



Avnel Gold Announces Warrant Exercise Raising C\$13.1m

ST. PETER PORT, GUERNSEY, January 18, 2017 - Avnel Gold Mining Ltd. (TSX:AVK) ("Avnel" or the "Company") is pleased to announce that 65,263,700 \$0.20 warrants have been exercised raising C\$13.1 million. The warrants were issued on July 17, 2014 related to a Private Placement. Each \$0.20 warrant gave the holder the right to purchase an ordinary share of the Company.

As of the date above the Company has issued share capital of 375,193,300 shares.

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 30, 2016, the Company reported a Mineral Reserve estimate and the results of a Definitive Feasibility Study ("DFS") prepared by Snowden Mining Industry Consultants.

The DFS outlines an 18-year open-pit mine life at the Kalana Main Project recovering 1.82 million ounces of gold at an average "all-in sustaining cost" of \$595 per ounce over the first five years of steady state production and \$784 per ounce over the life of mine with an initial capital cost of \$196 million.

Utilising a gold price of \$1,200 per ounce and a 5% discount rate, the DFS reported a net present value ("NPV") of \$257 million after-tax and imputed interest, and an internal rate of return ("IRR") of 38% on a 100% project basis.

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