless otherwise indicated.

The Kalana project is located in southwest Mali and consists of the Kalana Gold Mine, an operating underground gold mine and an exploration property covering 387.4 km<sup>2</sup> with a 30 year mining exploitation permit (the “Permit Area”). The Kalana project is owned by Avnel (80%) and the Malian Government (20%). The property has a developed mine site consisting of a small underground mine operation exploiting narrow, high-grade, quartz veins. According to a National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) technical report and Avnel’s annual information form for the year ending 2008, there are a total of 886,000 ounces of Measured and Indicated Resources at a grade of 8.24 g/t Au plus 257,000 ounces of Inferred Resources at a grade of 3.52 g/t Au. The agreement announced today provides the opportunity to explore the potential for a sizeable bulk mining operation at Kalana, drawing on IAMGOLD’s expertise and experience with similar operations in West Africa.

“This agreement represents a significant milestone in the development of Kalana and fulfills our goal to advance the project into a large scale bulk mining operation, as well as further exploring the large geologically prospective Permit Area” said Howard Miller, CEO of Avnel. “We believe that working together, IAMGOLD and Avnel have the capability to fully explore the upside potential at Kalana. This partnership leverages Avnel’s considerable investment in the project to date and will benefit both of our shareholders through IAMGOLD’s extensive West African expertise.”

The Option Agreement provides IAMGOLD the opportunity to earn an initial 51% interest in Avnel’s share of the Kalana project by spending US\$11,000,000 on exploration activities over a three year period and by delivering a NI 43-101 resource calculation of at least 2 million ounces of gold as well as proceeding with a Feasibility Study. IAMGOLD has the option to increase its interest from 51% to 65 or 70% upon delivering a Feasibility Study that supports the

development of a gold mine. In connection with entering into the Option Agreement, IAMGOLD will pay Avnel \$1 million in cash and Avnel will issue IAMGOLD warrants to acquire up to 2 million common shares of Avnel at an exercise price of C\$0.45 per share.

Michael Donnelly, Senior Vice President of Exploration at IAMGOLD stated, “Kalana represents an outstanding opportunity for IAMGOLD to explore a strong gold mineralized system with the view of realizing the large-scale, bulk mineable potential. Opportunities of this nature are few and far between and Kalana is a natural fit with IAMGOLD’s long-term strategic objectives to develop a strong pipeline of projects in our focus areas of West Africa, Quebec, and the Guiana Shield.”

There has been a long history of gold exploration and mining on the Kalana project that focused on rich, narrow, shallow-dipping quartz veins that occur within a broader mineralized system. This broader system, and other satellite zones on the property, have not been evaluated in systematic detail and will be the focus of IAMGOLD’s exploration program. IAMGOLD is planning to carry out an initial \$2.5 million drill program in the first year of the agreement that includes at least 6,500 metres of drilling. This initial program will be designed to test the extent and nature of gold mineralization in the halo of high grade veins that are currently being exploited at the Kalana Gold Mine, as well as other mineralized structures in the mine area.

#### **ABOUT AVNEL**

**Avnel is a gold mining producing company operating the Kalana Gold Mine and is engaged in the exploration of the Kalana exploitation permit and Fougadian exploration permit.**

**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 at the operating Kalana Gold Mine in south west Mali. Avnel also holds the Fougadian exploration permit covering an area of 150sq. km. which lies to the south of the main Kalana exploitation permit.**

#### **ABOUT IAMGOLD**

**IAMGOLD is a leading mid-tier gold mining company producing approximately one million ounces from 7 mines on 3 continents. They are focused on growth and have a pipeline of development and exploration projects. IAMGOLD is uniquely positioned, with a strong financial base, together with the management and operations expertise to execute on their aggressive growth objectives. IAMGOLD’s regions of focus include West Africa, the Guiana Shield of South America and Quebec, Canada. IAMGOLD continues to assess accretive acquisition opportunities with a strategic fit. IAMGOLD is listed on the Toronto Stock Exchange (“IMG”), the New York Stock Exchange (“IAG”) and the Botswana Stock Exchange.**

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### **Technical Information and Qualified Person/Quality Control Notes**

*The mineral resource estimates contained in this news release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”).*

*The mineral resource estimates contained in this news release have been based on the 2005 Snowden Technical Report prepared by G.M. Greenway, Principal Resource Geologist, and D.H. Kullmann, Principal Consultant Mining Engineer, of Snowden Mining Industry Consultants (Pty) Ltd. (“Snowden”), each of whom is a “Qualified Person” in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“National Instrument 43-101”). The authors of the 2005 Snowden Technical Report are independent of Avnel within the meaning of National Instrument 43-101.*

*Information in this release arising subsequent to the date of the 2005 Snowden Technical Report regarding the Kalana Gold Mine and exploration activity is provided by Avnel management under the supervision of Roy Meade (a director of the Company) who is a non-independent “Qualified Person” as such term is defined in National Instrument 43-101. Portions of the information are based on assumptions, qualifications and procedures which are not fully described herein.*

### **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.*