SAINT PETER PORT, GUERNSEY--(Marketwired - Jun 11, 2015) - <u>Avnel Gold Mining Ltd.</u> ("Avnel" or the "Company") (TSX:AVK) is pleased to provide an update on its ongoing 30,000-metre ("m") drill program that is in support of a Definitive Feasibility Study ("DFS") for its Kalana Main project in south-western Mali, West Africa.

Kalana Main Drill Program Highlights:

- High-grade western extension of Vein 1 confirmed
- Infill and gap drilling encounters high grades over long intersections
- Significant northern extensions discovered
- Extension and infill drilling underway on the east and south-east portions of the deposit
- Updated mineral resource estimate expected in late September 2015

Exploration at Kalana Main Continues to Deliver Positive Results

"I am delighted to report that drilling near the pit shell limits of the Mineral Resource has encountered significant high-grade gold mineralisation in the western portion of the deposit and new mineralisation in the north. We are confident that this western drilling will support the conversion of a meaningful portion of our Inferred Resource into the measured and indicated categories. We also expect the drilling in the north to add new in-pit resources," stated Howard Miller, Avnel's Chairman and CEO.

"I am also pleased to report that infill and gap drilling continues to reinforce our confidence in our geological model. This drilling is expected to improve the continuity of mineralisation in the block model and result in an increase to the Mineral Resource. We look forward to completing the drill program in mid-July and updating the Mineral Resource estimate in late September. The updated Mineral Resource will form the basis for a Definitive Feasibility Study that is scheduled to be completed in the first quarter of next year."

The Company has drilled 130 holes over 21,308 m of the planned 30,000 m program. The results reported in this news release reflect assays from the first 10,899 m drilled and select composite results presented in the tables at the end of this news release. Additional assays are pending and will be reported in due course.

As detailed in the Company's March 26, 2015 news release, the current Mineral Resource for the Kalana Main deposit consists of an Indicated Resource of 2.11 million ounces of gold (14.5 million tonnes grading 4.52 grams of gold per tonne ("g/t Au") at a 0.9 g/t Au cut-off) and an Inferred Resource of 0.31 million ounces of gold (1.8 million ounces grading 5.28 g/t Au) at a 0.9 g/t Au cut-off).

For maps of the general layout of the drill program, the location of drill lines, and the location of individual drill holes, please refer to figures 1 through 3 near the end of this news release, respectively.

High-Grade Western Extension of Vein 1 Confirmed

Extension drilling near the western and south-western limits of the Mineral Resource along lines W600 and S200 has intercepted significant, shallow, high-grade gold mineralisation within the favourable saprolite horizon. This mineralisation is interpreted to be the up-dip extension of Vein 1, the most significant vein at Kalana Main.

Significant assays from the western extension drilling include:

• KA-SOM-DD158A 43.0 g/t Au over 3 m including 126.9 g/t Au over 1 m and 19.1 g/t Au over 2 m including 37.0 g/t Au over 1 m
 • KA-SOM-DD164 22.5 g/t Au over 4 m including 82.0 g/t Au over 1 m

A summary of the select composite assay results and drill hole information from this drilling are presented in tables 1 and 2, respectively.

The confirmation of the up-dip extension of Vein 1 is highly encouraging as it is expected to support the conversion of a significant portion of the Inferred Resource to the measured and indicated categories. The presence of mineralisation within the oxidised saprolite horizon is significant because it typically exhibits higher metallurgical recoveries and lower mining and processing costs relative to deeper transitional and fresh rock material. The shallow nature of this mineralisation is also significant as it may be available for mining in the early years of the mine plan and thus is likely positively impact a number of key performance indicators in the upcoming DFS.

The western extension drilling is complete and additional assays are pending. The preliminary analysis of the assays received suggests that the mineralisation in close proximity to the western limits of the pit shell has been sufficiently defined for the purposes of the DFS.

Infill and Gap Drilling Encounters High Grades over Long Intersections

In the central, west-central, and north-central portions of the deposit, two long infill lines have been drilled and assayed (lines W510 and W445) and three short infill lines have been drilled and partially assayed (lines W386, W340, and W280). Based upon assays received, infill and gap drilling across this complex part of the deposit is confirming the geological interpretation and model, while some results have significantly exceeded expectations. For example, KA-SOM-RC585 intersected 100.3 g/t Au over 10 m – one of the highest grade-thickness intervals drilled at Kalana Main so far.

The gold mineralisation along these lines typically consists of the primary, shallow dipping, high-grade quartz vein packages locally overprinted by abundant sub-vertical lower grade veins within north-south trending structural corridors. This drilling is expected to improve grade continuity in the block model for both the high-grade vein packages and the corridors of lower grade sub-vertical veins.

The overprinting of the sub-vertical veins on the vein packages is significant because it has resulted in longer composites of gold mineralisation compared to other portions of the deposit. Consequently, the Company will examine the potential for lower cost bulk mining in these portions of the deposit relative to the selective mining approach previously envisioned. The reassessment of portions of the deposit as bulk tonnage targets has the potential to positively impact the waste-to-ore ratio and other key performance indicators in the DFS.

Gap drilling near the southern limit of pit shell indicates that the mineralisation in this area has been sufficiently delineated for the purposes of the DFS.

Significant assays from these lines include:

• KA-SOM-RC574 3.8 g/t Au over 23 m including 12.7 g/t Au over 1 m including 20.6 g/t over 2 m • KA-SOM-RC575 2.1 g/t Au over 17 m and 8.9 g/t Au over 9 m including 64.1 g/t Au over 1 m • KA-SOM-RC584 11.6 g/t Au over 8 m including 73.0 g/t Au over 1 m and 34.5 g/t Au over 2 m including 62.4 g/t Au over 1 m • KA-SOM-RC585 100.3g/t Au over 10 m including 496.3 g/t Au over 2 m including 844.7 g/t Au over 1 m • KA-SOM-RC637 15.8 g/t Au over 4 m includina 57.0 g/t Au over 1 m • KA-SOM-RC644 5.9 g/t Au over 9 m including 20.4 g/t Au over 1 m and 3.5 g/t Au over 9 m including 20.9 g/t Au over 1 m • KA-SOM-RC644 7.6 g/t Au over 8 m

A summary of the select composite assay results and drill hole information from this drilling are presented in tables 3 through 9.

## Significant Northern Extensions Discovered

57.2 g/t Au over 1 m

including

Based upon assays received from drilling on lines W260, W270, W312, W360, W445, and W510, extension drilling in close proximity to the northern and north-eastern limits of the pit shell has discovered significant, shallow, gold mineralisation within the saprolite horizon. The gold mineralisation typically consists of the primary, shallow dipping, high-grade quartz vein packages locally overprinted by abundant sub-vertical lower grade veins contained within north-south trending structural corridors.

This drilling has further delineated areas of known mineralisation and is expected to result in localised northern extensions to

in-pit portions of the Mineral Resource. Additionally, this drilling has intersected significant intervals of shallow gold mineralisation on the northern end of line W510 that is outside of the Mineral Resource and extends beyond the limits of the pit shell. For example, KA-SOM-RC633 intersected 7.6 g/t Au over 3 m, 1.5 g/t Au over 7 m, and 2.1 g/t Au over 13 m.

The discovery of these northern and north-eastern extensions is highly encouraging as this portion of the block model does not contain any mineralisation. Consequently, the delineation of new mineralisation has the potential to positively impact the waste-to-ore ratio and other key performance indicators for the DFS. Accordingly, the number of extension and step-out holes in the northern portion of the deposit was increased to further delineate this mineralisation. This drilling is complete and assays are pending.

A summary of the select composite assay results and drill hole information from this drilling are presented in tables 10 and 11, respectively.

Extension and Infill Drilling Underway on the East and South-east Portions of the Deposit

Drilling at Kalana Main continues with three rigs and is focused on extension drilling to east of the deposit plus infill and extension drilling in south-east, as shown in Figure 1.

Assays from RCDD004, a broad step-out hole approximately 100 m beyond the eastern limit of the pit shell, have been received. This hole encountered carbonate and pyrite-bearing sub-vertical and shallow-dipping vein systems that do not contain significant gold mineralisation. This mineralisation does not appear to be related to the typical primary quartz-gold vein packages of the Kalana Main deposit.

Updated Mineral Resource to Lay the Foundation for the Definitive Feasibility Study

Following the completion of the drill program in mid-July, the Company expects to complete the next revision to the Mineral Resource estimate in late September 2015. This Mineral Resource is expected to form the basis for a Definitive Feasibility Study that is scheduled to be completed in the first quarter of 2016.

## QA/QC Programs

Exploration programs are conducted under the supervision of Dr. Olivier Féménias, EuroGeol 115, Avnel's Vice-President, Geology. Dr. Féménias, is a Qualified Person as defined by National Instrument 43-101 of the Canadian Securities Administrators. Strict sampling and QA/QC protocol are followed, including the insertion of standards, blanks, and duplicates on a regular basis. Sample intervals are usually 1.0m. Samples are prepared on site and sent to BIGS Global Burkina SARL ("BIGS Global") in Ouagadougou, Burkina Faso for analysis. Analytical method is a 2-kilogram bottle-roll cyanidation using a LeachWELL catalyst. The leach residues from all samples with a grade in excess of 0.3 g/t Au were prepared by BIGS Global and split to 50 grams and then analyzed by standard fire assay. Composites presented in the assay results tables include intervals equal or greater than 0.8 g/t over a 1-m minimum width with a maximum internal dilution of 2 m. No assays results were capped.

#### About Avnel Gold

Avnel Gold is a TSX-listed gold mining, exploration and development company with operations in south-western Mali in West Africa. The Company's focus is to develop its 80%-owned Kalana Main Project from a small underground mine into a low-cost, open pit mining operation. The Company is also advancing several nearby satellite deposits on the 387 km² 30-year Kalana Exploitation Permit.

On March 31, 2014, the Company reported a Mineral Resource estimate and the results of a Preliminary Economic Assessment ("PEA") prepared by Snowden Mining Industry Consultants. The PEA outlines a 14-year open-pit mine life at the Kalana Main Project recovering 1.46 million ounces of gold at an average "all-in sustaining cost" of \$577 per ounce with an initial capital cost of \$149 million. Utilising a gold price of \$1,110 per ounce and a 10% discount rate, the PEA reported a net present value ("NPV") of \$194 million after-tax and imputed interest, and an internal rate of return ("IRR") of 53% on a 100% project basis. The Company is now advancing the project to Definitive Feasibility, which is scheduled to be completed in the first quarter of 2016.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

# **CAUTIONARY STATEMENTS**

# Forward-Looking Statements

This news release includes certain "forward-looking statements". All statements, other than statements of historical fact, included in this release, including the future plans and objectives of Avnel Gold, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that forward-looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Avnel Gold's expectations include, among others, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as future prices of gold and silver, as well as those factors discussed in the section entitled "Risk Factors" in Avnel Gold's Annual Information Form, which is available on SEDAR (www.sedar.com). Although Avnel Gold has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## Preliminary Economic Assessment

The Kalana Main Preliminary Economic Assessment ("PEA") is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves; thus, there is no certainty that the economic benefits indicated in the PEA will be realised. The PEA is subject to a number of assumptions, including, among others that an Environmental and Social Impact Assessment ("ESIA") will be completed within the required timeline, all required permits will be obtained in a timely manner, the company will continue to have the support of local community, a constant regulatory environment and no material increase occurs to the estimated costs. The Kalana Main PEA is based upon an 8.54 million tonne Indicated Mineral Resource grading 4.53 g/t Au containing 1.25 million ounces and a 2.09 million tonne Inferred Mineral Resource grading 3.76 g/t Au containing 0.25 million ounces utilising a cut-off grade of 0.9 g/t Au. The PEA also includes 0.66 million tonnes of tailings grading 1.80 g/t Au that are classified as an Indicated Mineral Resource. Investors are cautioned not to assume that all or any portion of the Mineral Resource will ever be converted into a Proven and Probable Mineral Reserve. The NI 43-101-compliant technical report for the PEA and the Mineral Resource Estimate was prepared by Allan Earl, Executive Consultant, and Ivor Jones, Executive Consultant, of Snowden Mining Industry Consultants, each of whom are independent Qualified Persons, as defined in NI 43-101. The PEA was filed on SEDAR (www.sedar.com) on March 31, 2014.

#### **TECHNICAL INFORMATION**

Except where indicated, the disclosure contained or incorporated into this press release of an economic, scientific or technical nature, has been summarised or extracted from the *National Instrument 43*-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant technical report titled "Kalana Mineral Resource Estimate and Preliminary Economic Assessment – Mali, NI 43-101 Technical Report" dated effective 31 March 2014 (the "Kalana Technical Report"), prepared by Snowden Mining Industry Consultants Pty Ltd. ("Snowden"). The Kalana Technical Report was prepared by Mr. Allan Earl, Executive Consultant, and Mr. Ivor W.O. Jones, Executive Consultant, both of Snowden at that time. Both Mr. Allan Earl and Mr. Ivor W.O. Jones are independent "Qualified Persons" as such term is defined in NI 43-101. Readers should consult the Kalana Technical Report to obtain further particulars regarding the Kalana Project, the Kalana Main Project, and the underground Kalana Gold Mine. The Kalana Technical Report, which constitutes the current technical report for the Kalana Main Project, was filed on SEDAR on March 31, 2014 and is available for review at www.sedar.com.

Information of an economic, scientific, or technical nature in this press release regarding the March 2015 Mineral Resource estimates (the "March 2015 MRE"), as defined above, is summarised or extracted from reports prepared by Denny Jones Pty Ltd ("Denny Jones"). The March 2015 MRE has an effective date of March 19, 2015 and was prepared by Ivor W.O. Jones, Principal Consultant, at Denny Jones.

The Mineral Resources reported in this press release have been classified as Indicated or Inferred Mineral Resources within the meaning of the CIM *Definition Standards for Mineral Resources and Mineral Reserves* (November 2010) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council. The Mineral Resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent resource estimates. The Mineral Resource may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, and other factors. Grade has been estimated using Multiple Indicator Kriging ("MIK"). Actual recoveries of mineral products may differ from reported Mineral Reserves and Mineral Resources estimates due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category of Mineral Resource. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into Proven and Probable Mineral Reserves.

Information of a scientific or technical nature in this press release arising since the date of the Kalana Technical Report, excluding the September 2014 MRE (as defined in the Company's news release dated October 15, 2014) and March 2015 MRE, has been prepared under the supervision of Mr. Roy Meade, the Company's President and Dr. Olivier Femenias, the Company's Vice-President, Geology, both of whom are non-independent "Qualified Persons" as such term is defined in NI 43-101.

"Cash Operating Costs" is a non-GAAP and non-IFRS measure that does not have a standardised meaning prescribed by GAAP or IFRS and there may be some variation in the method of computation to other similarly titled measures of other gold mining companies. "Cash Operating Costs" is calculated as reported Production Costs, which includes costs such as mining, processing, administration, non-site costs (transport and refining of metals, and community and environmental), less royalties paid. These costs are then divided by the number of ounces sold to arrive at "Operating Cash Costs Per Ounce Sold".

"All-in Sustaining Cost Per Ounce" is a non-GAAP and non-IFRS measure that does not have a standardised meaning prescribed by GAAP or IFRS and there may be some variation in the method of computation to other similarly titled measures of other gold mining companies. In the PEA, Snowden calculates "All-in Sustaining Cost" is defined as mine site cash operating costs, which includes costs such as mining, processing, administration, but excludes non-site costs (transport and refining of metals and royalties), plus sustaining capital costs, which includes community and environmental costs, plus closure costs. These costs are then divided by the number of ounces produced to arrive at "All-in Sustaining Cost Per Ounce".

Table 1: Kalana Main Western Extension – Select Composite Intervals

Includes intervals >10 g/t.m, cut-off of 0.8 g/t Au, maximum 2m of internal dilution, no assays are capped

| Hole ID       | From (m) | To (m) | Interval (m) | Grade (g/t Au) | g/t.m | Comment           | Line |
|---------------|----------|--------|--------------|----------------|-------|-------------------|------|
| KA-SOM-RC545  | 65       | 66     | 1            | 28.5           | 28.5  |                   | S200 |
| KA-SOM-DD155  | 25       | 29     | 4            | 2.6            | 10.3  |                   | W600 |
|               | 45       | 47     | 2            | 12.4           | 24.9  | inc 1m @ 22.1g/t  | W600 |
| KA-SOM-DD156  | 88       | 91     | 3            | 3.4            | 10.2  |                   | W600 |
| KA-SOM-DD158A | 28       | 31     | 3            | 43.0           | 128.9 | inc 1m @ 126.9g/t | W600 |
|               | 158      | 160    | 2            | 19.1           | 38.2  | inc 1m @ 37.0g/t  | W600 |
| KA-SOM-DD163  | 21       | 22     | 1            | 10.5           | 10.5  |                   | W600 |
| KA-SOM-DD164  | 40       | 44     | 4            | 22.5           | 90.0  | inc 1m @ 82.0g/t  | W600 |
|               | 274      | 276    | 2            | 6.5            | 13.1  | inc 1m @ 11.5g/t  | W600 |
|               | 289      | 293    | 4            | 3.8            | 15.1  |                   | W600 |
| KA-SOM-RC545  | 65       | 66     | 1            | 28.5           | 28.5  |                   | S200 |

- (1) Due to the exploratory nature of this program and the variable orientations of the high-grade mineralized zones, the intersections presented herein may not necessarily represent the true width of mineralization
- (2) Numbers in bold represent intervals greater than 30 grams/tonne-metres (30 g/t-m)

Table 2: Kalana Main Western Extension – Drill Hole Data

| Hole ID       | Easting | Northing | Length | Dip | Azimuth | Type | Section |
|---------------|---------|----------|--------|-----|---------|------|---------|
| KA-SOM-DD155  | 587010  | 1193132  | 88.5   | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD156  | 587002  | 1193178  | 222.2  | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD157  | 586989  | 1193226  | 79.4   | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD158  | 586981  | 1193275  | 13.4   | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD158A | 586979  | 1193276  | 162.2  | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD159  | 586971  | 1193326  | 150.1  | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD160  | 586961  | 1193378  | 126    | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD161  | 586946  | 1193418  | 201    | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD162  | 586963  | 1193138  | 210    | -60 | 343.6   | DD   | W650    |
| KA-SOM-DD163  | 586948  | 1193186  | 46.3   | -60 | 343.6   | DD   | W650    |
| KA-SOM-DD164  | 587082  | 1192971  | 330    | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD165  | 587004  | 1193155  | 213    | -60 | 343.6   | DD   | W600    |
| KA-SOM-DD166  | 586997  | 1193206  | 176    | -60 | 343.6   | DD   | W600    |
| KA-SOM-RC545  | 587121  | 1192874  | 72     | -60 | 253.6   | RC   | S200    |

- (1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
- (2) RC = reverse circulation drill hole. DD = diamond drill hole

Table 3: Kalana Main Drilling Line W510 – Select Composite Intervals

Includes intervals >10 g/t.m, cut-off of 0.8 g/t Au, maximum 2m of internal dilution, no assays are capped

| Hole ID       | From (m) | To (m) | Interval (m) | Grade (g/t Au) | g/t.m Comment                        | Line   |
|---------------|----------|--------|--------------|----------------|--------------------------------------|--------|
| KA-SOM-RC567  | 87       | 97     | 10           | 3.2            | 31.9                                 | W510   |
| KA-SOM-RC568  | 80       | 93     | 13           | 2.0            | 26.2                                 | W510   |
| KA-SOM-RC569  | 88       | 96     | 8            | 24.5           | 195.7 inc 4m @ 45.0g/t & 2m @ 83.0g/ | t W510 |
|               | 160      | 163    | 3            | 3.8            | 11.5                                 | W510   |
| KA-SOM-RC570B | 79       | 87     | 8            | 1.8            | 14.1                                 | W510   |

|               | 106 | 115 | 9  | 1.4  | 12.3 |                                 | W510   |
|---------------|-----|-----|----|------|------|---------------------------------|--------|
| KA-SOM-RC571  | 23  | 27  | 4  | 13.2 | 52.9 | inc 1m @ 47.6g/t                | W510   |
|               | 30  | 36  | 6  | 7.4  | 44.1 | inc 2m @ 20.7g/t                | W510   |
|               | 97  | 100 | 3  | 4.0  | 12.1 |                                 | W510   |
| KA-SOM-RC572A | 87  | 90  | 3  | 10.9 | 32.8 | inc 1m @ 24.0g/t                | W510   |
| KA-SOM-RC573  | 109 | 117 | 8  | 3.8  | 30.3 | inc 1m @ 18.9g/t                | W510   |
| KA-SOM-RC574  | 43  | 66  | 23 | 3.8  | 88.4 | inc 1m @ 12.7g/t & 2m @ 20.6g/t | : W510 |
|               | 71  | 85  | 14 | 1.9  | 27.1 |                                 | W510   |
|               | 88  | 101 | 13 | 2.4  | 31.1 | inc 1m @ 15.2g/t                | W510   |
|               | 121 | 140 | 19 | 1.5  | 27.9 |                                 | W510   |
|               | 158 | 165 | 7  | 1.8  | 12.8 |                                 | W510   |
| KA-SOM-RC575  | 8   | 25  | 17 | 2.1  | 35.6 |                                 | W510   |
|               | 68  | 77  | 9  | 8.9  | 79.9 | inc 1m @ 64.1g/t                | W510   |
| KA-SOM-RC576  | 62  | 69  | 7  | 7.0  | 49.1 | inc 1m @ 45.9g/t                | W510   |
|               | 72  | 80  | 8  | 1.7  | 13.7 |                                 | W510   |
| KA-SOM-RC579  | 4   | 35  | 31 | 1.8  | 55.5 |                                 | W510   |
|               | 38  | 54  | 16 | 2.7  | 43.2 |                                 | W510   |
|               | 57  | 64  | 7  | 2.3  | 16.1 |                                 | W510   |
| KA-SOM-RC663  | 7   | 10  | 3  | 7.6  | 22.7 | inc 1m @ 21.0g/t                | W510   |
|               | 47  | 54  | 7  | 1.5  | 10.8 |                                 | W510   |
|               | 129 | 142 | 13 | 2.1  | 26.7 |                                 | W510   |

<sup>(1)</sup> Due to the exploratory nature of this program and the variable orientations of the high-grade mineralized zones, the intersections presented herein may not necessarily represent the true width of mineralization

Table 4: Kalana Main Drilling Line W510 – Drill Hole Data

| Hole ID       | Easting | Northing | Length | Dip | Azimuth | Туре | Section |
|---------------|---------|----------|--------|-----|---------|------|---------|
| KA-SOM-RC567  | 587101  | 1193162  | 196    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC568  | 587091  | 1193185  | 150    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC569  | 587088  | 1193208  | 195    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC570  | 587081  | 1193232  | 18     | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC570A | 587081  | 1193231  | 6      | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC570B | 587080  | 1193231  | 162    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC571  | 587074  | 1193256  | 195    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC572  | 587066  | 1193279  | 6      | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC572A | 587066  | 1193280  | 180    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC573  | 587060  | 1193303  | 165    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC574  | 587053  | 1193329  | 177    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC575  | 587046  | 1193353  | 194    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC576  | 587043  | 1193374  | 165    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC577  | 587033  | 1193401  | 125    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC577A | 587035  | 1193399  | 195    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC578  | 587025  | 1193424  | 180    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC579  | 587020  | 1193448  | 165    | -60 | 343.6   | RC   | W510    |
| KA-SOM-RC663  | 587004  | 1193495  | 147    | -60 | 343.6   | DD   | W510    |

<sup>(1)</sup> Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS

Table 5: Kalana Main Drilling Line W445 – Select Composite Intervals

Includes intervals >10 g/t.m, cut-off of 0.8 g/t Au, maximum 2m of internal dilution, no assays are capped

| Hole ID      | From (m) | To (m) | Interval (m) | Grade (g/t Au) | g/t.m  | Comment           | Line |
|--------------|----------|--------|--------------|----------------|--------|-------------------|------|
| KA-SOM-RC584 | 0        | 8      | 8            | 11.6           | 93.0   | inc 1m @ 73.0g/t  | W445 |
|              | 110      | 116    | 6            | 1.7            | 10.4   |                   | W445 |
|              | 127      | 129    | 2            | 34.5           | 69.0   | inc 1m @ 62.4g/t  | W445 |
| KA-SOM-RC585 | 52       | 62     | 10           | 100.3          | 1002.7 | inc 2m @ 496.3g/t | W445 |
|              | 173      | 175    | 2            | 12.4           | 24.8   | inc 1m @ 23.5g/t  | W445 |
| KA-SOM-RC586 | 11       | 13     | 2            | 11.5           | 22.9   | inc 1m @ 21.7g/t  | W445 |
|              | 101      | 105    | 4            | 3.9            | 15.6   | inc 1m @ 10.5g/t  | W445 |
| KA-SOM-RC587 | 167      | 181    | 14           | 1.4            | 19.8   |                   | W445 |
|              |          |        |              |                |        |                   |      |

<sup>(2)</sup> Numbers in bold represent intervals greater than 30 grams/tonne-metres (30 g/t-m)

<sup>(2)</sup> RC = reverse circulation drill hole, DD = diamond drill hole

|              | 193 | 201 | 8  | 1.3  | 10.4 |                  | W445 |
|--------------|-----|-----|----|------|------|------------------|------|
| KA-SOM-RC588 | 108 | 119 | 11 | 1.0  | 10.9 |                  | W445 |
| KA-SOM-RC589 | 8   | 9   | 1  | 24.2 | 24.2 |                  | W445 |
|              | 12  | 16  | 4  | 4.7  | 18.7 | inc 1m @ 17.1g/t | W445 |
|              | 75  | 79  | 4  | 11.2 | 44.9 | inc 1m @ 38.2g/t | W445 |
|              | 107 | 121 | 14 | 2.2  | 31.1 | inc 1m @ 14.6g/t | W445 |
| KA-SOM-RC590 | 33  | 55  | 22 | 1.3  | 28.8 |                  | W445 |
|              | 82  | 91  | 9  | 1.6  | 14.0 |                  | W445 |
|              | 99  | 107 | 8  | 1.3  | 10.0 |                  | W445 |
|              | 133 | 140 | 7  | 1.7  | 12.0 |                  | W445 |
| KA-SOM-RC591 | 6   | 15  | 9  | 1.7  | 15.1 |                  | W445 |
| KA-SOM-RC594 | 186 | 193 | 7  | 3.5  | 24.4 | inc 2m @ 10.5g/t | W445 |
| KA-SOM-RC595 | 33  | 45  | 12 | 1.2  | 14.6 |                  | W445 |
| KA-SOM-RC596 | 4   | 11  | 7  | 12.4 | 86.7 | inc 1m @ 80.7g/t | W445 |

<sup>(1)</sup> Due to the exploratory nature of this program and the variable orientations of the high-grade mineralized zones, the intersections presented herein may not necessarily represent the true width of mineralization

Table 6: Kalana Main Drilling Line W445 – Drill Hole Data

| Hole ID      | Easting | Northing | Length | Dip | Azimuth | Туре | Section |
|--------------|---------|----------|--------|-----|---------|------|---------|
| KA-SOM-RC552 | 587059  | 1193531  | 150    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC584 | 587154  | 1193207  | 195    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC585 | 587149  | 1193235  | 183    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC586 | 587141  | 1193254  | 183    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC587 | 587134  | 1193279  | 231    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC588 | 587128  | 1193303  | 207    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC589 | 587121  | 1193329  | 195    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC590 | 587114  | 1193352  | 204    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC591 | 587106  | 1193376  | 216    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC592 | 587099  | 1193399  | 220    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC593 | 587092  | 1193424  | 210    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC594 | 587089  | 1193446  | 200    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC595 | 587081  | 1193467  | 180    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC596 | 587071  | 1193494  | 162    | -60 | 343.6   | RC   | W445    |
| KA-SOM-RC629 | 587048  | 1193568  | 120    | -60 | 343.6   | DD   | W445    |
| KA-SOM-RC630 | 587045  | 1193606  | 90     | -60 | 343.6   | DD   | W445    |

<sup>(1)</sup> Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS

Table 7: Kalana Main Drilling Lines W280, W340, W386 – Select Composite Intervals Includes intervals >10 g/t.m, cut-off of 0.8 g/t Au, maximum 2m of internal dilution, no assays are capped

| -        |  | •   |   |  | •  |  |
|----------|--|---|---|--|--|--|
| From (m) | To (m)   | Interval (m)  | Grade (g/t Au)  | g/t.m  | Comment  | Line   |
| 40       | 53   | 13  | 2.2   | 28.6   |  | W340   |
| 68       | 73   | 5   | 2.3   | 11.5   |  | W340   |
| 115      | 119  | 4   | 15.8  | 63.1   | inc 1m @ 57.0g/t   | W340   |
| 169      | 174  | 5   | 5.8   | 29.0   |  | W340   |
| 0        | 8  | 8   | 2.1   | 17.0   |  | W280   |
| 60       | 70   | 10  | 1.5   | 15.3   |  | W280   |
| 45       | 51   | 6   | 2.8   | 16.8   |  | W386   |
| 91       | 94   | 3   | 3.7   | 11.1   |  | W386   |
| 23       | 31   | 8   | 2.5   | 19.8   |  | W386   |
| 37       | 46   | 9   | 5.9   | 53.3   | inc 2m @ 20.4g/t   | W386   |
| 59       | 68   | 9   | 3.5   | 31.9   | inc 1m @ 20.9g/t   | W386   |
| 100      | 108  | 8   | 7.6   | 60.7   | inc 1m @ 57.2g/t   | W386   |
| 116      | 125  | 9   | 1.5   | 13.1   |  | W386   |
|          | 40<br>68<br>115<br>169<br>0<br>60<br>45<br>91<br>23<br>37<br>59<br>100 | 40       53         68       73         115       119         169       174         0       8         60       70         45       51         91       94         23       31         37       46         59       68         100       108 | 40       53       13         68       73       5         115       119       4         169       174       5         0       8       8         60       70       10         45       51       6         91       94       3         23       31       8         37       46       9         59       68       9         100       108       8 | 40       53       13       2.2         68       73       5       2.3         115       119       4       15.8         169       174       5       5.8         0       8       8       2.1         60       70       10       1.5         45       51       6       2.8         91       94       3       3.7         23       31       8       2.5         37       46       9       5.9         59       68       9       3.5         100       108       8       7.6 | 40       53       13       2.2       28.6         68       73       5       2.3       11.5         115       119       4       15.8       63.1         169       174       5       5.8       29.0         0       8       8       2.1       17.0         60       70       10       1.5       15.3         45       51       6       2.8       16.8         91       94       3       3.7       11.1         23       31       8       2.5       19.8         37       46       9       5.9       53.3         59       68       9       3.5       31.9         100       108       8       7.6       60.7 | 40       53       13       2.2       28.6         68       73       5       2.3       11.5         115       119       4       15.8       63.1       inc 1m @ 57.0g/t         169       174       5       5.8       29.0         0       8       8       2.1       17.0         60       70       10       1.5       15.3         45       51       6       2.8       16.8         91       94       3       3.7       11.1         23       31       8       2.5       19.8         37       46       9       5.9       53.3       inc 2m @ 20.4g/t         59       68       9       3.5       31.9       inc 1m @ 20.9g/t         100       108       8       7.6       60.7       inc 1m @ 57.2g/t |

<sup>(1)</sup> Due to the exploratory nature of this program and the variable orientations of the high-grade mineralized zones, the intersections presented herein may not necessarily represent the true width of mineralization

<sup>(2)</sup> Numbers in bold represent intervals greater than 30 grams/tonne-metres (30 g/t-m)

<sup>(2)</sup> RC = reverse circulation drill hole, DD = diamond drill hole

<sup>(2)</sup> Numbers in bold represent intervals greater than 30 grams/tonne-metres (30 g/t-m)

| Hole ID      | Easting | Northing | Length | Dip   | Azimuth | Туре | Section |
|--------------|---------|----------|--------|-------|---------|------|---------|
| KA-SOM-RC637 | 587265  | 1193214  | 185    | -59.5 | 343.6   | RC   | W340    |
| KA-SOM-RC561 | 587185  | 1193477  | 192    | -60   | 343.6   | RC   | W340    |
| KA-SOM-RC640 | 587313  | 1193228  | 155    | -60   | 343.6   | RC   | W280    |
| KA-SOM-RC643 | 587231  | 1193170  | 190    | -60   | 343.6   | RC   | W386    |
| KA-SOM-RC644 | 587217  | 1193189  | 147    | -62   | 343 6   | RC   | W386    |

- (1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
- (2) RC = reverse circulation drill hole, DD = diamond drill hole

Table 9: Kalana Main Central & Southern Infill and Gap Drilling – Drill Hole Data

| Hole ID         | Easting | Northing | Length | Dip | Azimuth | Type  | Section |
|-----------------|---------|----------|--------|-----|---------|-------|---------|
| KA-SOM-RC539    | 587677  | 1192883  | 60     | -60 | 253.6   | RC    | S350    |
| KA-SOM-RC550    | 587203  | 1192847  | 78     | -60 | 253.6   | RC    | S250    |
| KA-SOM-RC597    | 587467  | 1192868  | 57     | -60 | 253.6   | RC    | S300    |
| KA-SOM-RC598    | 587516  | 1192886  | 84     | -60 | 253.6   | RC    | S300    |
| KA-SOM-RC599    | 587566  | 1192902  | 122    | -60 | 253.6   | RC    | S300    |
| KA-SOM-RC600    | 587610  | 1192912  | 150    | -59 | 253.6   | RC    | S300    |
| KA-SOM-RC601    | 587657  | 1192924  | 64     | -60 | 253.6   | RC    | S300    |
| KA-SOM-RC662    | 587180  | 1192839  | 63     | -60 | 253.6   | RC    | S250    |
| KA-SOM-RCDD003  | 587187  | 1193091  | 21     | -60 | 343.6   | RC-DD | N0      |
| KA-SOM-RCDD003A | 587188  | 1193092  | 291    | -60 | 343.6   | RC-DD | N0      |
| KA-SOM-RCDD004  | 588224  | 1193149  | 273    | -60 | 253.6   | RC-DD | S250    |

- (1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
- (2) RC = reverse circulation drill hole, DD = diamond drill hole

Table 10: Kalana Main Northern Extension – Select Composite Intervals

Includes intervals >10 g/t.m, cut-off of 0.8 g/t Au, maximum 2m of internal dilution, no assays are capped Hole ID From (m) To (m) Interval (m) Grade (g/t Au) g/t.m Comment KA-SOM-RC560A 160 162 17.9 W312 47 5.2 W270 KA-SOM-RC656 45 2 10.4 67 78 2.1 22.8 W312 KA-SOM-RC657 11 KA-SOM-RC658 120 130 10 1.5 14.7 W312

- (1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
- (2) RC = reverse circulation drill hole, DD = diamond drill hole

Table 11: Kalana Main Northern extension – Drill Hole Data

| Hole ID       | Easting | Northing | Length | Dip | Azimuth | Туре | Section |
|---------------|---------|----------|--------|-----|---------|------|---------|
| KA-SOM-RC540  | 587109  | 1193652  | 120    | -60 | 343.6   | RC   | W360    |
| KA-SOM-RC560  | 587191  | 1193554  | 18     | -60 | 343.6   | RC   | W312    |
| KA-SOM-RC560A | 587192  | 1193552  | 180    | -60 | 343.6   | RC   | W312    |
| KA-SOM-RC656  | 587220  | 1193627  | 171    | -60 | 343.6   | RC   | W260    |
| KA-SOM-RC657  | 587199  | 1193529  | 118    | -60 | 343.6   | RC   | W312    |
| KA-SOM-RC658  | 587184  | 1193575  | 178    | -60 | 343.6   | RC   | W312    |
| KA-SOM-RC659  | 587172  | 1193611  | 178    | -60 | 343.6   | RC   | W312    |
| KA-SOM-RC660  | 587124  | 1193604  | 147    | -60 | 343.6   | RC   | W360    |

- (1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
- (2) RC = reverse circulation drill hole, DD = diamond drill hole

# Figure 1 is available at the following link:

http://www.avnelgold.com/wp-content/uploads/News/2015/20150611-AVK-Figure01.pdf

# Figure 2 is available at the following link:

http://www.avnelgold.com/wp-content/uploads/News/2015/20150611-AVK-Figure02.pdf

### Figure 3 is available at the following link:

http://www.avnelgold.com/wp-content/uploads/News/2015/20150611-AVK-Figure03.pdf

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