Avnel Gold Mining Ltd. Kalana Project Update

22.02.2011 | CNW

- Excellent drill results at Kalana II
- Promising early drill results at Kalanako
- Drilling at Kalana I North indicates bulk mineable ore within the saprolite zone from surface to 100 metres
- Drilling at Kalana I South indicates near surface extensions to the east towards Kalana II domain

ST. PETER PORT, Feb. 22 - Avnel Gold Mining Limited (TSX: AVK) is pleased to provide a project update for the work programme on its 80% owned 387.4 km2 Kalana exploitation permit in Mali conducted by its joint venture partner IAMGOLD Corporation ("IAMGOLD") as operator of the exploration venture.

PROJECT MILESTONES ACHIEVED

- An initial drilling campaign was completed between February and August 2010. The campaign included 40 diamond drill holes totalling 9,821 metres and 11,646 metres of reverse circulation ("RC") drill holes

- A second drill campaign commenced in October 2010 and 3,343 metres of diamond drill holes (10 holes) and 16,701 metres of RC drill holes (155 holes) were completed by December 2010. Assays for the diamond drill holes are pending and still to be reported and some assays for the RC holes have been received as reported in this release

- Re-assaying of all diamond drill holes from the initial campaign has been completed. Re-assaying of approximately 40% of the RC drill holes from the initial campaign has also been completed. All re-assaying from the initial campaign will be completed by early March 2011

- Two diamond drill rigs commenced drilling at Kalana I South in mid January 2011 and 935 metres were drilled during January 2011

- A third rig (RC) is currently being mobilised and will commence drilling during March 2011

- An aggressive 2011 work programme has been agreed and is well under way

Highlights

During 2010 diamond drilling and RC drilling has shown the potential for bulk mining at Kalana. IAMGOLD has made significant progress in constructing a detailed and predictive geologic model on the Kalana project.

Mineralised packages up to 18 metres width have been confirmed by drilling and underground development in the northern area of the Kalana Mine (Kalana I North). North of the existing underground workings, vertical and flat dipping quartz veins have been intersected between surface and 100m elevation that may provide early access to bulk mineable ore within the saprolite zone. The initial results of RC drilling confirm the possibility of these vein packages being an important source of gold mineralisation for an open pit. A new mineralised package of steep, thin, closely spaced veins has been exposed by diamond drilling and underground development between 100m and 180m elevations.

Initial results from diamond and RC drill holes at Kalana II, east of the existing mine, are providing a better understanding of the potential mineralisation than previously interpreted. Since the January 31 2011 press release, results from some of the 2010 RC drilling at Kalana II have been received and show the excellent potential for mineralised packages that may lead to a major increase in the existing Mineral Resources.

The results from the drilling on Kalana I South show the extension of flat dipping mineralised packages extending towards the east to the Kalana II Domain over a west-east distance of approximately 300m and a strike distance of approximately 150m.

Initial results from the 2010 RC drill holes at Kalanako, a satellite prospect located 3 kilometres north east of Kalana, are very encouraging. The results indicate that at least two mineralised zones exist, striking north-west as indicated by the geochemical anomaly, artisanal workings geophysical structures.

Howard Miller, Avnel's CEO, referring to IAMGOLD's press release of January 20, 2011, says that "the results are very encouraging in establishing a detailed and predictive geologic model on the Kalana project and significant extensions of gold mineralisation beyond the high grade Kalana underground operation and on the Kalanako satellite zone very close to the Kalana mine. The 2011 programme is designed to develop a resource estimate that incorporates the known high grade veins and their discovered extensions with the potential bulk mineable material in the surrounding mineralised envelopes. The Kalanako satellite zone offers significant upside potential which will be further developed as part of the 2011 programme".

Results to February 7, 2011

Avnel issued a press release on January 31, 2011 and this update should be referenced to that document. The results reported on January 31, 2011 were from the first 40 diamond drill hole program from February to May 2010. The results reported below are from the RC drill program completed between May and December 2010.

The Kalana mine area is geologically defined by three structural domains based on the dip and strike of the quartz veins. These domains are known as Kalana I North, Kalana I South and Kalana II, located east of the current mine operations (See Figure 1). Within these domains, the predominant strike and direction of quartz vein packages are shown. In Kalana I North veins are dipping predominately south. This is repeated in the Kalana II domain. In the Kalana I South domain the predominant dip direction is east.

The results in this release should be read in conjunction with Figures 1-5 as well as Table 1 (assay results) and Table 2 (drill collar coordinates) posted on Avnel's website www.avnelgold.com. All results are expressed in g/t au.

KALANA II

The results from diamond drill holes were reported in Avnel's 31 January, 2011 press release. In summary the drilling confirmed the existence of an extensive mineralised zone to a depth of 100m below surface.

RC Drilling Results for Kalana II

Approximately 6000 metres of RC drill holes was completed between May and December 2010. Re-assay results have been received for all diamond drill holes drilled in the May-July 2010 campaign within the Kalana II structural domain and 95% of the RC re-assay results have been received from that campaign within the Kalana II structural area. A surface area of 300m by 400m was drilled with four south-north lines spaced 100m apart with drill collars at 50m spacing. Holes were drilled to 100m hole length at an inclination of 55 degrees. One drill line of 5 RC holes was initially completed drilled east-west to 100m hole length at an inclination of 55 degrees. Based on the observations of visible gold and early assay results, additional holes (RC092 to RC094, RC098 to RC102, RC104 to RC111) were drilled to expand information to the north and east.

More significant results include the following:

- RC057 intersected 16m at 9.88g/t from 39m. RC058 intersected 8m at 1.39g/t from 54m.

- RC063 intersected 2m at 3.76g/t from 15m. RC064 intersected 3m at 2.41g/t from 20m and 8m at 3.66g/t from 60m.

- RC066 intersected 9m at 2.05g/t from 11m. RC067 intersected 2m at 8.54g/t from 40m

- RC070 intersected 10m at 2.06g/t from 66m. RC071 intersected 5m at 1.74g/t from 26m. RC073 intersected 6m at 1.01g/t from 46m and 16m at 4.78g/t from 110m. RC075 intersected 11m at 1.97g/t from 85m.

- RC079 intersected 4m at 1.15g/t from 25m. RC080 intersected 9m at 1.81g/t from 74m. RC081 intersected 2m at 1.75g/t from 16m and 4m at 10.2g/t from 57m.

- RC092 intersected 1m at 4.51g/t from 14m and 6m at 1.38g/t from 89m. RC093 intersected 3m at 17.2g/t from 71m. RC094 intersected 2m at 6.46g/t from 54m. All of these holes were drilled from east to west.

- RC010 intersected 2m at 2.0g/t from surface and 6m at 2.28g/t from 18m. RC011 intersected 3m at 1.12g/t from 1m, 3m at 0.94g/t at 22m, 3m at 1.73g/t from 77m and 3m at 1.62g/t from 84m. RC014 intersected 4m

at 2.83g/t from 69m. All of these holes were drilled from east to west.

The results confirm the existence of an extensive mineralised zone down to 100m below surface over a surface area of 300m by 400m. Additional drilling will enable the mineralisation to be modelled. As shown in Figure 4, RC drill holes in the second drilling campaign have increased the density of drill data over Kalana II and two lines were added to test possible extensions to the east and north (see Figure 1).

KALANAKO

During 2010 138 RC drill holes were completed at Kalanako. A total of 14,460m were drilled as shown on Figure 5. Holes were drilled to an average of 105m hole length at an inclination of 55 degrees. Hole collars were spaced 50m apart. Assay results have been received for 45 holes.

Results from the north-western area display a northwest strike with 10m to 15m true thickness. The dip of the mineralised structure appears to be steep (80 to 85 degrees) and consistent with the different thicknesses of the composites. This mineralised structure was identified in the following holes, of which more significant results include the following:

RC035 intersected 9m at 1.18g/t from 86m; RC036 intersected 16m at 2.3g/t from 6m and 7m at 1.31g/t from 26m; RC045 intersected 1m at 16.7g/t from 4m; RC046 intersected 13m at 2.7g/t from 40m; RC048 intersected 4m at 3.53g/t from 63m; RC050 intersected 6m at 2.63g/t from 46m. These holes are on three drill lines spaced 50m apart giving a strike of approximately 100m.

Two holes, RC080 and RC081, were drilled to follow up the intersection reported on RC036. RCO80 was drilled from east to west and RC081 was drilled from west to east. RC080 intersected 26m at 5.28g/t from 64m and RC081 intersected 17m at 2.36g/t from 44m.

On the next drill line, 50m south, two good intersections were reported. RC058 intersected 7m at 1.58g/t from 73m and 4m at 4.69g/t from 85m. RC059 intersected 6m at 2.11g/t from 41m.

The first drill line started from the east targeting a zone of northwest striking artisanal workings. Good results were reported from 3 holes over a distance of 200m. RC003 intersected 8m at 1.37g/t from 92m. RC004 intersected 3m at 1.18g/t from 13m, 8m at 3.72g/t from 29m and 6m at 1.97g/t from 49m. RC007 intersected 19m at 1.83g/t from 63m.

KALANA I NORTH

The results from diamond drill holes were reported on in the 31 January 2011 press release. In summary the drilling confirmed the potential for:

- a 10m to 20m wide mineralised package known as Vein17 over a strike length of 120m to 250m

- the extention of mineralisation to the west of the known mineralisation for Kalana I North and the potential for both flat dipping and steep dipping mineralised packages between surface and the 180m level

- extensions of flat dipping quartz veins to surface north of the existing mine was confirmed by diamond drilling program, along with steep dipping quartz vein structures

RC Drilling Results for Kalana I North

Only one third of the assay results for the 12 RC holes drilled in Kalana I North have been received.

More significant results include the following:

An east-west drill line of four RC holes (RC-KA046, 047, 048 and 096) was completed along the same east-west line as DD033 to DD038. KA096 twinned DD037 and was drilled to a hole depth of 100m at an inclination of sixty degrees. 31m of this hole was mineralised with intersections of 12m at 0.96g/t from 19m, 7m at 0.77g/t from 38m and 8m at 7.05g/t from 67m and 2m at 4.14g/t from 87m. These mineralised zones were intersected in DD037. RC048 intersected 1m at 4.24g/t from 1m and 6m at 0.56g/t from 96m. No assay results are available for RC046 and RC047.

A second east west line of six RC holes (RC040 to RC045) was completed and assay results are awaited (see figure 2). Future drilling from south to north will test the continuity of the predominant north to south

dipping mineralisation characteristic of the Kalana I North domain.

RC095 was drilled from south to north, close to DD006, to a hole depth of 100m at an inclination of sixty degrees. RC095 intersected 6m at 0.46g/t from 17m, 7m at 1.69g/t from 63m and 3m at 0.67g/t from 73m. These mineralised packages were identified in DD006 (4m at 0.78/t from 18m, 5m at 1.60g/t from 63m and 3m at 0.67g/t from 73m).

KALANA I SOUTH

The results from diamond drill holes were reported in Avnel's January 31, 2011 press release. In summary the drilling confirmed the potential for the mineralised packages associated with Veins 1, 3, 4 and 10 to extend to the east from the existing mine area towards Kalana II domain.

RC Drilling Results for Kalana I South

18 RC drill holes were completed during 2011 and assay results have been received for 13 drill holes. The extension of flat dipping, mineralised packages to the east towards Kalana II domain were intersected, showing the potential for an open pit running west-east over a dip distance of approximately 300m and a strike distance of approximately 150m.

More significant results include the following:

An east-west drill line of 10 RC holes (RC032 to RC039; RC082 to RC083) was completed during 2010 (see Figure 3). The holes were drilled from east to west dipping at an inclination of 55 degrees with a drill hole length of 100m. Drill collars were spaced at 50m. Assay results have been received for RC032, RC033, RC034, RC082 and RC083. RC032 intersected 6m at 6.71g/t from 94m. RC033 intersected 9m at 6.4g/t from 63m. RC034 intersected 2m at 1.44g/t from 34m and 11m at 99.6g/t from 43m (including 2m at 540g/t from 45m). RC082 intersected 17m at 1.09g/t from 16m. RC083 intersected 7m at 1.54g/t from 114m. These holes show the extensions of Veins 1, 2, 4 and 10 dipping to the east.

South of the drill line above, 8 RC holes (RC084 to RC091) were drilled during 2010 (see Figure 3). The holes were drilled from east to west dipping at an inclination of 55 degrees with a drill hole length of 100m. Drill collars were spaced at 50m. Assay results have been received for all 8 drill holes. RC085 intersected 4m at 2.82g/t from 16m. RC088 intersected 1m at 2.45g/t from 42m. RC090 intersected 1m at 8.56g/t from 10m. RC091 was mineralised over 23m. It intersected 5m at 0.61g/t from 15m, 9m at 0.32g/t from 44m, 4m at 1.88g/t from 84m and 5m at 1.21g/t from 94m. Additional drilling is required to understand the mineralisation in the southern area of the Kalana I South domain.

Re-assaying of diamond drill core and RC drill samples

On October 18, 2010 Avnel issued a press release reporting it had been informed by IAMGOLD that sample preparation protocols had not been consistently followed by SGS, the independent laboratory engaged in the programme, during parts of 2010. The issue was intensively investigated by SGS and IAMGOLD and remedial action has been initiated and close to completion. Investigations revealed that some sample material for pulverisation was lost during the sample preparation phase, and that drill samples were found discarded on the project site. IAMGOLD report that the QA/QC protocols were properly applied to pulverised samples, but that the loss of sample material distorted the representivity of those samples. The investigation and re-assay data indicates that visible gold may have been selectively removed from mineralised zones in some instances before assaying.

On January 31, 2011 Avnel issued a press release reporting on the investigations and the action taken.

All of the diamond drill re-assays were received in January 2011 and 40% of the RC sample re-assays were received by early February 2011. All RC sample re-assays are expected to be received by end February 2011.

The QA/QC data for the re-assay material provide comfort for the results received, and the overall accuracy of the assays received is good. The correlation of assay values to mineralised zones identified by visible gold, quartz veins and geological observations has improved with the re-assays.

ABOUT THE COMPANY

Avnel is a producing gold mining company operating the Kalana Mine in south-west Mali and is engaged in

the exploration of the 30-year Kalana Exploitation Permit encompassing 387.4 sq km around and to the south of the Kalana Mine.

Avnel's principal asset is an 80% interest in Société d'Exploitation des Mines d'Or de Kalana ("SOMIKA") which is the holder of the Kalana Exploitation Permit. The Kalana Project is situated in south west Mali. The 387.4 sq km exploitation permit has a NI-43-101 compliant resource of 1,020,000 oz (at an average grade of 10.4 g/t) in the measured and indicated category, and 249,000 oz (at an average grade of 3.4 g/t) in the inferred category. Avnel also holds the Fougadian Exploration Permit covering an area of 75 sq. km. to the south of the main Kalana Exploitation Permit area and abutting it. Avnel and IAMGOLD Corporation have entered into a joint venture arrangements agreement whereby IAMGOLD has the option to acquire up to an initial 51% interest in Avnel's interest in the Fougadian Exploration Permit and in an additional 75 sq. kms to the south of Avnel's Fougadian Exploration Permit area for which IAMGOLD has applied for an exploration permit.

Technical Information and Qualified Person/Quality Control Notes

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.

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