

PRESS RELEASE



AVNEL GOLD MINING LIMITED ANNOUNCES C\$12 MILLION BOUGHT DEAL FINANCING

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St. Peter Port, Guernsey (April 16, 2015) – Avnel Gold Mining Limited (the “Company” or “Avnel”) (TSX: AVK) is pleased to announce today that it has entered into an agreement with BMO Capital Markets and Cormark Securities Inc., as co-lead underwriters, under which the underwriters have agreed to buy, on bought deal basis, 42,900,000 units (the “Units”) in the capital of the Company at a price of \$0.28 per Unit for aggregate gross proceeds of \$12,012,000 (the “Offering”).

Each Unit will consist of one ordinary share in the capital of the Company (each an “Ordinary Share” and collectively, “Ordinary Shares”) and one-half of one share purchase warrant (“Warrants”). Each whole Warrant will be exercisable into one Ordinary Share at an exercise price of C\$0.40 per share for a period of 24 months after the closing date. In addition, the Company has granted the Underwriters an option, exercisable at the initial Offering price, in whole or in part, at any time for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering to cover over-allotments, if any. In the event that the Over-Allotment Option is exercised in its entirety, the aggregate gross proceeds of the Offering shall be approximately C\$13,813,800.

The Company intends to use the net proceeds of the Offering to advance the Company's Kalana gold project in Mali and for working capital and general corporate purposes.

The Offering is expected to close on or about May 7, 2015 and is subject to the Company receiving all necessary regulatory approvals.

The Units will be offered by way of a short form prospectus in all of the provinces of Canada, other than the province of Québec, and may also be offered by way of private placement in the United States.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT AVNEL

Avnel is a TSX-listed gold mining, exploration and development company with operations in southwestern 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. Similarly, utilising a 5% discount rate and a \$1,300 per ounce gold price, the NPV was reported as \$424 million and an IRR of 74%. The Company is now advancing the project to Definitive Feasibility, which is scheduled to be completed in the first quarter of 2016.

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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.

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 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.

Non-IFRS Measures

"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".

"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".