

Attention Business/Financial Editors:

Avnel Gold Mining Limited (AVK: TSX) announces first quarter 2009 results

Period ended March 31, 2009.

Results

ST. PETER PORT, Guernsey, May 13 /CNW Telbec/ - Avnel Gold Mining Limited ("Avnel" or the "Company") recorded a net loss of \$3,091,000 (\$0.04 per share) for the three months ended March 31, 2009 compared to net income of \$201,000 (\$0.03 per share) in the first quarter of 2008. Whilst revenue has increased by 18% from 2008, costs have increased by 59% due mainly to higher depreciation charges.

Revenue has increased to \$6,484,000 in the first quarter of 2009 from \$5,496,000 in the same quarter of 2008. Gold sales of 6,895 ounces increased in the first quarter of 2009 compared to 5,959 ounces sold in the first quarter of 2008. Average sales price increased from \$920 per ounce in the first quarter of 2008 to \$939 per ounce in the first quarter of 2009. Spot prices decreased slightly from last year but the hedge price more than offset the spot price decrease. Sales in the first quarter of 2009 included 4,000 ounces sold forward at \$960 per ounce.

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, 2009 and 2008 are as follows:

Mining Operations

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

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	Three months ended March 31	
	2009	2008
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Tonnes milled	12,783	10,290
Gold grade - grams per tonne (g/t)	13.06	17.06
Recovery rate - %	86.8	89.5
Gold production - ounces	4,663	5,050
Cost per tonne milled	\$285	\$301
Operating cost per ounce of gold sold	\$722	\$552
Operating cost per ounce of gold produced	\$782	\$614

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Gold production of 4,663 ounces in the first three months of 2009 was 21% below plan and 8% lower than the production in the first quarter of 2008. The lower gold production than plan was due to lower mill throughput (12%) and lower head grade (10%).

Tonnes milled in the first quarter of 2009 were 24% above the production achieved in the corresponding period of 2008. The increase in ore production is due to more mining areas now being available. Production was negatively impacted by mechanical problems with underground equipment and power outages

due to overloads. These problems were addressed during the quarter.

The gold grade of ore milled in the first quarter of 2009 was 23% lower than that obtained in the first quarter of 2008. The grade was 10% lower than the planned grade (14.5g/t) as the grades in Vein 17 were lower than forecast. Gold recovery of 86.8% in the first quarter of 2009 was in line with plan.

Development advanced 196 metres in the first quarter of 2009 compared to the planned 402 metres and 617 metres in the first quarter of 2008. Development was lower than plan due to delays caused by mechanical and electrical equipment problems.

Diamond drilling continued and 1,628 metres were completed. The drill holes were targeting Vein 19 and 19A between the 180m level and 220m level. The results show that the veins contain good grades over several narrow channel widths. When the mineralised zone is combined as a number of narrow quartz veins within the metasediments, the mineralised package extends over several metres but at lower grades. This mineralisation is not suitable for narrow vein mining with only gravity recovery as currently practised at Kalana but will be suitable for a mass mining method with a larger gold plant which is designed to recover all gold, not just free milling gravity gold.

Mine operating costs for the three months ended March 31, 2009 amounted to \$5,180,000, and included gold bullion stock movement of \$1,366,000 from the year end, compared with \$3,456,000 in the first quarter of 2008, 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 2009 was 24% greater than in the same quarter of 2008.

Cash operating costs of \$285 per tonne milled in the first quarter of 2009 were 5% lower than the cost per tonne in the corresponding period of 2008. Cash operating costs per ounce sold of \$722 per ounce of gold sold in the first quarter of 2009 increased significantly from \$552 per ounce in the same period for 2008. The main factor increasing the costs per ounce of gold sold is the decrease in grade and higher operating costs.

Kalana Main Project

Towards the end of 2008 a project was initiated to; (i) capture the very large geological database generated in paper form by SONAREM and SOGEMORK (two Malian state companies operating with financial and technical assistance from the former Soviet Union) into a digital database and (ii) re-interpret that data to assess the potential for gold mineralisation outside of the flat dipping quartz vein structures mapped and assayed by SONAREM and SOGEMORK. Underground mining has exposed numerous quartz vein, stockworks and mineralization in the metasediments that had not been incorporated by SONAREM and SOGEMORK into their geological model of the deposit.

Initial work on the exploration of the Kalana permit area was carried out by SONAREM and SOGEMORK, between 1967 and 1982. In this period, 815 diamond drill holes (totalling 81,524 m) were drilled focusing on an area adjacent to the Kalana village. This area eventually became the Kalana Gold Mine.

In a second phase of drilling between 1989 and 1991, a further 56 holes (totalling 16,000 m) were drilled by SOGEMORK to test the deeper parts of the Kalana Gold Mine. The result of the exploration drilling was a final drill spacing of approximately 50 m by 50 m. Sampling of core was generally only carried out where high gold grades were apparent (i.e. the gold bearing quartz veins) as the perception was that only the high grade free milling quartz veins could be profitably mined with the technology available in Mali at that time. The quartz veins and their immediate hanging and foot walls were analysed with the result that only a fraction of the core was analysed (likely being significantly less than 10%).

The majority of the drill holes were either vertical or sub vertical as the veins targeted were flat dipping. As such this drilling was not optimally oriented to intersect steeply dipping mineralized zones.

Borehole information was interpreted by SOGEMORK on northeast-southwest sections that are spaced at intervals of between 45 m and 50 m. In addition, there are longitudinal sections aligned northwest-southeast at intervals of approximately 60 m. The SOGEMORK exploration staff interpreted rock types, structure and the mineralized features, such as quartz veins and areas of

stockwork, on these sections in great detail.

SONAREM-SOGEMORK also conducted exploration within the Kalanako I prospect area that is approximately 3.0 km to the northeast of the Kalana Gold Mine. SONAREM-SOGEMORK reported a historical resource of 600,000 tonnes at a grade of 3.6 g/t Au. Snowden cannot comment on the reliability of this historical resource as information regarding the estimate was not available for Snowden's review.

From 1963 until the 1980s, intermittent exploration activities were carried out by SONAREM-SOGEMORK on grids in the southern part of the Kalana Permit area. Most of the work within these grids involved mapping, selective sampling, and ground geophysics. No drilling or systematic soil geochemistry was conducted in the southern grid areas.

The focus of the Kalana Main Project is to study the potential for disseminated and stockwork styles of gold mineralisation and identify the potential for the mining of the Kalana Gold Mine or parts of it either as an open pit or by underground bulk mining methods. The relatively widespread distribution of Au values outside of quartz veins does raise the prospect of a re-evaluation of Kalana resulting in the delineation of a more extensive mineralized body. For example, underground Borehole H1, drilled from 100 Level and inclined at an angle of 75 degrees towards the southwest, passed through a zone with an average grade of 1.86g/t over 174.311m (corrected vertical interval of 168.37m). The majority of the quartz veins in this core had intersection angles in the range 40-65 degrees.

The first step in this project, for which a budget of \$800,000 has been allocated, is to electronically compile the entirety of the database to enable a geological re-interpretation to be conducted using modern data management methods. The database compiled by SONAREM and SOGEMORK in respect of the Kalana underground mine alone is extensive and consists of in excess of 871 diamond drill holes, totalling 97,524 metres.

At this stage no mineral resources have been outlined (in excess of those set out in the 2005 Snowden Technical Report) that demonstrate economic quantities of mineralisation styles other than the flatly dipping quartz veins and stockworks.

It has been decided to focus on capturing data for a selected part of the Kalana body that may have near-surface bulk-minable mineral resource to initiate any drilling that might be required for the area identified by Snowden in 2004 as a potential open pit.

Liquidity and going concern

The Company has current liability debts of \$2.9 million due for repayment on 31 December 2009, and this debt repayment and continuing operations of the Company are dependent on its ability to generate future cash flows from its mining operations or obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on acceptable terms. Management are actively looking at re-financing options to address this issue and expect that financing options will be available to enable the Company to continue to operate as a going concern.

Additional information is available in the MD&A for the quarter ended March 31, 2009 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.

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.

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