ST. PETER PORT, GUERNSEY--(Marketwired - Oct. 5, 2015) - Avnel Gold Mining Ltd. ("Avnel" or the "Company") (TSX:AVK) is announcing an updated Mineral Resource estimate ("MRE") for the Kalana Main Project in south-western Mali. The Company is also announcing that the completion of the Definitive Feasibility Study ("DFS") and approval of the Environmental and Social Impact Assessment ("ESIA") are expected by the end of the first quarter of 2016.

Highlights:

- Measured plus Indicated ("M+I") Mineral Resource of 2.81 million ounces at a diluted grade of 2.85 g/t Au for the Kalana Main deposit at a gold price of $1,100 per ounce
- 46% of the M+I Mineral Resource classified as Measured
- DFS scheduled for completion by the end of the first quarter of 2016
- ESIA approval expected by the end of the first quarter of 2016

Kalana Main Diluted Mineral Resource Estimate Above a 0.9 g/t Au Cut-off Grade[(1), (2)]

Mineral Resource Classification	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Measured	13.6	2.92	1.28
Indicated	17.0	2.80	1.53
Measured + Indicated	30.6	2.85	2.81
Inferred	1.3	2.93	0.12

[(1)] - Mineral Resources are disclosed on a total project basis at 100%. Avnel owns an 80% equity interest in SOMIKA, the Malian company that owns the Kalana Exploitation Permit.

[(2)] - Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

"I am delighted to report that the M+I Mineral Resource for the Kalana Main deposit has increased to 2.81 million ounces at a diluted grade of 2.85 grams per tonne. With this new resource, the Kalana Main Project stands out as one of West Africa's highest grade, multi-million-ounce, open-pit development projects with significant exploration upside," stated Howard Miller, Avnel's Chairman and CEO.

"The increase to the Mineral Resource is a direct result of the drill program that we completed last quarter. In addition to demonstrating the continuity of mineralisation and improving confidence in the geological model, this drilling has upgraded a significant portion of the Inferred Mineral Resource and added to the Mineral Resource by defining new zones of mineralisation and extensions to known vein packages. This drilling also defined thick corridors of lower grade mineralisation that are being reassessed as part of the DFS to determine if they are amenable to a lower cost bulk mining approach.

"The DFS remains on track for completion by the end of first quarter of 2016 and we continue to expect for the updated Mineral Resource to positively impact several key performance indicators. For example, it is worth noting that within the M+I Mineral Resource that approximately 730,000 ounces are contained within the favourable saprolite and saprock horizons at an average diluted grade of 3.05 grams per tonne. This is expected to generate high gold production at lower mining and processing costs in the initial years of the DFS's mine plan.

"In parallel with the DFS, we are preparing a new ESIA that will satisfy the requirements of the Equator Principles with the intention of pursuing international financing. The public participation process for the ESIA is nearing completion and we plan to submit the draft ESIA for review by the Malian authorities in December. Following the review period, we will submit the final ESIA for approval in early 2016, which we anticipate receiving by the end of the first quarter of 2016. The Kalana Exploitation Permit was awarded to Avnel in 2003 and pursuant to our Foundation Agreement with the Government of Mali, the only significant approval required to develop new mines is an ESIA."

Kalana Main September 2015 Mineral Resource Estimate

Kalana Main In Situ Mineral Resource Estimate

The September 2015 MRE is based upon information from a total of 170,080 m of drilling from 989 holes. Information added to the database since the March 2015 MRE includes 28 diamond drill holes, 137 RC drill holes, and 16 combined RC-diamond drill holes that were drilled in 2015. A comparison between the September 2015 in situ MRE and the March 2015 in situ MRE for the Kalana Main deposit is presented in the following table:

Total in situ Mineral Resources for the Kalana Main Deposit
September 2015 MRE vs. March 2015 MRE[(1), (2), (3)]
(100% Project Basis Reported Above a 0.9 g/t Au Cut-off Grade)

Resource Category	September 2015 MRE(4) ($1,100/oz Au) Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	March 2015 MRE(5) ($1,100/oz Au) Tonnes (Mt)	Grade (g/t Au)	Ounces (Moz)	Change (%) Tonnes (%)	Grade (%)	Ounces (%)
Measured	09.0	4.24	1.23	-	-	-	-	-	-
Indicated	10.9	4.19	1.46	14.5	4.52	2.11	(25%	(7%)	(31%)
M + I	19.9	4.21	2.69	14.5	4.52	2.11	37%	(7%)	27%
Inferred	0.8	4.59	0.11	1.8	5.28	0.31	(56%)	(13%)	(65%)

(1) - Mineral Resources are disclosed on a total project basis at 100%. Avnel owns an 80% equity interest in SOMIKA, the Malian company that owns the Kalana Exploitation Permit.

(2) - Some figures in this table may not compute due to rounding and truncation.

(3) - Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(4) - A summary of the in situ September 2015 MRE is presented in Table 1 at the end of this news release.

(5) - A summary of the in situ March 2015 MRE is presented in Avnel's Annual Information Form ("AIF") for the year ended 2014.

The increase to the in situ Mineral Resource is largely attributable to the expansion of the pit shell as a result of the inclusion of new mineralisation that was defined in the 2015 drill program. In addition to demonstrating the continuity of mineralisation and improving confidence in the geological model, this drilling resulted in an increase to the Mineral Resource by defining new zones of mineralisation, extensions to known vein packages, and thick corridors of lower grade sub-vertical mineralisation, albeit often at a lower average grade than the core of the Kalana Main deposit.

For example, the inclusion of the thick corridors of lower grade mineralisation into the Mineral Resource contributed to a reduction in the average grade of the deposit relative to prior estimates. These corridors are typically defined by sub-vertical veins that overprint the primary, shallow dipping, high-grade quartz vein packages. This is significant because it has resulted in longer composites of mineralisation, albeit at a lower average grade, compared to other portions of the deposit. As a result, these corridors are being reassessed as potential bulk tonnage targets that may be amenable to lower cost bulk mining methods relative to the selective mining approach previously envisioned. Consequently, bulk mining in these portions of the deposit has the potential to offset the localised reductions in grade and positively impact the waste-to-ore ratio and other key performance indicators in the DFS.

The upgrading of a portion of the Inferred Mineral Resource also contributed to the increase in the M+I Mineral Resource. Furthermore, 46% of the M+I Resource is classified as Measured and demonstrates a significant increase to the overall confidence in the Mineral Resource.

An updated MRE statement for the Kalana Project is presented in Table 1 at the end of this news release. A map of the Kalana Exploitation Permit is presented in Figure 1.

Kalana Main Diluted Mineral Resource Estimate

An important contribution to the Mineral Resource estimation process since the Preliminary Economic Assessment for the Kalana Main Project (the "PEA") is an improvement to the estimation of dilution. The addition of estimated local dilution compared to the global dilution assumption of 50% utilised in the PEA has resulted in the exclusion of some lower grade and narrow mineralisation with the diluted grades falling below the 0.9 g/t Au cut-off grade. As detailed in the tables below, the pit-constrained diluted M+I Mineral Resource above the diluted cut-off grade is currently estimated at 30.6 million tonnes at a diluted grade of 2.85 g/t Au containing 2.81 million ounces with an estimated global dilution of 54%:

Kalana Main Measured Mineral Resource Dilution Estimate as at 30 September 2015(1), (2), (3)

	Resource Tonnes (Mt)	Resource Grade (g/t Au)	Internal Dilution (%)	External Dilution (%)	Grade Internal Dilution (g/t Au)	Grade External Dilution (g/t Au)	Diluted Tonnes (Mt)	Diluted Grade (g/t Au)	Contained Gold (Moz)
Measured	09.0	4.24	21	% 24	% 0.40	0.28	13.6	2.92	1.28
Indicated	10.9	4.19	19	% 31	% 0.40	0.31	17.0	2.80	1.53
M + I	19.9	4.21	20	% 28	% 0.40	0.30	30.6	2.85	2.81
Inferred	0.8	4.59	20	% 40	% 0.36	0.49	1.3	2.93	0.12

(1) - Mineral Resources are disclosed on a total project basis at 100% as at 30 September 2015. Avnel owns an 80% equity interest in SOMIKA, the Malian company that owns the Kalana Exploitation Permit.

(2) - Some figures in this table may not compute due to rounding and truncation.
(3) - Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

A breakdown of the diluted Mineral Resource by classification and oxidation state is presented in the following table:

Kalana Main Deposit Diluted Mineral Resource Above a 0.9 g/t Au Cut-off Grade(1), (2), (3)

	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
MEASURED MINERAL RESOURCE			
Saprolite	2.7	3.11	0.27
Saprock	1.0	3.63	0.12
Fresh	9.9	2.80	0.89
TOTAL	13.6	2.92	1.28
INDICATED MINERAL RESOURCE			
Saprolite	2.6	2.86	0.24
Saprock	1.1	2.80	0.10
Fresh	13.4	2.78	1.20
TOTAL	17.0	2.80	1.53
MEASURED + INDICATED MINERAL RESOURCE			
Saprolite	5.3	2.99	0.51
Saprock	2.1	3.21	0.22
Fresh	23.2	2.79	2.08
TOTAL M+I	30.6	2.85	2.81
INFERRED MINERAL RESOURCE			
Saprolite	0.16	2.51	0.01
Saprock	0.03	2.08	0.00
Fresh	1.11	3.02	0.11
TOTAL	1.30	2.93	0.12

(1) - Mineral Resources are disclosed on a total project basis at 100% as at 30 September 2015. Avnel owns an 80% equity interest in SOMIKA, the Malian company that owns the Kalana Exploitation Permit.
(2) - Some amounts in this table may not compute due to rounding and truncation.
(3) - Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Kalana Main deposit's diluted M+I Mineral Resource of 2.81 million ounces combined with the 0.04 million ounces of Indicated Mineral Resource from historic tailings (0.7 million tonnes at a grade of 1.75 g/t Au) results in a total M+I Mineral Resource of 2.85 million ounces (31.3 million diluted tonnes at a diluted grade of 2.82 g/t Au).

Mineral Resource Classification

All Mineral Resources are classified as Measured, Indicated, or Inferred Resources in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves, Definitions, and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council. Classification of parts of the Mineral Resource was applied based upon data quality, confidence in the geological interpretation, and grade and geological variability. Parts of the resource model classified as a part of the Mineral Resource exceed a diluted cut-off grade of 0.9 g/t Au and fall within a Whittle4X evaluation shell that was used to test for the reasonableness of economic extraction.

Classification was applied based on data quality, confidence in the geological interpretation, grade and geological variability, and confidence in the grade-tonnage estimates. Those parts of the resource model classified as a part of the Mineral Resource exceed a diluted cut-off grade of 0.9 g/t Au and are contained within a Whittle4X evaluation shell that was used to test for the reasonableness of economic extraction. Areas informed by drill data with a maximum spacing of approximately 35 m, where the geological and grade continuity have been well established, and were estimated with a minimum of eight samples have been classified as Measured Resource. Areas informed by 25 m by 50 m spaced drilling (approximate dimensions), where there is a reasonable level of confidence in the geological and grade estimate, and were estimated with a minimum of eight samples have been classified as Indicated Resource. The small amount of Inferred Resource is the remainder of the Mineral Resource estimate contained within the Whittle shell. Areas where there is no informing data, that contain lower grade material that is outside of the mineralised interpretation, or are not contained within the Whittle shell are not classified as a part of the Mineral

Resource.

Kalana Main DFS and ESIA On Track for the First Quarter of 2016

The Company continues to expect that the DFS for the Kalana Main Project will be completed by the end of the first quarter of 2016 as engineering related to the process plant, infrastructure, and mine design is well advanced.

In parallel with the DFS, the Company is preparing a new ESIA to satisfy the requirements of the Equator Principles with the intention of pursuing international financing for the construction of an open pit mine at Kalana Main. The ESIA is being prepared to conform to the requirements of the International Finance Corporation's Performance Standards, the World Bank Group's Environment, Health, and Safety guidelines, and other financial institutions that are signatories to the Equator Principles. The requisite baseline environmental, health and safety, and socio-economic studies for the ESIA were completed during the second quarter of 2015.

The formal Public Participation Process for the ESIA has commenced and is expected to conclude in December 2015. The draft ESIA and other associated documentation, including a draft Community Resettlement Action Plan for a portion of the Village of Kalana, is scheduled to be submitted to the Malian authorities in December 2015. Following the review of the draft ESIA, the Company expects to submit the final ESIA for approval in early 2016. Accordingly, the Company continues to anticipate receiving approval of the ESIA and a new Environmental and Mining Permit by the end of the first quarter of 2016. The Kalana Exploitation Permit was awarded to Avnel in 2003 with an initial term of 30 years and pursuant to the Company's Foundation Agreement with the Government of Mali, the only significant approval required to develop new mines is an ESIA.

As a result of these activities, the Kalana Main Project is expected to be sufficiently advanced for the Company to consider a construction decision during 2016, subject to receipt of a positive DFS, approval of the ESIA from the Malian authorities, and the availability of project financing.

Qualified Persons

The Mineral Resource estimates reported in this news release were prepared by Mr. Ivor Jones, (BSc. Hons), MSc, FAusIMM, CP Geo., of Denny Jones Pty Ltd., who is an independent Qualified Person as defined under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). All Mineral Resources reported have been prepared in accordance with the CIM Standards on Mineral Resources and Reserves, Definitions, and Guidelines. Mr. Jones has reviewed and approved the contents of this news release.

Mr. Allan Earl, Associateship in Mining Engineering, FAusIMM of Snowden Mining Industry Consultants is an independent Qualified Person as defined by NI 43-101. Mr. Earl has reviewed and approved the contents of this news release.

Mr. Roy Meade, BSc (Honours) Mining Engineering and Professional Engineer (UK), President of Avnel Gold Mining Ltd. is a Qualified Person as defined by NI 43-101. Mr. Meade has reviewed and approved the contents of this news release.

Dr. Olivier Féménias, MSc, PhD, EurGeol 1115, Vice-President, Geology for Avnel Gold Mining Ltd. is a Qualified Person as defined by NI 43-101. Dr. Féménias has reviewed and approved the contents of this news release.

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 km^2 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 "on-site 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

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.

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.

Non-IFRS Measures

"On-site 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 defines "All-in Sustaining Cost" 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 of expected production to arrive at "On-site All-in Sustaining Cost Per Ounce".

To view Figure 1: Kalana Exploitation Permit, please visit the following link:
www.avnelgold.com/wp-content/uploads/2015/10/20151005-AVK-NR-FIGURE01.pdf.

To view Table 1 in PDF format, please visit the following link:
www.avnelgold.com/wp-content/uploads/2015/10/20151005-AVK-NR-TABLE01.pdf.

Table 1: Kalana Project in situ Mineral Resources Statement (30 September 2015)

Kalana Project in situ Mineral Resource Statement
as at 30 September 2015
(100% Project Basis Reported at a 0.9 g/t Au cut-off utilising a $1,100/oz gold price)

	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
MEASURED MINERAL RESOURCES			
Kalana Main	9.0	4.24	1.23
Total	9.0	4.24	1.23
INDICATED MINERAL RESOURCES			
Kalana Main	10.9	4.19	1.47
Kalana Main Tailings	0.7	1.75	0.04

Total	11.6	4.04	1.51
MEASURED + INDICATED MINERAL RESOURCES			
Kalana Main	19.9	4.20	2.69
Kalana Main Tailings	0.7	1.75	0.04
Total	20.6	4.12	2.73
INFERRED MINERAL RESOURCES			
Kalana Main	00.8	4.59	0.11
Kalanako	00.4	5.33	0.07
Total	1.2	4.83	0.18

Notes on Mineral Resources:

1. The Kalana Main pit and the historic Kalana Main tailings Mineral Resource estimates are as at 30 September 2015. The Kalanako pit Mineral Resource estimate is as at 19 March 2015. Mineral Resources are disclosed on a total project basis at 100%. Avnel Gold owns an 80% equity interest in SOMIKA, the Malian company that holds the Kalana Exploitation Permit.
2. The determination of pit-constrained Mineral Resources at Kalana Main are based upon a gold price of $1,100 per ounce and a 1.2 million tonne per annum mining operation; pit slope angles ranging from 32 degrees in saprolite to 55 degrees in fresh rock; estimated bulk mining cost beginning at surface ranging from $2.26 to $2.57 per tonne mined (averaging $3.10 for the selected pit); estimated processing, grade control incremental ore costs, mining overheads, and G&A costs ranging from $22.38 to $30.32 per tonne of ore; and a range of gold recoveries averaging 94%.
3. Unless stated otherwise, tonnages are metric tonnes and are rounded to the closest "0.0" million tonnes, grades are rounded to the closest "0.00", and contained gold rounded to the closest "000" and are reported as troy ounces. All reported grades and tonnes are prior to dilution. Mineral Resources for the Kalana Main deposit are reported following depletion from historical production.
4. Mineral Resources for the Kalana Main and Kalanako deposits are reported above a cut-off grade of 0.9 g/t Au and were estimated by Ivor W.O. Jones, who is recognised as a Qualified Person for the purposes of NI 43-101. No cut-off has been applied to the tailings as all tailings are proposed to be treated. Grades were estimated using Multiple Indicator Kriging (MIK), with the exception of the historical tailings grade, which is estimated from historical production.
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant factors. These Mineral Resources are reported using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
6. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

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