Avnel Intersects 29.7 g/t Au over 11 m and 22.6 g/t over 15 m in drilling at Kalanako

SAINT PETER PORT, GUERNSEY, March 9, 2017 – Avnel Gold Mining Limited ("Avnel" or the "Company") (TSX: AVK) is pleased to report new results of the 2016 Kalanako drilling programme with the receipt of the remainder of outstanding assays. The drill programme objective is to provide additional information in support of an updated Mineral Resource Estimate for its Kalanako prospect in south-western Mali, West Africa.

Located less than 3 km northeast of the Kalana Main Project proposed in the Kalana OFS-DFS, the Kalanako prospect is an old area of traditional mining activity with a March 2015 Mineral Resource Estimate of an Inferred in-situ resource of **0.07 Moz (0.38 Mt grading 5.55 g/t Au)**. The high-grade and close proximity makes Kalanako our highest priority advanced stage exploration target with the potential to become a high-grade open-pit supplemental satellite deposit delivering additional ore to the Kalana Main operation, which could help increase average gold production or extend the mine life.

Kalanako Drill Programme Highlights:

- All assay have been received, updated geological model is in progress.
- Infill drilling continues to deliver high grades over long intersections in the South-East and in the North-West Zones
- New High-grade gold mineralization intersected in the Central and Central South and Central North Zones outside the main resource pit shells

Howard Miller, Avnel's Chairman and CEO said, "I am pleased to report that we have now received all the assays from the 2016 drilling programme successfully concluded at the Kalanako deposit. These new results from the remainder of our 2016 drill program at Kalanako are very encouraging as being essentially located outside the existing resource pits. Infill results in the North West should support the conversion of a large part of this inferred resource into Measured and indicated categories. The geological model is being updated and we are now looking forward to a new Mineral Resource Estimate in mid-April."

New Exploration Results from Kalanako Deliver Positive Results

The results reported in this news release reflect the second and third batches of assays from 60 holes over 6,447m from a total programme of 82 holes over 8,635m. These second and third batches represent nearly three-quarter of the total drill programme (holes RC226 to RC285). Maps of the general layout of the drill program, the location of individual drill holes and significant intersections is provided in figures 1 (A & B) and 2 near the end of this news release. Drill hole locations for the entire drill program, IAMGOLD's 2010 to 2012 and Avnel's 2016 drill programmes, and geophysical gradient IP are respectively presented in figures 2 and 3. Select composite assays and related drill hole information is presented in the tables at the end of this news release.

Results reported in the existing MRE pit shells (North West and South East Zones) are encouraging and should support the conversion of a large part of the Inferred Resource into Measured or Indicated categories. High grade results reported outside the existing MRE pit shells (Central and Central South and Central North Zones) provide a significant opportunity to improve known mineralisation into large portions of the bock model that were not classified as resources.

Significant intervals (>25g/t.m) from the South-East Zone (inside the main 2015 resources pit shells):

- KO-SOM-RC230 6.7 g/t Au over 13 m
  Including *73.8 g/t Au over 1 m*
  and 2.4 g/t Au over 29 m
  Including *11.6 g/t Au over 1 m and 13.9 g/t Au over 1 m*

- KO-SOM-RC231 1.2 g/t Au over 39 m
  and 7.3 g/t Au over 4 m
  Including *20.6 g/t Au over 1 m*

- KO-SOM-RC232 2.3 g/t Au over 11 m

Significant intervals (>25g/t.m) from the Central South and Central Zones (outside the main 2015 resources pit shells):

- KO-SOM-RC236 14.6 g/t Au over 2 m

- KO-SOM-RC239 4.5 g/t Au over 6 m
  Including *20.6 g/t Au over 1 m*

- KO-SOM-RC240 29.7 g/t Au over 11 m
  Including *154 g/t Au over 2 m*

Significant intervals (>25g/t.m) from the Central North Zone (outside the main 2015 resources pit shells):

- KO-SOM-RC253 22.6 g/t Au over 15 m
  Including *155 g/t Au over 2 m*

- KO-SOM-RC254 1.6 g/t Au over 20 m
  Including *12.1 g/t Au over 1 m*

Significant intervals (>25g/t.m) from the North West Zone (inside the main 2015 resources pit shells):

- KO-SOM-RC261 3.7 g/t Au over 25 m
  Including *30.7 g/t Au over 2 m*

- KO-SOM-RC262 3.9 g/t Au over 15 m
  Including *12.4 g/t Au over 1 m*
  and 15.4 g/t Au over 6 m
  Including *38.0 g/t Au over 2 m*

- KO-SOM-RC264 6.0 g/t Au over 27 m
  Including *15.6 g/t Au over 8 m*

- KO-SOM-RC265 2.0 g/t Au over 15 m
  Including *13.4 g/t Au over 1 m*

Significant intervals (>25g/t.m) from the South Zone (outside the main 2015 resources pit shells):

- KO-SOM-RC272 1.1 g/t Au over 25 m

A summary of select composite assays and drill hole information from the 2016 drilling campaign are presented in tables 1 and 2, respectively.

Regional Exploration:

As Avnel commences construction on Kalana Main we will be accelerating our regional geology programme to progress our portfolio of exploration targets. To date, only 3 of our 30 targets have been partially drill tested, all successful. Exploration work is being conducted to evaluate and rank our premier targets.

A first group of 4 prospects (Solomanina, Tonda, Bandiala, Kodialani which is the NW extension of Kalanako) have been selected for an advanced geochemical survey. Sampling grids (5 x 5 or 10 x 10m) have been implemented to sample the rejected quartz and tailing domes produced by historical and traditional mining activities in order to localise the ore shoot inside these large prospects. 1,100 grab samples and 3,500 tailing dome samples have been collected at Solomanina, Tonda and Bandiala; 320 grab samples and 1,070 tailing dome samples from Solomanina have been assayed and QAQC validated. First results are encouraging.

Exploration and QA/QC Programmes

Exploration programmes are conducted under the supervision of Dr. Olivier Féménias, EurGeol 1115, 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 as well as laboratory visit by senior geologists. Sample intervals are usually 1.0 m. Samples are prepared on site and collected by BIGS Global Burkina SARL ("BIGS Global") and transported to Ouagadougou in 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 0.1 g/t Au were prepared by BIGS Global and split to 50 grams and then analysed by standard Fire Assay. Composites presented in the assay results tables include intervals with a grade x thickness equal or greater than 5 grams of gold per tonne x metre ("g/t.m") with a minimum grade of 0.65 g/t Au over a 1 m minimum width with a maximum internal dilution of 3 m. No assay result was capped. Due to the exploratory nature of this programme the true width of the mineralisation has not been reported. The intersections presented herein may not represent the true width of mineralisation.

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, high-grade, open pit mining operation. The Company is also advancing exploration on several nearby satellite deposits on the 387 km^2 30-year Kalana Exploitation Permit.

On January 9, 2017, the Company reported the results of an Optimized Feasibility Study ("OFS") prepared by Snowden Mining Industry Consultants. The OFS 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 $561 per ounce over the first five years of steady state production and $730 per ounce over the life of mine with an initial capital cost of $171 million. Utilising a gold price of $1,200 per ounce and a 5% discount rate, the DFS reported a net present value ("NPV") of $321 million after-tax and imputed interest, and an internal rate of return ("IRR") of 50% on a 100% project basis.

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.

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 most recently completed 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.

Technical Information

Except where indicated, the disclosure contained or incorporated into this news 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("NI43-101") compliant technical report titled "NI43-101 Technical Report on Kalana Main Project", dated effective 30 March 2016 (the "Kalana Technical Report"), prepared by Snowden Mining Industry Consultants (Pty) Ltd. ("Snowden"), Denny Jones Ltd ("Denny Jones"), DRA Projects SA (Pty) Ltd ("DRA") and Epoch Resources (Pty) Ltd ("Epoch Resources"). The Kalana Technical Report was prepared under the supervision of Mr. Allan Earl (Executive Consultant – Mining Engineering of Snowden), Mr. Ivor Jones (Executive Consultant – Applied Geosciences of Denny Jones (Pty) Limited), Mr. Glenn Bezuidenhout (Principal Process Engineer of DRA), Mr. Sybrand van der Spuy (Civil Engineer of DRA), Mr. Guy Wiid (Principal Consultant –Tailings and Waste Rock Facilities of Epoch Resources), and Mr. Stephanus (Fanie) Coetzee (Principal Consultant –Environmental and Social of Epoch Resources), all of whom 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, which contains the Kalana Main Project, the Kalana Mine, plus a number of mineral exploration prospects. The Company filed the Kalana Technical Report in support of the Feasibility Study and the ESIA on SEDAR on May 6, 2016.

Table 1A: Kalanako Drilling (batch 2) – Select Composite Intervals

Includes intervals >5 g/t.m, cut-off of 0.65 g/t Au, maximum 3m of internal dilution, no assay are capped

Drill Hole ID	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Metal (g/t.m)	Comment	Zone
KO-SOM-RC226						*No significant interval*	Central S
KO-SOM-RC227						*No significant interval*	Central S
KO-SOM-RC228	88	92	4	2.41	9.7		Central S
KO-SOM-RC229	37	44	7	3.15	22.0	inc 1m@15.1g/t	SE
KO-SOM-RC230	**79**	**92**	**13**	**6.73**	**87.5**	inc 1m@73.8g/t	SE
KO-SOM-RC230	**97**	**126**	**29**	**2.36**	**68.4**	inc 1m@11.6g/t and 1m@13.9g/t	SE
-	58	71	13	1.70	22.1		SE
KO-SOM-RC231	**35**	**74**	**39**	**1.24**	**48.5**		SE
-	**80**	**84**	**4**	**7.34**	**29.3**	inc 1m@20.6g/t	SE
-	12	13	1	7.99	8.0		SE
KO-SOM-RC232	**94**	**105**	**11**	**2.26**	**24.9**	inc 1m@12.1g/t	SE
-	38	47	9	0.78	7.0		SE
KO-SOM-RC233	74	78	4	3.52	14.1	inc 1m@10.1g/t	SE
KO-SOM-RC234	41	50	9	0.79	7.1	inc 4m@0.27g/t	SE
-	7	17	10	0.63	6.3	inc 4m@0.31g/t	SE
KO-SOM-RC235	6	9	3	2.73	8.2		SE
KO-SOM-RC236	**46**	**48**	**2**	**14.62**	**29.2**		Central S
KO-SOM-RC237						*No significant interval*	Central
KO-SOM-RC238	76	80	4	1.41	5.6		Central
KO-SOM-RC239	**37**	**43**	**6**	**4.49**	**26.9**	inc 1m@20.6g/t	Central
-	23	30	7	1.93	13.5		Central
KO-SOM-RC240	**5**	**16**	**11**	**29.73**	**327.0**	inc 2m@154g/t	Central
KO-SOM-RC241						*No significant interval*	Central
KO-SOM-RC242	96	106	10	1.37	13.7		Central
KO-SOM-RC242	110	120	10	0.64	6.4		Central
KO-SOM-RC243	53	77	24	0.75	17.9		Central
KO-SOM-RC244						*No significant interval*	Central
KO-SOM-RC245						*No significant interval*	Central
KO-SOM-RC246	64	74	10	1.16	11.6		Central
-	95	96	1	5.22	5.2		Central
KO-SOM-RC247						*No significant interval*	Central
KO-SOM-RC248						*No significant interval*	Central
KO-SOM-RC249						*No significant interval*	Central
KO-SOM-RC250						*No significant interval*	Central
KO-SOM-RC251						*No significant interval*	Central N

(1) Due to the exploratory nature of this programme the true width of the mineralisation has not been reported, the intersections presented herein may not represent the true width of mineralisation.
(2) Numbers in bold represent intervals greater than 30 grams/tonne x metres (25 g/t.m)
(3) "BOH" denotes that the hole began in mineralisation
(4) "EOH" denotes that the hole ended in mineralisation

Table 1B: Kalanako Drilling (batch 3) – Select Composite Intervals

Includes intervals >5 g/t.m, cut-off of 0.65 g/t Au, maximum 3m of internal dilution, no assay are capped

Drill Hole ID	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Metal (g/t.m)	Comment	Zone
KO-SOM-RC252						*No significant interval*	Central N
KO-SOM-RC253	**59**	**74**	**15**	**22.57**	**338.6**	inc 2m@155.4g/t	Central N
KO-SOM-RC254	**6**	**26**	**20**	**1.61**	**32.1**	inc 1m@12.1g/t	Central N
-	51	62	11	1.82	20.0		Central N
KO-SOM-RC255	46	51	5	2.14	10.7		Central N
KO-SOM-RC256						*No significant interval*	Central N
KO-SOM-RC257	96	107	11	1.23	13.6		Central N
KO-SOM-RC258	45	56	11	1.11	12.2		Central N
KO-SOM-RC259						*No significant interval*	Central N
KO-SOM-RC260						*No significant interval*	Central N
KO-SOM-RC261	**98**	**123**	**25**	**3.72**	**92.9**	inc 2m@30.7g/t	NW
KO-SOM-RC262	**9**	**24**	**15**	**3.94**	**59.0**	inc 1m@12.4g/t	NW
-	**39**	**45**	**6**	**15.40**	**92.4**	inc 2m@38.0g/t	NW
KO-SOM-RC263	115	124	9	1.39	12.5		NW
KO-SOM-RC264	**23**	**50**	**27**	**5.99**	**161.6**	inc 8m@15.6g/t	NW
KO-SOM-RC265	**115**	**130**	**15**	**1.96**	**29.3**	inc 1m@13.4g/t	NW
KO-SOM-RC266						*No significant interval*	NW
KO-SOM-RC267						*No significant interval*	NW
KO-SOM-RC268						*No significant interval*	NW
KO-SOM-RC269	73	80	7	0.84	5.9		South
KO-SOM-RC270	20	25	5	4.74	23.7	inc 1m@18.6g/t	South
KO-SOM-RC271						*No significant interval*	South
KO-SOM-RC272	**35**	**60**	**25**	**1.13**	**28.3**		South
KO-SOM-RC273						*No significant interval*	South
KO-SOM-RC274						*No significant interval*	South
KO-SOM-RC275						*No significant interval*	SE
KO-SOM-RC276						*No significant interval*	SE
KO-SOM-RC277						*No significant interval*	SE
KO-SOM-RC278						*No significant interval*	SE
KO-SOM-RC279						*No significant interval*	SE
KO-SOM-RC280						*No significant interval*	SE
KO-SOM-RC281						*No significant interval*	SE
KO-SOM-RC282	80	85	5	1.22	6.1		SE
KO-SOM-RC283						No significant interval	SE
KO-SOM-RC284						No significant interval	SE
KO-SOM-RC285						No significant interval	SE

(1) Due to the exploratory nature of this programme the true width of the mineralisation has not been reported, the intersections presented herein may not represent the true width of mineralisation.
(2) Numbers in bold represent intervals greater than 30 grams/tonne x metres (25 g/t.m)
(3) "BOH" denotes that the hole began in mineralisation
(4) "EOH" denotes that the hole ended in mineralisation

Table 2A: Kalanako (batch 2) – Drill Hole Collar

Hole ID	Easting (1)	Northing (1)	Length (m)	Dip (°)	Azimuth (°)	Type (2)	Line
KO-SOM-RC226	589714	1194950	67	-55	265	RCH	4950
KO-SOM-RC227	589754	1194950	75	-55	265	RCH	4950
KO-SOM-RC228	589779	1194904	103	-55	265	RCH	4900
KO-SOM-RC229	589825	1194950	145	-55	265	RCH	4950
KO-SOM-RC230	589949	1194925	130	-55	265	RCH	4925
KO-SOM-RC231	589923	1194925	97	-55	265	RCH	4925
KO-SOM-RC232	589900	1194932	140	-55	263	RCH	4925
KO-SOM-RC233	589874	1194934	115	-55	260	RCH	4925
KO-SOM-RC234	589847	1194931	135	-55	263	RCH	4925
KO-SOM-RC235	589833	1194933	115	-55	265	RCH	4925
KO-SOM-RC236	589699	1194975	78	-55	265	RCH	4975
KO-SOM-RC237	589650	1194975	145	-55	265	RCH	4975
KO-SOM-RC238	589624	1194975	105	-55	265	RCH	4975
KO-SOM-RC239	589599	1194988	60	-55	244	RCH	5000
KO-SOM-RC240	589579	1194999	93	-55	265	RCH	5000
KO-SOM-RC241	589626	1195025	99	-55	265	RCH	5025
KO-SOM-RC242	589599	1195024	160	-55	265	RCH	5025
KO-SOM-RC243	589574	1195025	120	-55	265	RCH	5025
KO-SOM-RC244	589549	1195025	81	-55	265	RCH	5025
KO-SOM-RC245	589524	1195024	50	-55	265	RCH	5025
KO-SOM-RC246	589550	1195049	117	-55	265	RCH	5050
KO-SOM-RC247	589524	1195077	130	-55	265	RCH	5075
KO-SOM-RC248	589502	1195081	93	-55	265	RCH	5075
KO-SOM-RC249	589499	1195082	63	-51	265	RCH	5075
KO-SOM-RC250	589485	1195049	69	-55	265	RCH	5050
KO-SOM-RC251	589433	1195049	91	-55	265	RCH	5050

(1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
(2) RCH = reverse circulation drill hole

Table 2B: Kalanako (batch 3) – Drill Hole Collar

Hole ID	Easting (1)	Northing (1)	Length (m)	Dip (°)	Azimuth (°)	Type (2)	Line
KO-SOM-RC252	589450	1195074	129	-55	265	RCH	5075
KO-SOM-RC253	589421	1195073	111	-55	265	RCH	5075
KO-SOM-RC254	589399	1195075	91	-59	265	RCH	5075
KO-SOM-RC255	589349	1195125	103	-55	265	RCH	5125
KO-SOM-RC256	589329	1195150	81	-59	265	RCH	5150
KO-SOM-RC257	589348	1195175	117	-55	265	RCH	5175
KO-SOM-RC258	589298	1195175	69	-55	265	RCH	5175
KO-SOM-RC259	589254	1195175	105	-55	265	RCH	5175
KO-SOM-RC260	589231	1195176	111	-55	265	RCH	5175
KO-SOM-RC261	589225	1195225	175	-55	265	RCH	5225
KO-SOM-RC262	589174	1195225	105	-55	265	RCH	5225
KO-SOM-RC263	589175	1195275	165	-55	265	RCH	5275
KO-SOM-RC264	589124	1195275	105	-55	265	RCH	5275
KO-SOM-RC265	589114	1195325	141	-55	265	RCH	5325
KO-SOM-RC266	589073	1195325	105	-55	265	RCH	5325
KO-SOM-RC267	589035	1195376	105	-55	265	RCH	5375
KO-SOM-RC268	589010	1195373	81	-55	265	RCH	5375
KO-SOM-RC269	589750	1194825	111	-55	265	RCH	4825
KO-SOM-RC270	589725	1194825	75	-55	265	RCH	4825
KO-SOM-RC271	589790	1194775	105	-55	265	RCH	4775
KO-SOM-RC272	589764	1194775	91	-55	265	RCH	4775
KO-SOM-RC273	589824	1194725	126	-55	265	RCH	4725
KO-SOM-RC274	589849	1194701	129	-55	265	RCH	4700
KO-SOM-RC275	590218	1194675	159	-55	265	RCH	4675
KO-SOM-RC276	590193	1194675	138	-55	265	RCH	4675
KO-SOM-RC277	590174	1194724	105	-55	265	RCH	4725
KO-SOM-RC278	590148	1194728	135	-55	265	RCH	4725
KO-SOM-RC279	590099	1194725	75	-55	265	RCH	4725
KO-SOM-RC280	590074	1194750	93	-55	265	RCH	4750
KO-SOM-RC281	589805	1194975	75	-55	265	RCH	4975
KO-SOM-RC282	589829	1194975	111	-55	265	RCH	4975
KO-SOM-RC283	589855	1194975	146	-55	265	RCH	4975
KO-SOM-RC284	589904	1194975	147	-55	265	RCH	4975
KO-SOM-RC285	589775	1195000	51	-55	265	RCH	5000

(1) Collar coordinates in UTM Zone 29 WGS84 surveyed using a DGPS
(2) RCH = reverse circulation drill hole

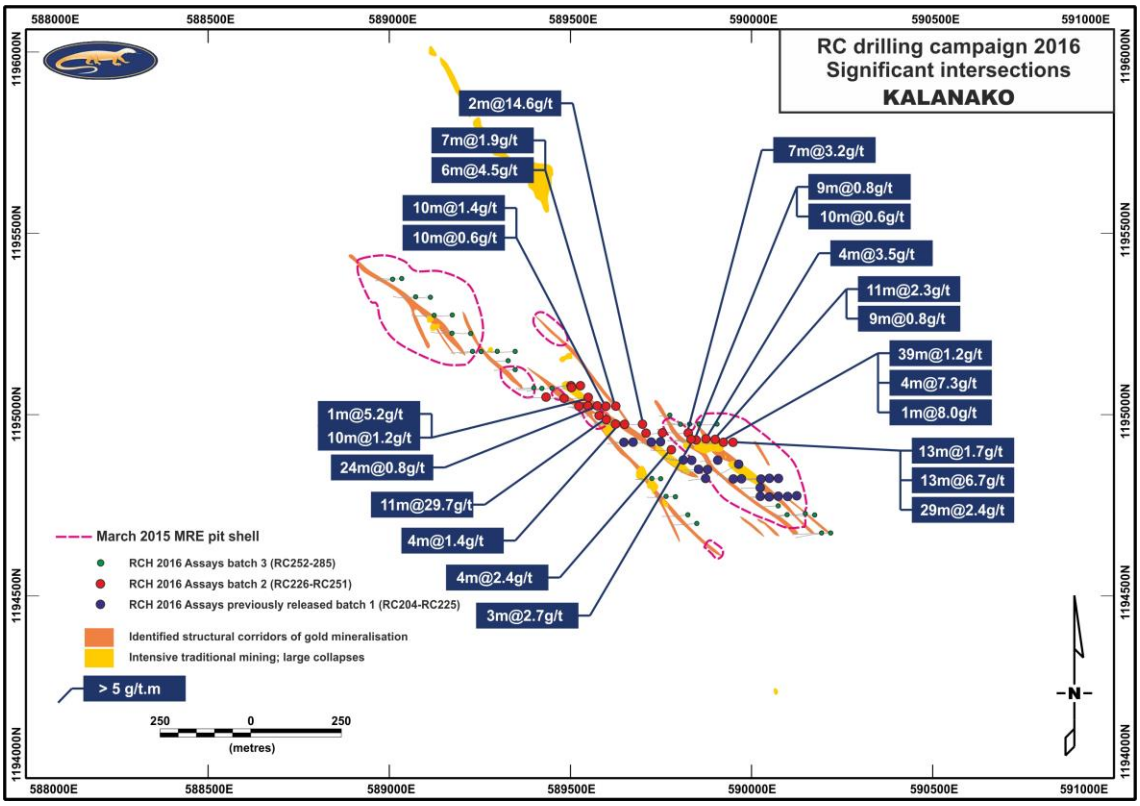

Figure 1A: Kalanako mineralisations, 2016 campaign and batch 2 significant intercepts (>5g/t.m).

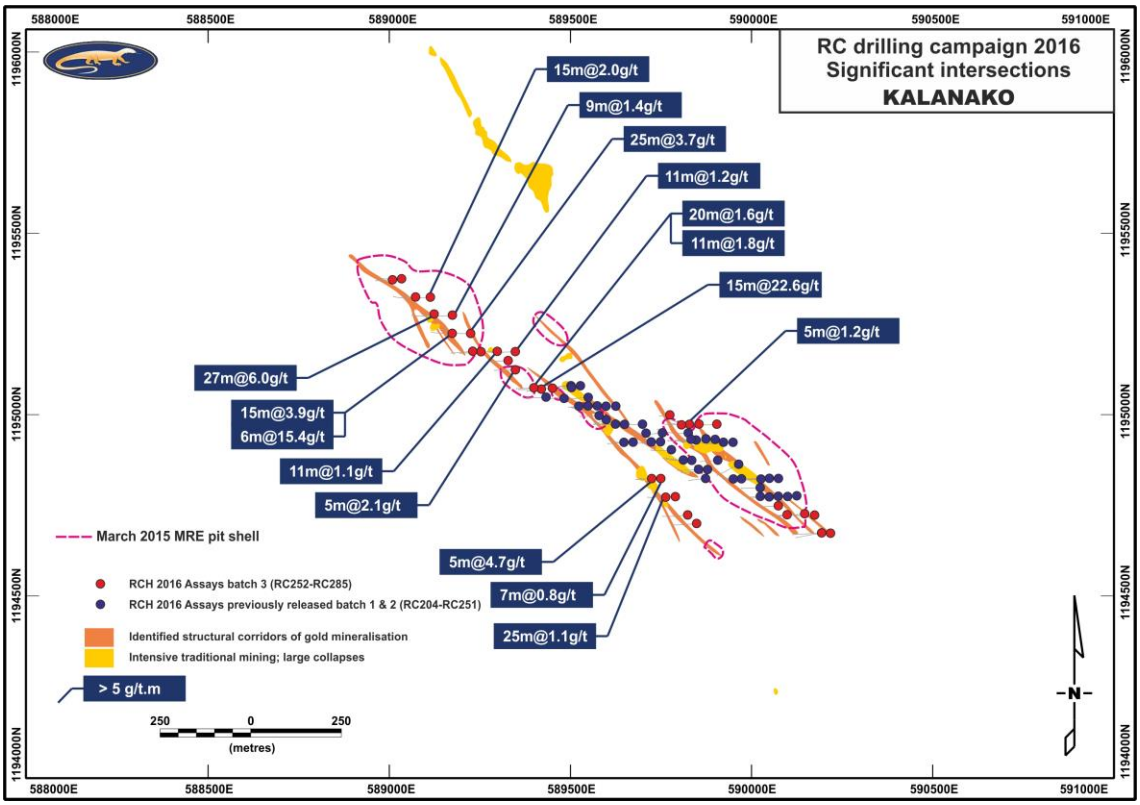

Figure 1B: Kalanako mineralisations, 2016 campaign and batch 2 significant intercepts (>5g/t.m).

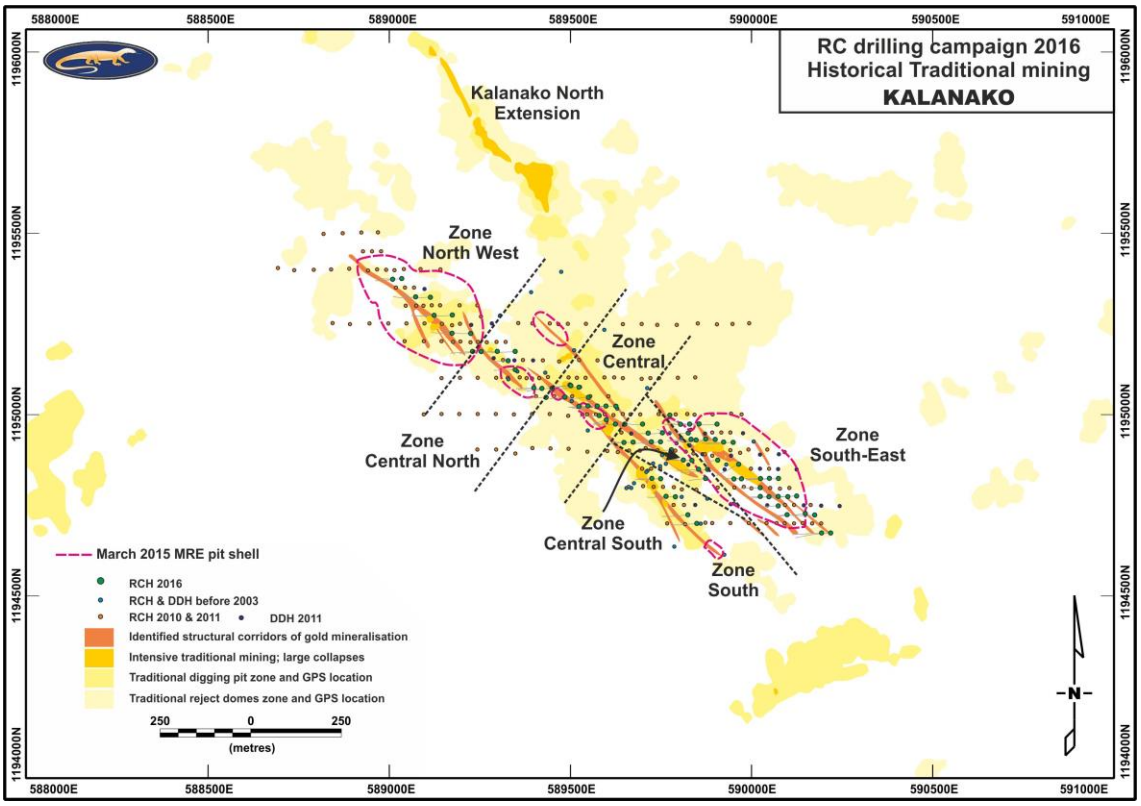

Figure 2: Kalanako mineralisations, drilling pattern , maiden resource pit shells and Historical Traditional mining footprint.

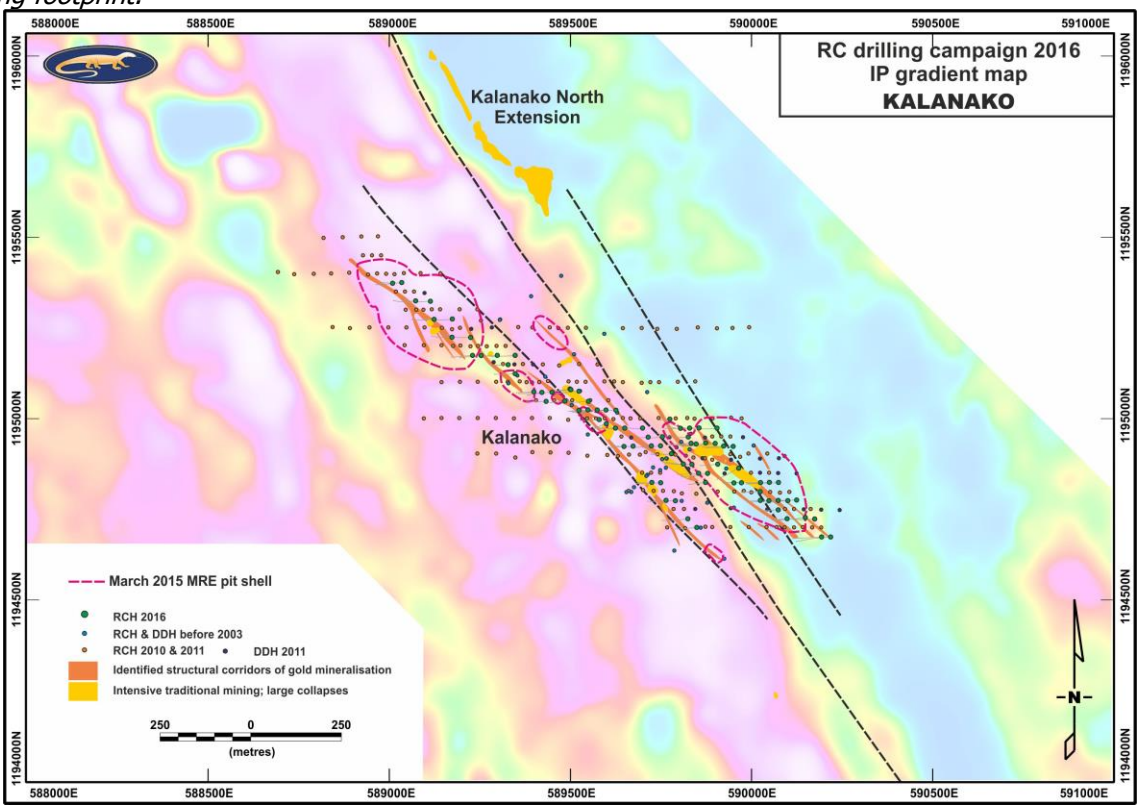

Figure 3: Induced Polarisation (IP) gradient map highlighting the structural location of the Kalanako prospect and the area drilled to date.