

# Developing the Kalana Open-Pit Mine

2014 Precious Metals Summit Switzerland  
November 4 - 5, 2014



**Avnel Gold**  
MINING LIMITED

**TSX: AVK**

# Cautionary Notes

## Forward Looking Statements:

This presentation contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities legislation, concerning the business, operations and financial performance and condition of the Company. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may constitute forward-looking statements. Forward-looking statements contained in this presentation include statements with respect to: expectations regarding the potential mineralization and geological merits of the Company's projects, including the Kalana Project and the Fougadian Project; the Company's goals regarding development of the Kalana Project and regarding raising capital and conducting further exploration and development of its projects; the Company's proposed plans for advancing its projects, including drilling and other exploration work; expectations regarding the continuity of mineral deposits, including in relation to adjacent or other properties (including producing or past-producing properties) that are in the vicinity or same region as the Company's projects; expectations regarding any environmental issues that may affect planned or future exploitation and exploration programs; mineral exploitation and exploration program cost estimates; statements with respect to the future price of gold and other metals; timing and completion of geological studies and reports; receipt and timing of the Kalana Project exploitation permits and other third party approvals; and government regulation of mineral exploration and development operations in Mali. Estimates of mineral resources and mineral reserves may also constitute forward-looking statements and information in that they represent estimates of mineralization that may be encountered if mining is commenced, and/or economic viability of such mineralization.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements or forward-looking information, including but not limited to: (i) political developments in Mali, whether generally or in respect of the mining industry specifically, which may not be consistent with the Company's current expectations, (ii) the Company's expectations in connection with the projects, exploration programs and development plans discussed herein being met, (iii) the ability to develop the Kalana Project on a basis consistent with the Company's current expectations, (iv) changes in project parameters as the Kalana Project continues to be advanced, (v) changes in project development, construction, production and commissioning time frames, (vi) the possibility of project cost overruns or unanticipated costs and expenses, (vii) unanticipated results of future studies, (viii) costs and timing of the development of new deposits, (ix) success of exploration and drilling activities, (x) risks and uncertainties relating to the interpretation of drill results and other exploration data, and the geology, grade and continuity of mineral deposits, (xi) the possibility that future exploration results will not be consistent with the Company's expectations, (xii) risks related to metallurgical characteristics of mineralization contained within the Company's properties which may not be fully determined, (xiii) potential delays in completion of geological reports (including preliminary economic assessments, pre-feasibility and feasibility studies), or that the contents of geological reports will not be consistent with the Company's expectations, (xiv) permitting time lines, (xv) government regulation and the risk of government expropriation or nationalization of mining operations, (xvi) unanticipated environmental risks, (xvii) the continued employment of key employees, and (xviii) the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" in the Company's annual information form which is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

These forward-looking statements are based on certain assumptions which the Company believes are reasonable, including that: all necessary government and third party permits, approvals and licenses necessary for the planned exploration and development of the Company's mineral projects will be obtained in a timely manner and on terms acceptable to the Company; key management and directors will continue to be retained by the Company; any proposed future development of the Company's mineral projects will be viable operationally and economically and proceed as expected; and the other assumptions listed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" in the Company's annual information form which is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Assumptions relating to the potential mineralization on the Company's Kalana Project are discussed in the most recent technical reports in respect thereof which are available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update any of the forward-looking statements or forward-looking information in this presentation, except as required by applicable law.

## Disclosure of Mineral Reserves and Mineral Resources:

Information concerning the properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws. National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Please refer to the Company's annual information form and other continuous disclosure documents available at [www.sedar.com](http://www.sedar.com), for this detailed information, which is subject to the qualifications and notes set forth therein.

## Qualified Person:

Information in this presentation regarding the Kalana Gold Project and exploration activities is provided by Avnel management under the supervision of Dr. Olivier Féménias, Vice-President Geology and Mr. Roy Meade, Executive Director, Operations, whom are all non-independent "Qualified Persons" as such term is defined in National Instrument 43-101. Portions of the information are based on assumptions, qualifications and procedures which may not be fully described herein.

**Cautionary Note to U.S. Readers Concerning Mineral Reserve and Resource Estimates:** This presentation uses the terms "Mineral Resource", "Inferred Mineral Resource", and "Probable Mineral Reserves", Canadian mining terms as defined in accordance with NI 43-101 under guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council. While the use of such terms is recognized and required by Canadian regulators, the United States Securities and Exchange Commission does not recognize such terms. For further information, refer to the Company's website at [www.avnelgold.com](http://www.avnelgold.com).

All dollar amounts are in US dollars, unless otherwise indicated. References to "\$C" are to Canadian dollars.

# Investment Highlights

## The Kalana Project is Unique

- Unique 30-year Exploitation Permit
- High-grade Indicated Resource (1.90M oz grading 4.57 g/t Au)
- Expected to be a low-cost, high-grade open-pit mine

## Robust PEA Economics at \$1,110/oz Au

- Low pre-production capex of \$149 million
- After-tax NPV<sub>10%</sub> of \$206 million & IRR of 59% at \$1,110/oz Au
- Total Cash Costs of \$589/oz over 14-year mine life

## Pre-Feasibility Study Underway

- Snowden, Ivor Jones, DRA Global and Epoch retained
- Updated Diluted Mineral Resource (1.96M oz grading 3.1 g/t Au)
- PFS scheduled to be completed near the end of 2014

## Significant Exploration Upside

- Only a small portion of the 387 km<sup>2</sup> Kalana Permit explored
- Kalana Main is open for expansion laterally and at depth
- Two advanced prospects ready for more drilling

# Financial Position and Capital Structure

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<b>Shares Outstanding<sup>1</sup></b>	<b>261,430,124</b>
<b>Fully Diluted<sup>1</sup></b>	<b>343,063,300</b>
<b>Recent Share Price</b>	<b>C\$0.16</b>
<b>Market Capitalization</b>	<b>C\$42 million</b>
<b>Cash &amp; Equivalents<sup>2</sup></b>	<b>US\$7.5 million</b>
<b>Debt</b>	<b>None</b>

1 - As at 31 October 2014

2 - Unaudited management estimate as at 31 October 2014

# Kalana is Our Flagship Project

- **Mali is Africa's 3<sup>rd</sup> largest gold producing nation**
  - Behind South Africa and Ghana
- **Key infrastructure is in place**
  - 270 road-km south of Bamako
  - Abundant water supply
  - Hydroelectric power
  - Modern telecommunications
- **Strong community relations**
  - Three community medical clinics
  - Four schools
- **Great support for the project**
  - Government keen to see development
  - Largest employer in the region



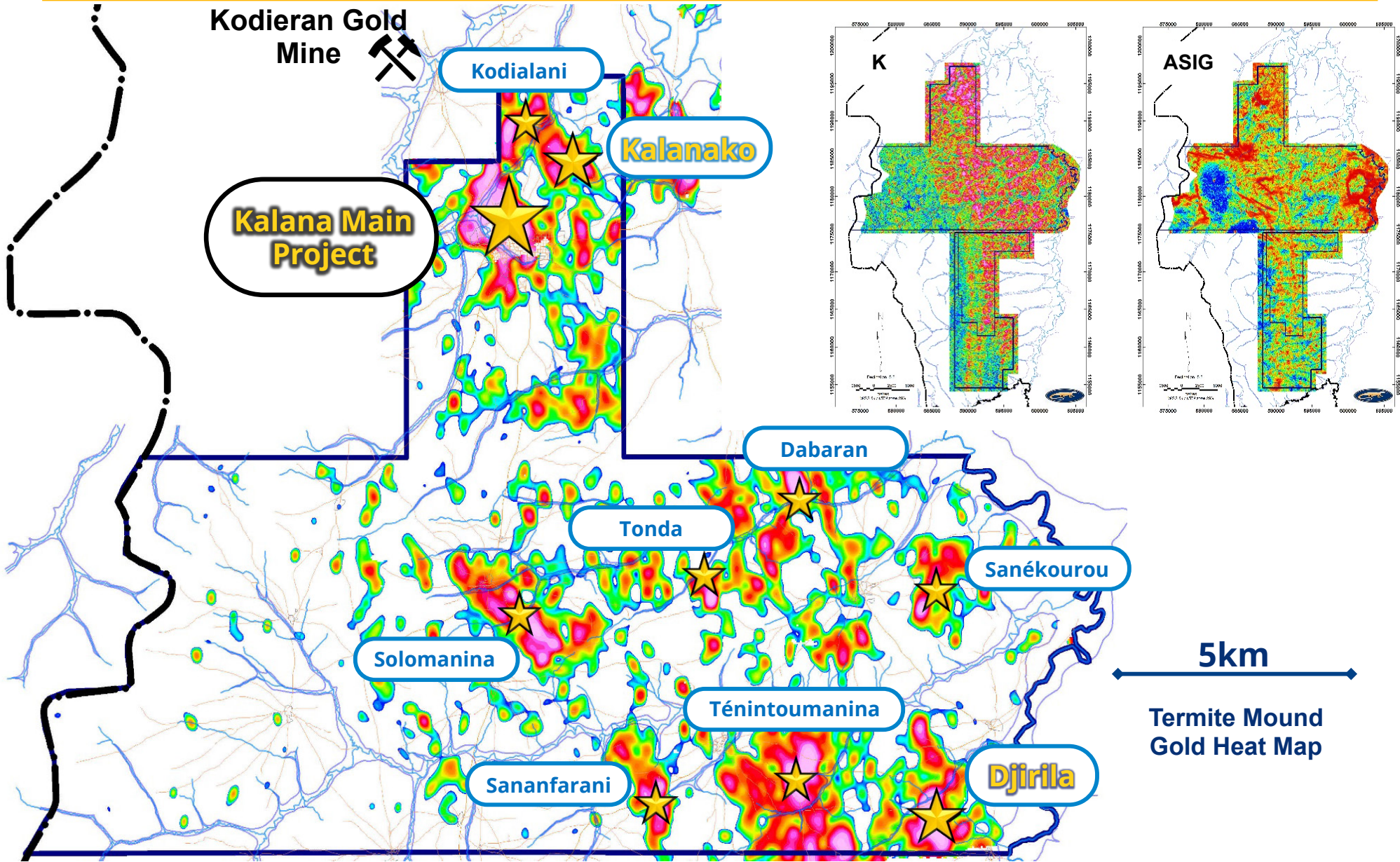
# The Kalana Exploitation Permit is Unique

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- **Avnel owns an 80% equity interest in SOMIKA**
  - SOMIKA holds the Kalana Exploitation Permit (1999 Mining Code)
  - Government of Mali has a 20% free-carry equity interest in SOMIKA
- **30-year Exploitation Permit**
  - Granted in 2003 for 30 years, plus two 10-year extension options
- **Large 387 km<sup>2</sup> highly prospective land package**
  - Kalana Main plus two priority projects and several defined prospects
- **Significant tax holiday**
  - 3-year tax holiday for all new mines, including Kalana Main open-pit
- **Rolling exonerations of exploration and development expenditures**
  - No VAT and import duties
- **Existing Soviet-era underground mine**
  - Principally operated to maintain socioeconomic stability in the community
  - Key exploration tool that also provides metallurgical data
- **Streamlined permitting process**
  - Brownfield site that only requires an ESIA for new mines



# The Kalana Exploitation Permit (387 km<sup>2</sup>)



# New Mineral Resource Estimate (September 2014)

The new Kalana Main MRE is based upon 133,679 m from 800 drill holes

Pit-Constrained In Situ Mineral Resources  0.9 g/t Au cut-off (\$1,110/oz Au)	Indicated Resources			Inferred Resources		
	Tonnes (millions)	Grade (g/t Au)	Ounces (millions)	Tonnes (millions)	Grade (g/t Au)	Ounces (millions)
Kalana Main	12.9	4.57	1.90	0.7	4.24	0.10
Kalana Tailings	0.7	1.8	0.04			
<b>Kalana Main Project (100%)</b>	<b>13.6</b>	<b>4.36</b>	<b>1.94</b>	<b>0.7</b>	<b>4.24</b>	<b>0.10</b>

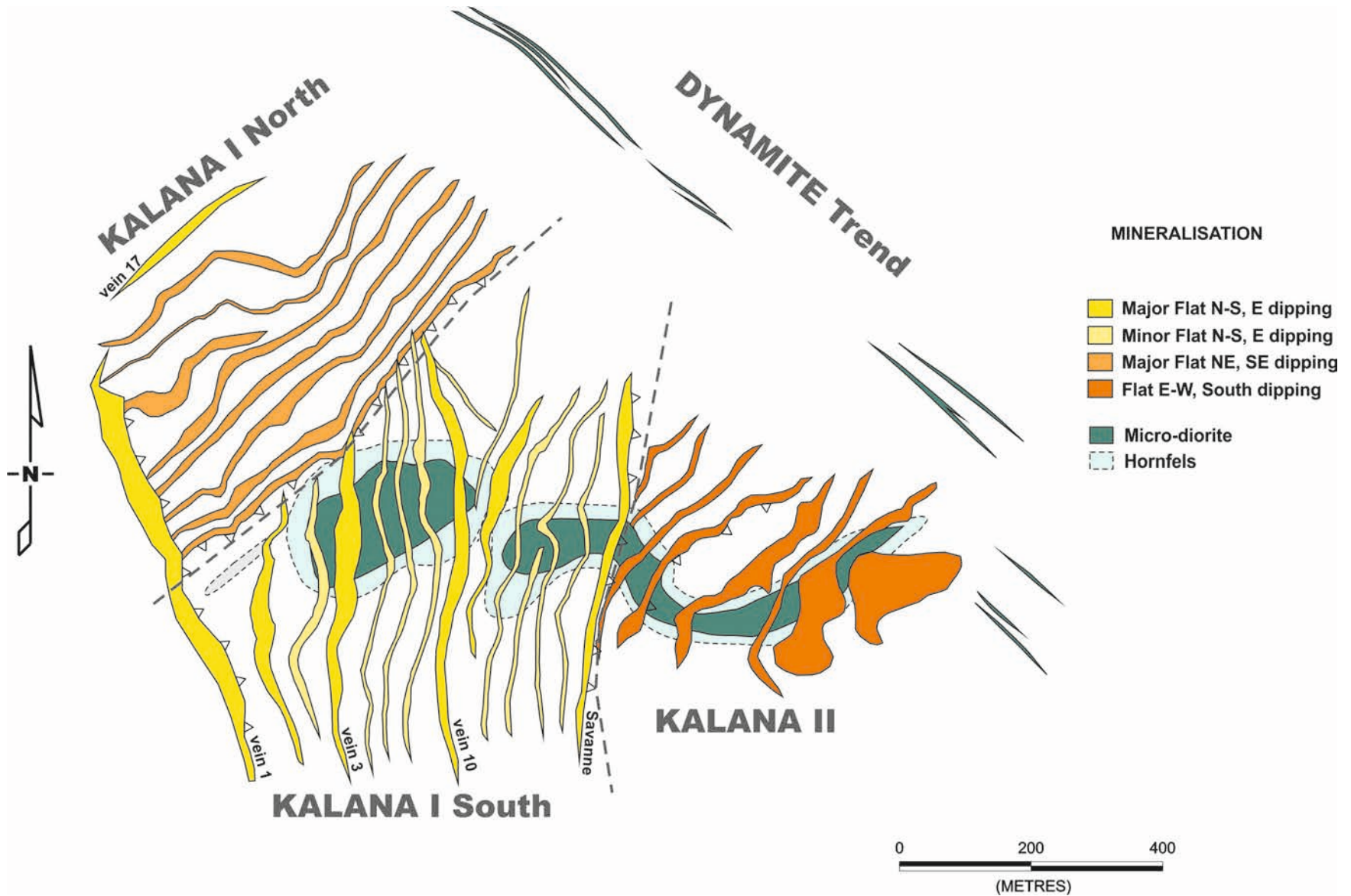
## Notes on Kalana Main September 2014 Mineral Resources:

- 1.The Kalana Main and Kalana Tailings Mineral Resources estimates are as at 30 September 2014. Mineral Reserves and 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. The State of Mali has a 20% free-carried equity interest in SOMIKA.
- 2.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 issues. These Mineral Resources were estimated 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.
- 3.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 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.
- 4.Tonnages are metric tonnes are rounded to the closet "0.0" million tonnes. Grades are rounded to the closest "0.00" and contained gold is reported as troy ounces. All reported grades and tonnes are prior to dilution. Some figures may not compute due to rounding and truncation errors.
- 5.No cut-off has been applied to the tailings as all tailings are proposed to be treated according to the PEA.
- 6.Mineral Resources for Kalana Main are reported above a cut-off of 0.9 g/t Au, as derived in March 2014 PEA, and were estimated by Ivor W.O. Jones, who is recognized as a Qualified Person for the purposes of NI 43-101. Grades were estimated using Multiple Indicator Kriging (MIK).
- 7.For additional technical information, please refer to Avnel Gold's press release dated 15 October 2014.

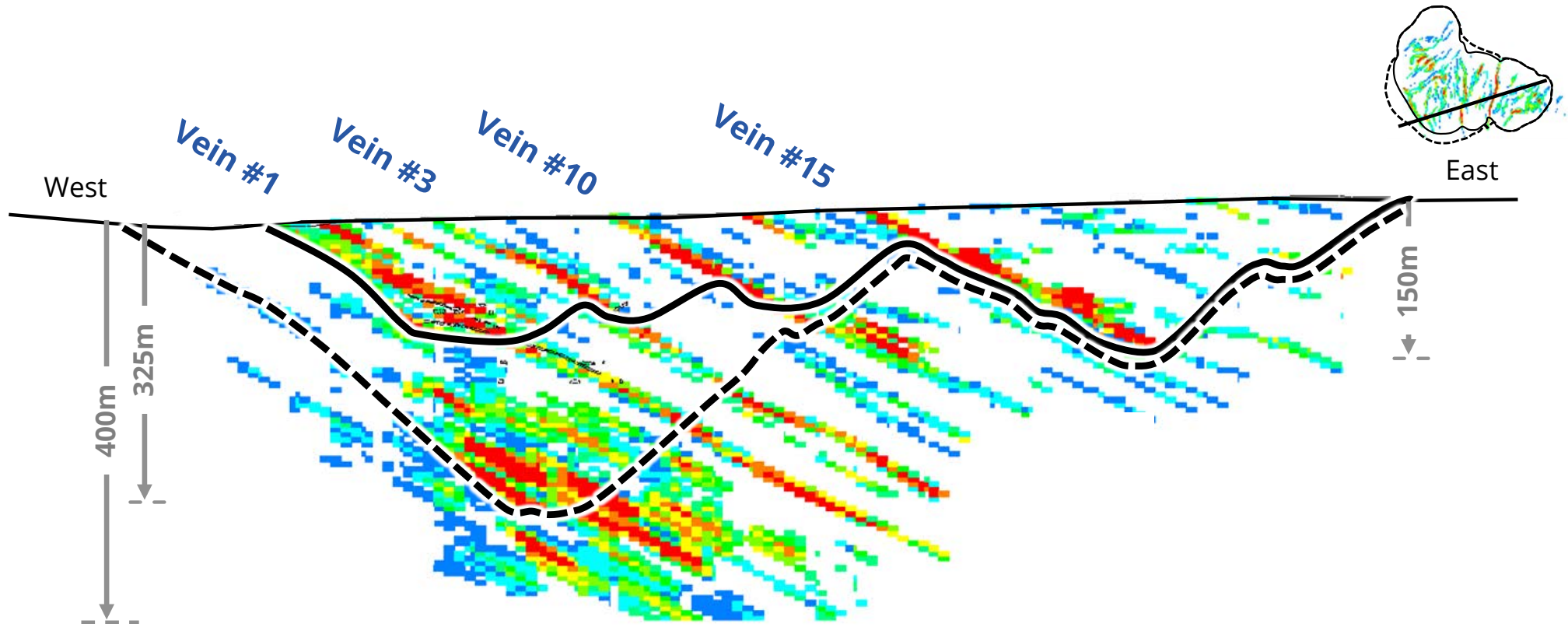


# Vein Packages Are Structurally Controlled

## Surface Projection of the Kalana Main Vein Packages



# Vein Packages Have Strong Continuity to Depth



Drilling has encountered gold mineralization up to 600 m below surface

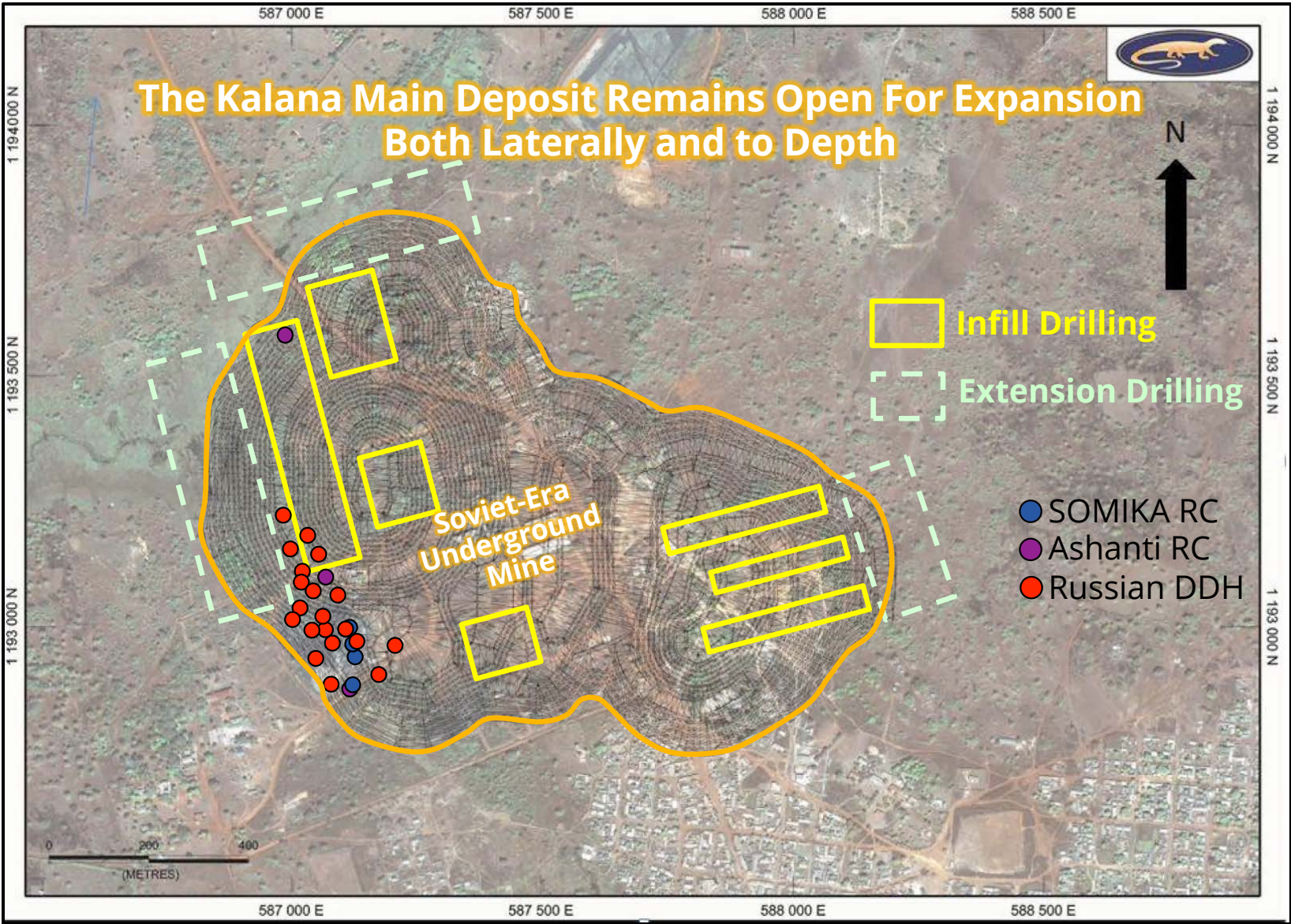
- PEA Pit Shell (0.9 g/t Au) (\$1,110/oz Au)
- - - September MRE Pit Shell (0.9 g/t Au) (\$1,110/oz Au)

**Metal Content**  
g Au per (10m x 10m x 5m) block

	50 - 150 g Au
	150 - 300 g Au
	300 - 450 g Au
	450 - 600 g Au
	600 - 750 g Au
	750 - 1,000 g Au
	1,000 - 1,500 g Au
	>1,500 g Au



# Kalana Main Pit is Open for Lateral Expansion



# Kalana Main Diluted Mineral Resources

Pit-Constrained Resources <i>0.9 g/t Au cut-off</i> (\$1,110/oz Au)	PEA Mineable Resource			Mineral Resource for PFS		
	March 2014 Diluted Mineable Resource <sup>1</sup>			September 2014 MRE Diluted Resource <sup>2</sup>		
	Tonnes (millions)	Grade (g/t Au)	Gold (millions oz)	Tonnes (millions)	Grade (g/t Au)	Gold (millions oz)
Kalana Main	15.1	3.2	1.54	19.7	3.1	1.96
Kalana Tailings <sup>3</sup>	0.66	1.8	0.04	0.7	1.8	0.04
<b>Kalana Main <sup>4</sup> (100%)</b>	<b>15.8</b>	<b>3.1</b>	<b>1.58</b>	<b>20.4</b>	<b>3.1</b>	<b>2.00</b>

1 – For additional details, please refer to the relevant sections of the *Kalana Mineral Resource Estimate and Preliminary Economic Assessment – Mali* NI 43-101 Technical Report dated 31 March 2014, which is available on SEDAR and the Company's website. The Kalana Main 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 categorized as mineral reserves; thus, there is no certainty that the economic benefits indicated in the PEA will be realized. The PEA is subject to a number of assumptions that are detailed in the PEA, which is available on the Company's website and on SEDAR.

2 – For additional details, please refer to the Company's press release dated 15 October 2014. The Diluted September 2014 Mineral Resource is based upon an Indicated Mineral Resource and does not include any Inferred Mineral Resources.

3 – No cut-off has been applied to the tailings as all tailings are proposed to be mined and processed as per the Kalana Main PEA.

4 – Avnel Gold owns an 80% equity interest in SOMIKA, the Malian company that holds the Kalana Exploitation Permit. The State of Mali has a 20% free-carried equity interest in SOMIKA.



# Kalana Main PEA Highlights<sup>1</sup> (March 2014)

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- **Based upon March MRE**

- 1.58 million ounces (15.8 million tonnes grade 3.1 g/t Au)
- Based upon 132,392 m of drilling from 771 holes
- 83% of the mineable resource is in the Indicated category

- **Contract mining**

- Lowers pre-production capital requirements
- 128 million tonnes of waste (8.5:1 LOM waste-to-ore ratio)

- **A small and simple milling operation**

- 3,000 tonnes per day milling operation (1.2Mtpa)

- **Simple metallurgy**

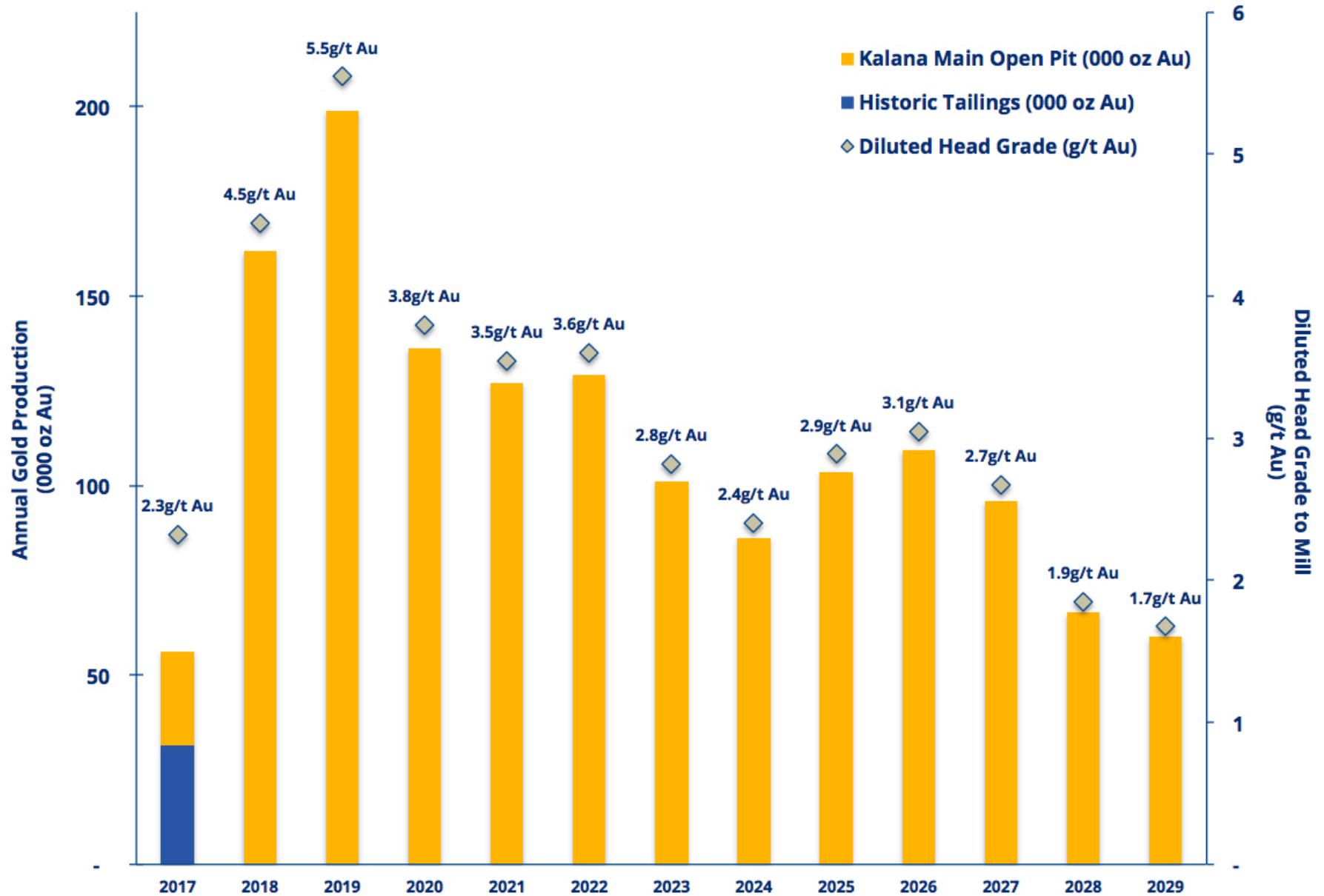
- 93% recovery with gravity + conventional CIL process

- **14-year mine life**

- Total production of 1.5 million ounces
- Average annual production of 135,000 ounces during the first 6 years
- Peak production of 200,000 ounces in 2019 (year 3)

1 - Based upon the 31 March 2014 Preliminary Economic Assessment ("PEA") NI 43-101 Technical Report utilizing a gold price of \$1,110 per ounce. All results are reported on a 100% life-of-mine ("LOM") basis, unless stated otherwise. Avnel Gold has an 80% equity interest in SOMIKA, the holding company that holds the Kalana Exploitation Permit.

# Kalana Main PEA Production Forecast (100%)



# Kalana Main PEA Highlights<sup>1</sup> (March 2014)

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- **Low initial capital cost of \$149 million** (including pre-strip)
  - Low initial capital intensity of \$102 per ounce produced
  - Financeable for a junior mining company
- **Total Cash Costs of \$589 per ounce over LOM**
  - Total Cash Costs of \$483 per ounce over first 6 years
  - Includes 3% government royalty
  - A low-cost producer
- **Sustaining capital of \$29 million over LOM**
  - \$20 per ounce produced
- **After-tax NPV<sub>10%</sub> of \$206 million at \$1,110/oz Au** (PEA base case)
  - 59% IRR
  - 2-year pay back period

1 – Based upon the 31 March 2014 Preliminary Economic Assessment (“PEA”) NI 43-101 Technical Report and reported on a 100% project basis utilizing a gold price of \$1,110 per ounce and excluding 8% imputed interest on all pre-production capital expenses as reported in the PEA. All unit costs are expressed as the average over the life of mine, unless stated otherwise. Avnel Gold has an 80% equity interest in SOMIKA, the holding company that holds the Kalana Exploitation Permit. Capital and operating cost measures are defined and reconciled in the appendix to this presentation.

# PEA Project After-Tax NPV and IRR<sup>1</sup> (millions)

Discount Rate	Gold Price (\$/oz)						
	\$800	\$900	\$1,000	\$1,110	\$1,200	\$1,300	\$1,400
0%	\$85	\$191	\$297	\$415	\$510	\$617	\$723
5%	\$49	\$126	\$204	\$289	\$358	\$435	\$512
10%	\$25	\$83	\$142	\$206	\$258	\$317	\$375
IRR	18%	33%	46%	59%	70%	81%	92%

1 – Based upon the 31 March 2014 Preliminary Economic Assessment 43-101 Technical Report and unlevered cash flow model prepared by Snowden. The after-tax NPV and IRR presented in this table are from the commencement of construction on a 100% project basis that expenses all initial and sustaining capital in the year incurred and excludes the 8% imputed interest on all pre-production expenditures considered in the PEA. Avnel Gold owns an 80% equity interest in SOMIKA, the Malian company that holds the Kalana Exploitation Permit. The State of Mali has a 20% free-carried equity interest in SOMIKA.



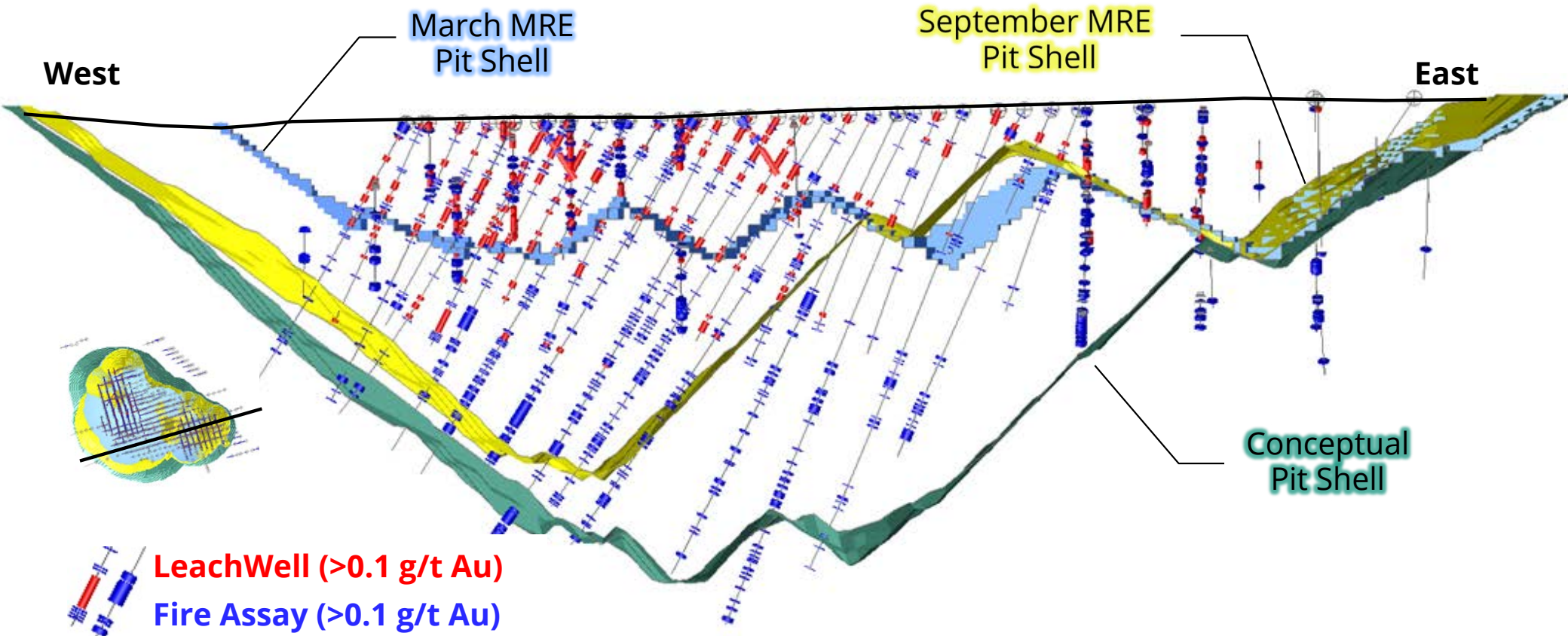
# Opportunities to Enhance Project Economics

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- **Larger Indicated Mineral Resource for PFS**
  - Pit-constrained Diluted Indicated Resource of 1.96 million oz grading 3.1 g/t Au
- **A larger mining scenario**
  - Larger operations often have lower operating costs due to economies of scale
  - Brings production forward and shortens mine life from 14 years
  - Potential to increase NPV and IRR, but increased capex
- **Financial optimization**
  - 3-year tax holiday in the PEA is by calendar year, not operational year
  - The utilization of debt and similar instruments
- **Inclusion of satellite deposits into a development scenario**
  - Kalanako Project is 3km away
  - Djirila is 20 km away
- **Delineation of new Mineral Resources at Kalana Main**
  - Deposit is open for expansion laterally and to depth
  - Only 8% of the assays between the PEA pit shell and the September MRE pit shell are LeachWell assays (average historical upgrade has been ~40%)

# Kalana Main “Exploration Target”

Only 9% of the samples within the “Exploration Target” have LeachWell assays



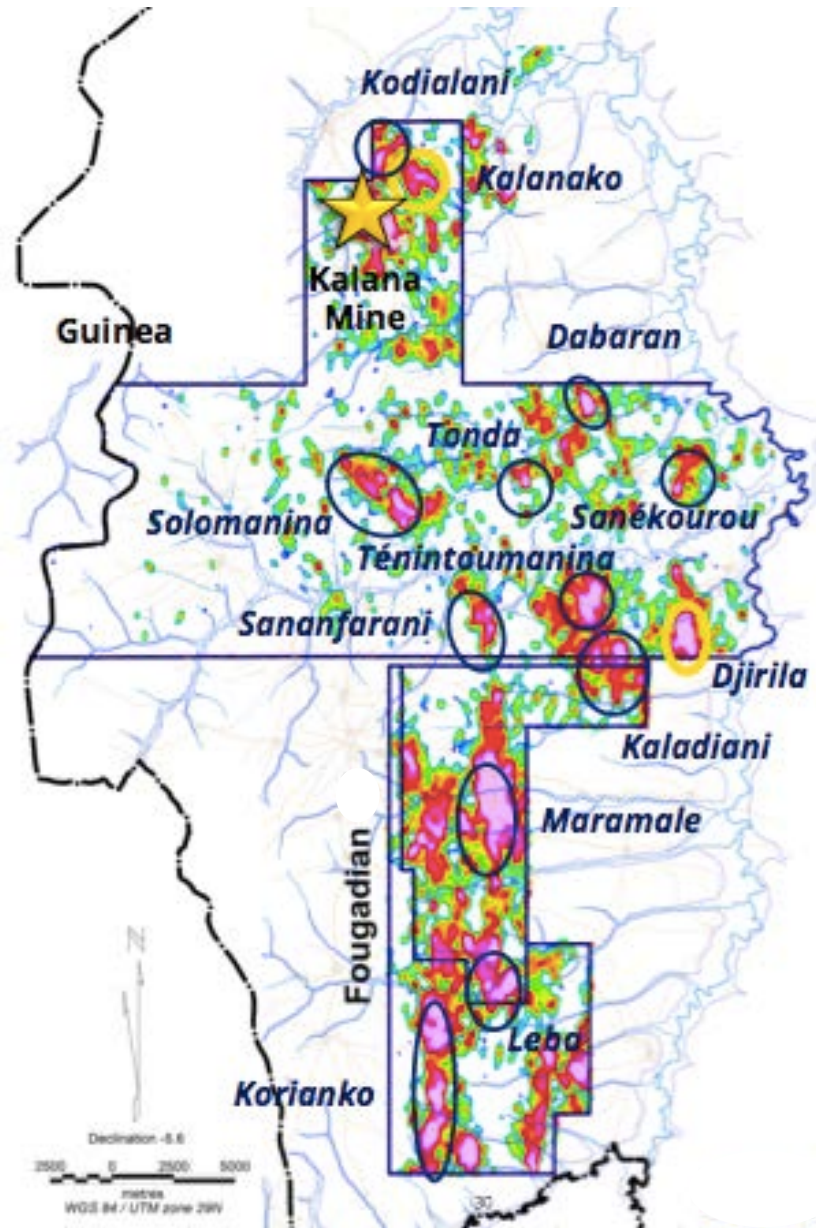
The “Exploration Target”, which is outside the September MRE, is estimated to be between 8.3 and 8.8 million tonnes grading between 4.2 and 4.9 g/t Au for an estimated 1.1 to 1.4 million ounces of contained in situ gold. Exploration Target is defined as the portion of the model between the September MRE pit shell and the Conceptual Pit shell. See press release dated 15 October 2014 for more details.

*The aforementioned assessment of potential quantity and grade is conceptual in nature and there has not been sufficient exploration to define a Mineral Resource and the preliminary economics are not sufficient to support a reasonable expectation for economic extraction. It is uncertain if further exploration will result in any portion of the Exploration Target being delineated as a Mineral Resource.*

# Key Milestones & Timeline to Production

	2014E	2015E	2016E	2017E
Kalana PEA & New Resource Estimate	<input checked="" type="checkbox"/>			
PFS Metallurgical Test Work	<input type="checkbox"/>			
Updated Mineral Resource Estimates	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Infill and Extension Drilling		<input type="checkbox"/>		
Preliminary Feasibility Study (PFS)	<input type="checkbox"/>			
DFS Metallurgical Test Work		<input type="checkbox"/>		
Environmental & Social Impact Assessment	<input type="checkbox"/>			
Community Consultation & RAP	<input type="checkbox"/>			
Definitive Feasibility Study (DFS)		<input type="checkbox"/>		
Construction Financing		<input type="checkbox"/>		
Mine Construction			<input type="checkbox"/>	<input type="checkbox"/>
Mill Commissioning and Tailings Processing				<input type="checkbox"/>
Commercial Production				<input type="checkbox"/>

# An Emerging High-Grade Gold Camp?



387km<sup>2</sup> Kalana Exploitation Permit

150km<sup>2</sup> Fougadian Exploration Permits

## Legend

Kalana Mine



Advanced Target



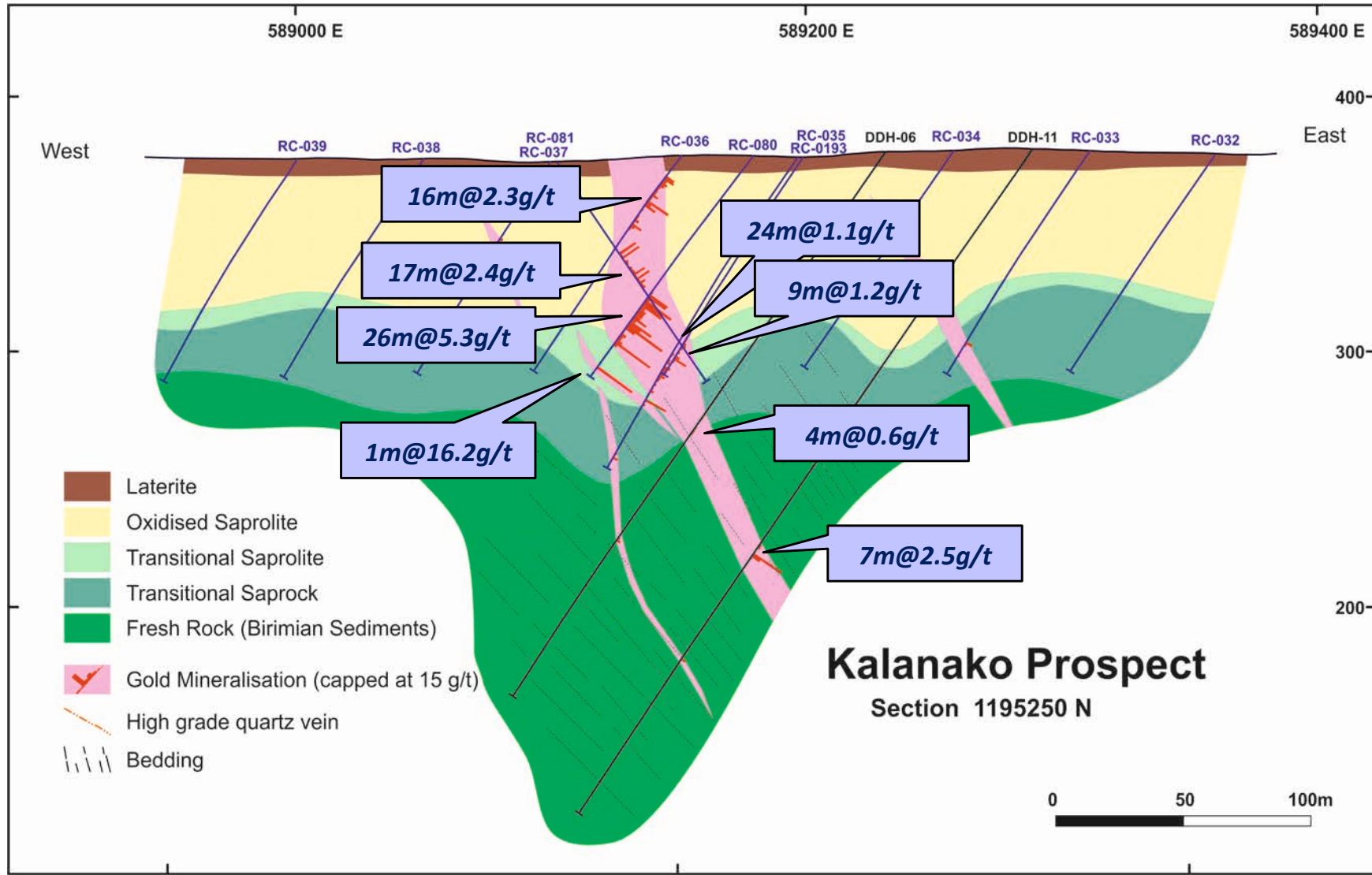
Prospect





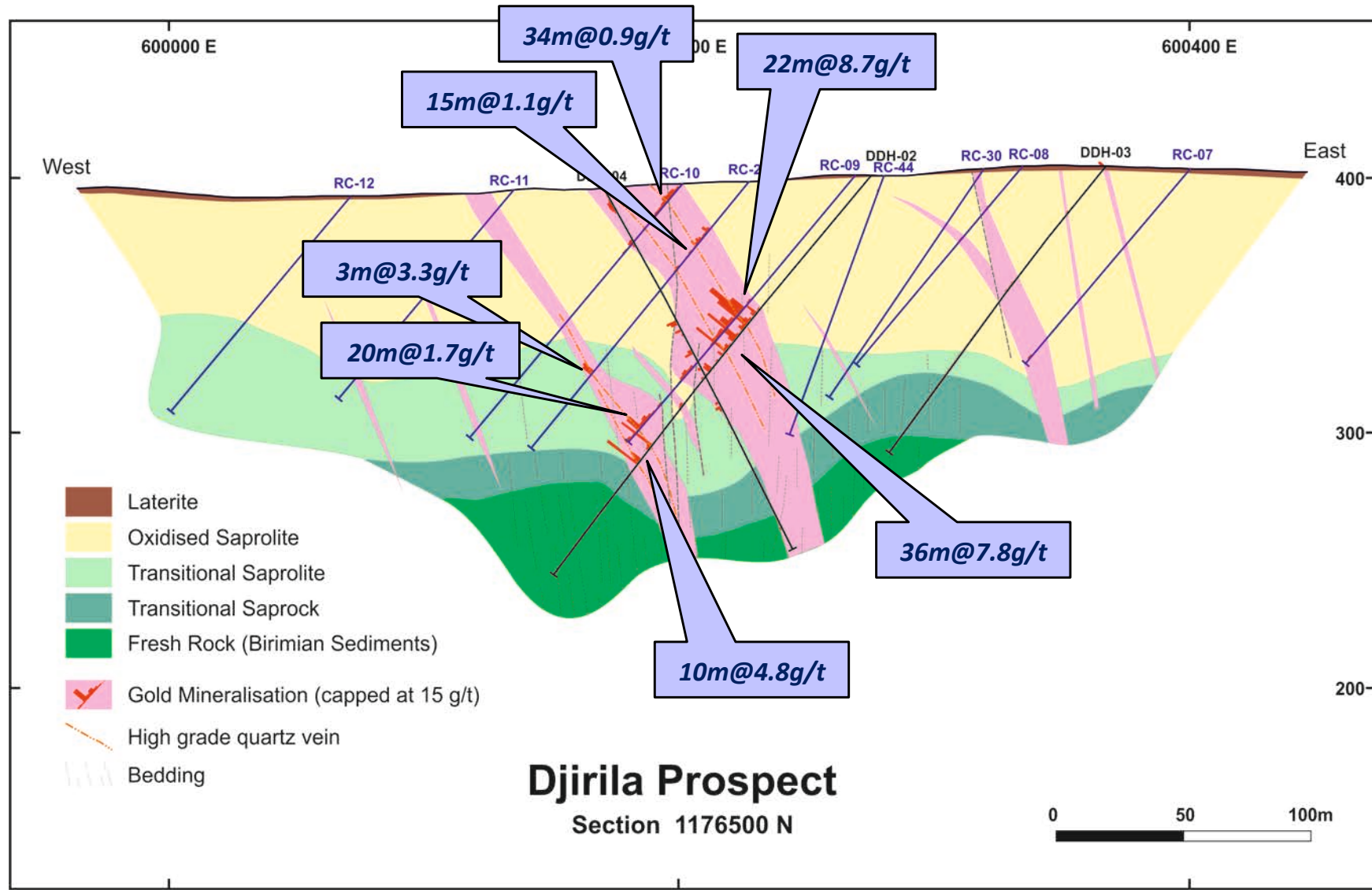
# Kalanako Advanced Prospect

Located 3 km northeast of the Kalana Main Project



# Djirila Advanced Prospect

Located 20 km southeast of the Kalana Main Project



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## Significant Exploration Upside

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- Kalana Main is open for expansion laterally and at depth
- Two advanced prospects ready for more drilling

# Appendix: Management Team

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## **Howard Miller** Chairman and CEO

Mr. Miller is a former lawyer with more than 35 years experience in the legal and financial sector in Africa, Canada and the UK. He has been Avnel's Chairman since its inception and has been CEO since 2008. Mr. Miller was also a founding director of Nelson Resources Ltd., which was sold to LukOil for \$2.2 billion in 2005.

## **Roy Meade** Executive Director, Operations

Mr. Meade is a Professional Engineer with more than 35 years of experience in the mining industry and has managed numerous mines, construction projects and feasibility studies in Africa and Central Asia. During the early 1990s, Mr. Meade was the General Manager of Anglovaal's Hartebeestfontein Gold Mine in the 1990s when it was a 1 million ounce per year producer in South Africa. Mr. Meade was also responsible for Nelson Gold's low-grade open-pit mine in Tajikistan. Subsequently, he was the Senior Vice President responsible for Barrick Gold's operations in Tanzania where he commissioned the Bulyanhulu Mine and successfully managed the Bank Guarantee Completion Test. Mr. Meade has been with Avnel Gold since its inception.

## **Alan McFarlane** Chief Financial Officer

Mr. McFarlane is an accountant and joined Avnel in 2009 as Vice President, Finance and Corporate Secretary, and was appointed Chief Financial Officer in 2012. Prior to joining Avnel, Mr. McFarlane served as Vice President of Finance of Avocet Mining, an AIM-listed gold mining company.

## **Dr. Olivier Féménias** Vice-President, Geology

Dr. Féménias has PhD doctorates in Geology by the University of Brussels and the University of La Rochelle in France. He held the appointment of Assistant Professor at the University of Brussels from 2006 until 2009 when he was recruited by IAMGOLD to manage their \$32 million Kalana exploration program until he joined Avnel in 2013.

## **Jeremy Link** Vice-President, Corporate Development

Mr. Link is a Professional Engineer with more than 10 years experience in the resource and financial industries. He has held roles in exploration, mining, equity research, investment banking, asset management, and been a member of the management team of several gold mining companies. Mr. Link has a Bachelor of Geological Engineering (B.E.) from the University of Saskatchewan, a Master of Civil Engineering (M.Eng.) from the Schulich School of Engineering.

# Appendix: Board of Directors

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**Howard Miller**  
Chairman and CEO

Mr. Miller is a former lawyer with more than 35 years experience in the legal and financial sector in Africa, Canada and the UK. He has been Avnel's Chairman since its inception and has been CEO since 2008. Mr. Miller was also a founding director of Nelson Resources Ltd., which was sold to LukOil for \$2.2 billion in 2005.

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**John Kearney**  
Lead Independent Director

Mr. Kearney is a lawyer with more than 25 years experience managing public companies. Mr. Kearney has been Chairman and President of Canadian Zinc Corporation since June 2003 and has held the position of Chairman and Chief Executive Officer of Labrador Iron Mines Holding Limited since May 2007.

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**Roy Meade**  
Executive Director, Operations

Mr. Meade is a Professional Engineer with more than 35 years of experience in the mining industry and has managed numerous mines, construction projects and feasibility studies in Africa and Central Asia. During the early 1990s, Mr. Meade was the General Manager of Anglovaal's Hartebeestfontein Gold Mine in the 1990s when it was a 1 million ounce per year producer in South Africa. Mr. Meade was also responsible for Nelson Gold's low-grade open-pit mine in Tajikistan. Subsequently, he was the Senior Vice President responsible for Barrick Gold's operations in Tanzania where he commissioned the Bulyanhulu Mine and successfully managed the Bank Guarantee Completion Test. Mr. Meade has been with Avnel Gold since its inception.

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**Ibrahim Kantao**  
Independent Director

Mr. Kantao has more than 25 years of experience in the natural resource sector as a geologist and administrator. He is currently the Director General of AEL Mali SARL, a Malian mining service company. Previously, he was National Director of Geology and Mines for the Malian Government.

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**Anthony M. Bousfield**  
Independent Director

Mr. Bousfield has more than 30 years experience in the finance sector and was the CEO of Merlin Group Securities when he retired in 2008. Mr. Bousfield is the Executive Chairman of the Fern Group Ltd. and is also a director of Diorite Securities, a trustee of the Fern Trust.

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**Derek Kyle**  
Independent Director

Mr. Kyle is a geologist with more than 45 years of experience in the mining sector. Mr. Kyle is currently an independent mineral advisor to the mining industry and is based in South Africa. He was formerly the Founder and Chairman of Mineral Corporation and served as a non-executive director of AfriOre SA.

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**Jonas U. Rydell**  
Independent Director

Mr. Rydell has more than 15 years experience in the finance Sector and has been employed as a Securities Analyst with Elliott Advisors (UK) since April 2004. Prior to that, he was a Vice President of Credit Suisse First Boston in London, UK. Mr. Rydell is also a director of Public Service Properties Investments Limited since 2007.

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# Appendix: Insiders and Significant Shareholders

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Shareholder	Ordinary Shares	%
Elliot Group	166,981,945	63.9%
Fern Trust <sup>1</sup>	33,602,022	12.9%
M2 <sup>2</sup>	21,292,641	8.1%
IAMGOLD <sup>3</sup>	20,190,000	7.8%
Management <sup>4</sup>	2,046,500	0.8%
		93.4%

1 - The family trust of Avnel Gold's Chairman and CEO, Mr. Howard Miller

2 - A family trust of Mr. Lloyd Miller III (no relation to Mr. Howard Miller)

3 - As at 17 April 2014

4 - Management and Board of Directors

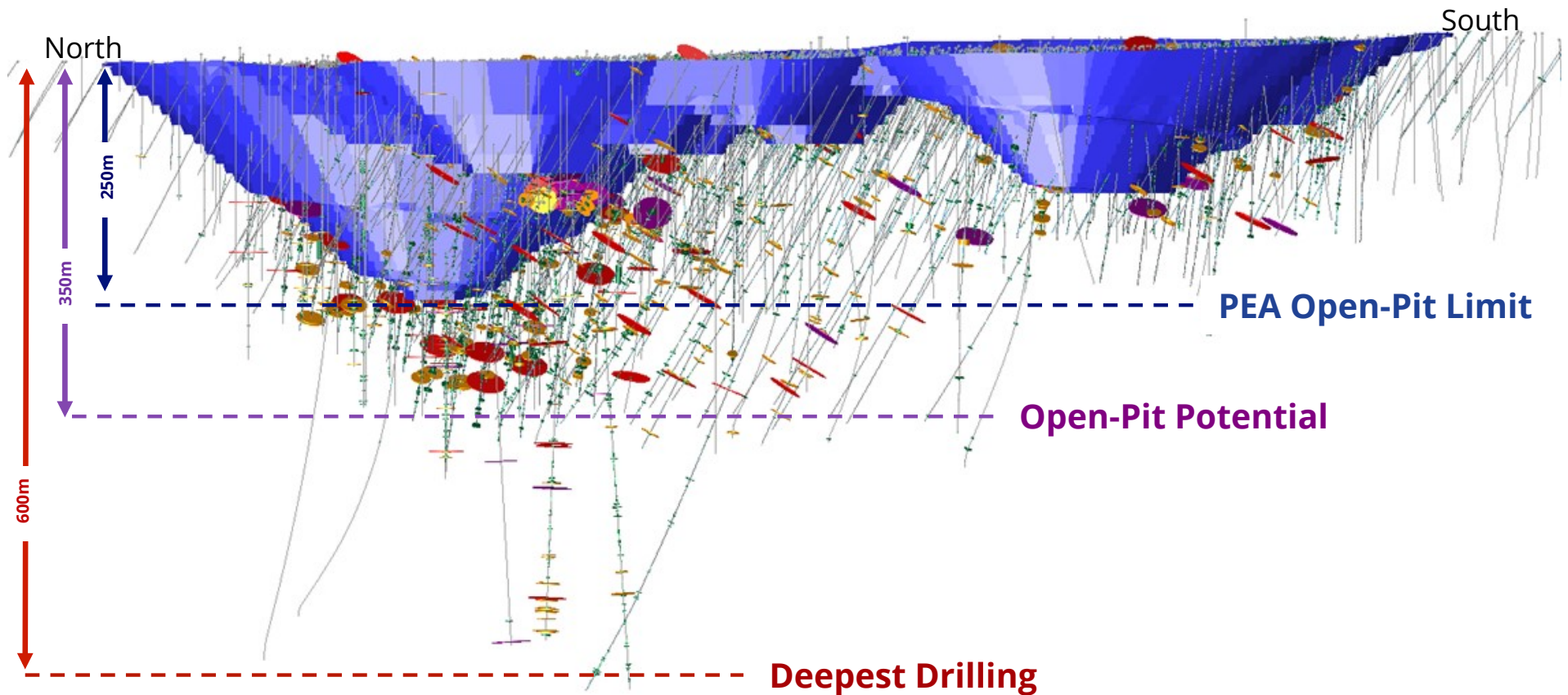
# Appendix: Community & Government Support

- **Avnel has strong ties to the Malian Government, the Village of Kalana and other surrounding communities**
- **Kalana has a population of 9,000 people**
  - We currently employ ~420 people directly
  - Significant indirect employment
- **Mine clinic provides community health services**
  - 1 doctor, 2 nurses
  - Sponsor three clinics in the region
  - Improved health, especially for children
- **We have electrified most of the community**
- **We have brought potable water to most of the community**
- **We have built 4 schools (12 classrooms)**
  - Provide the teachers, desks and supplies
  - Provide a proper French education



# Appendix: Kalana Main Has Been Extensively Drilled

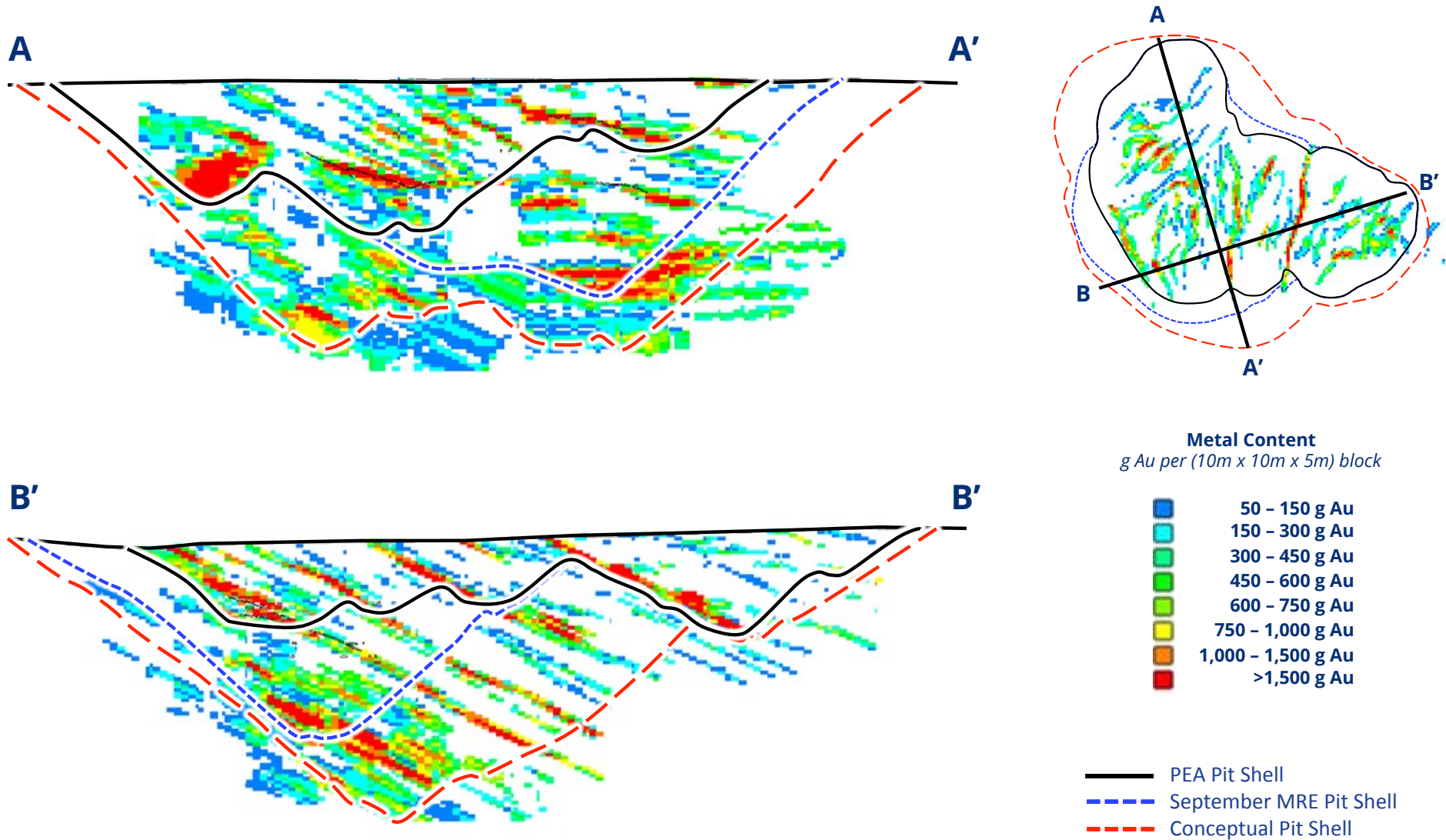
The March MRE is based upon 132,392m from 771 holes drilled since 2009



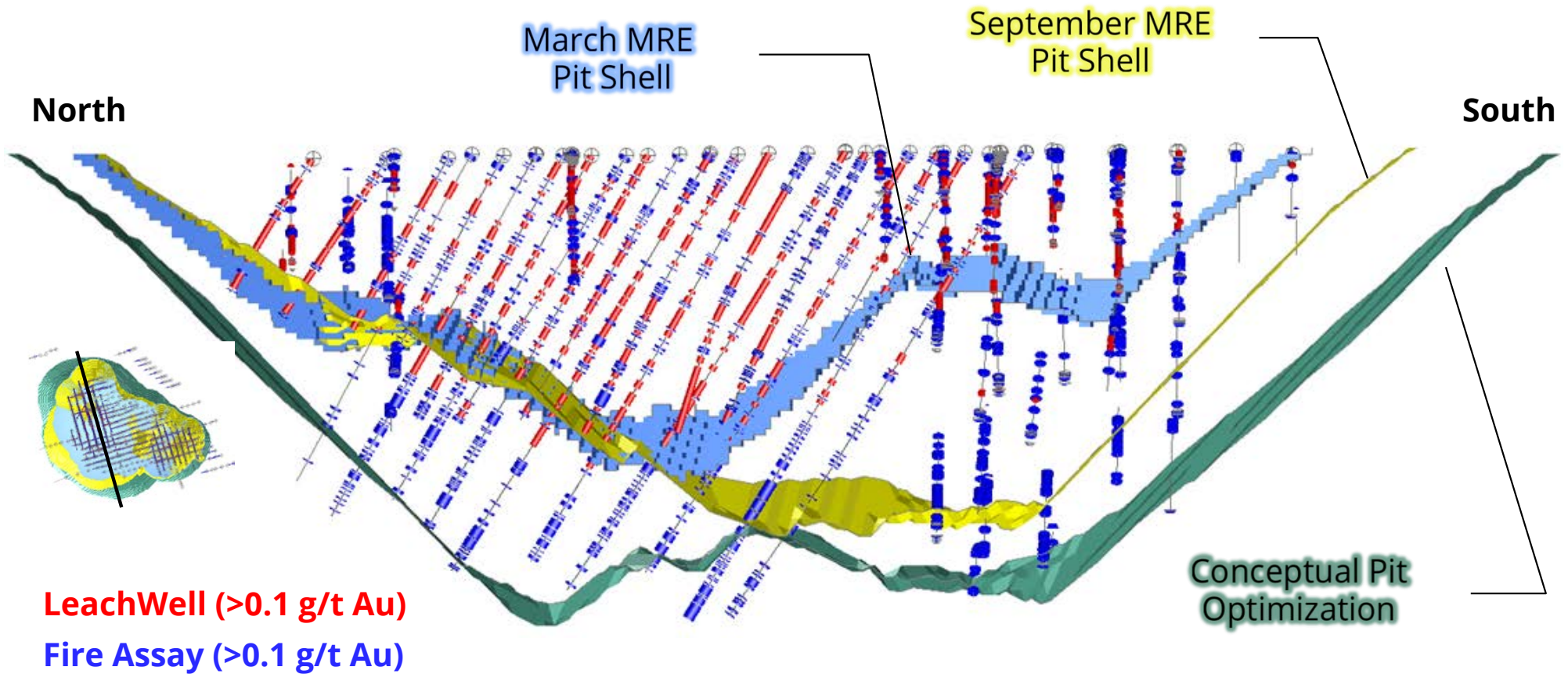
Gold mineralization encountered to a depth of at least 600m



# Appendix: Total Metal Content at Kalana Main



# Appendix: Kalana Assays and Sections (Kalana I North)



The "Exploration Target", which is outside the September MRE, is estimated to be between 8.3 and 8.8 million tonnes grading between 4.2 and 4.9 g/t Au for an estimated 1.1 to 1.4 million ounces of contained in situ gold. Exploration Target is defined as the portion of the model between the September MRE pit shell and the Conceptual Pit shell. See press release dated 15 October 2014 for more details.

*The aforementioned assessment of potential quantity and grade is conceptual in nature and there has not been sufficient exploration to define a Mineral Resource and the preliminary economics are not sufficient to support a reasonable expectation for economic extraction. It is uncertain if further exploration will result in any of the Exploration Target being delineated as a Mineral Resource.*



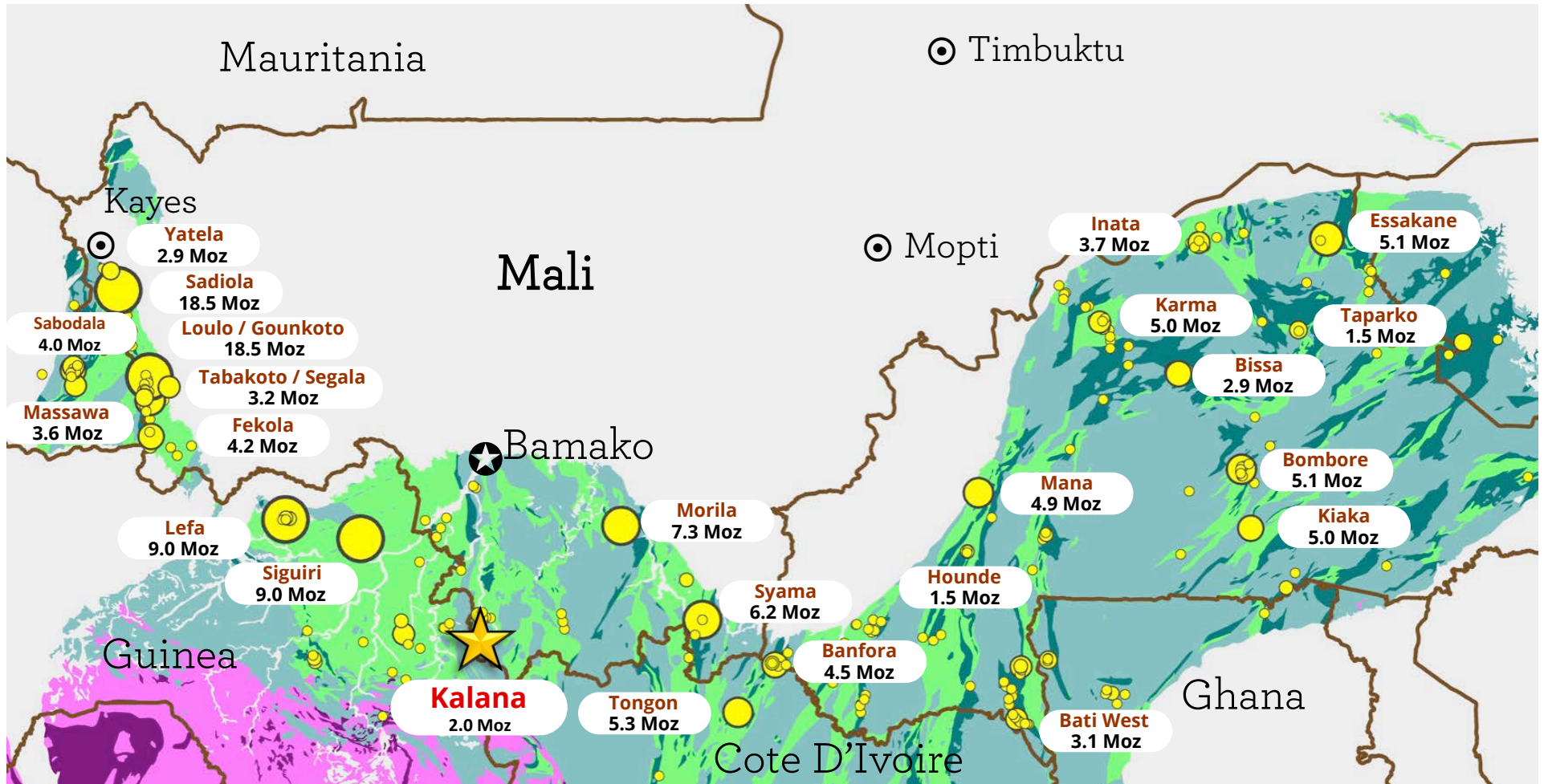
# Appendix: Mineral Resource Estimate for PEA

Pit-Constrained In Situ Mineral Resources  0.9 g/t Au cut-off (\$1,110/oz Au)	Indicated Resources			Inferred Resources		
	Tonnes (millions)	Grade (g/t Au)	Ounces (millions)	Tonnes (millions)	Grade (g/t Au)	Ounces (millions)
Kalana Main	8.5	4.53	1.25	2.1	3.76	0.25
Kalana Tailings	0.66	1.8	0.04			
<b>Kalana Main Project (100%)</b>	<b>9.2</b>	<b>4.33</b>	<b>1.29</b>	<b>2.1</b>	<b>3.76</b>	<b>0.25</b>

## Notes on Mineral Resources:

- 1.The Kalana Main Pit and Kalana Tailings resource estimates are as at 31 March 2014. Mineral Reserves and Mineral Resources are disclosed on a total project basis at 100% and at an implied net interest of 80% to Avnel Gold, which owns an 80% equity interest in SOMIKA, the Malian company that holds the Kalana Exploitation Permit.
- 2.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 issues. These mineral resources were estimated 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.
- 3.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 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.
- 4.Tonnages are metric tonnes and are rounded to the closet "0.0" million tonnes. Grades are rounded to the closest "0.00" and contained gold is reported as troy ounces. All reported grades and tonnes are prior to dilution.
- 5.No cut-off has been applied to the tailings as all tailings are proposed to be treated according to the PEA.
- 6.Mineral Resources for Kalana are reported above a cut-off of 0.9 g/t Au and were estimated by Ivor W.O. Jones, who is recognized as a Qualified Person for the purposes of NI 43-101. Grades were estimated using Multiple Indicator Kriging (MIK).
- 7.For additional technical information, please refer to the NI 43-101 compliant technical report or the Company's most recent AIF, which are available on SEDAR.

# Appendix: The Prolific Birimian Gold Belt<sup>1</sup>



**Kalana Project**



**Gold Deposit**



**Capital City**



**Major Centre**



<sup>1</sup> - Unaudited estimates based upon total resources and reported depletion from company reports and industry publications

# Appendix: PEA Breakdown & Reconciliation

## Capital Cost Breakdown

Item	\$M <sup>1</sup>
Pre-Strip <sup>2</sup>	15.0
Infrastructure & Utilities	3.7
Power Plant	10.0
Process Plant	40.4
Ancillary Buildings	4.7
New Tailings Facility	9.4
EPCM	11.4
Community Relocation	7.8
Indirect & Owners' Costs	24.5
Contingency (20%)	22.4
<b>Initial Project Capital</b>	<b>149.3</b>
Sustaining Capital	28.6
Closure Costs	10.0
<b>Total LOM Capital Cost</b>	<b>187.9</b>

## Operating Cost Breakdown

Item	\$/t Ore <sup>1</sup>	\$/oz <sup>1</sup>
Mining	\$30.29/t	
Processing	\$16.37/t	
Site G&A	\$4.50/t	
<b>Site Cash Operating Costs</b>	<b>\$51.16/t</b>	<b>\$551/oz</b>
Royalties & Selling Costs		\$38/oz
<b>Total Cash Costs<sup>3</sup></b>		<b>\$589/oz</b>
Sustaining Capital		\$20/oz
<b>Adjusted AISC<sup>4</sup></b>		<b>\$608/oz</b>
Closure Costs		\$7/oz
Initial Project Capital		\$102/oz
<b>Total Project Cash Costs<sup>5</sup></b>		<b>\$717/oz</b>

1 - Derived from the 31 March 2014 Preliminary Economic Assessment NI 43-101 Technical Report prepared by Snowden utilizing a gold price of \$1,110 per ounce for the determination of royalties. All amounts reported on a 100% project basis. All dollar amounts are in millions of US dollars, except for unit costs, which are in US dollars. Some amounts may not compute due to rounding and truncation.

2 - Pre-strip, sustaining capital, and closure costs are excluded from the contingency amount presented in the PEA.

3 - "Total cash costs" include mining, processing, site G&A, royalties and selling costs and are exclusive of depreciation, amortization, reclamation, construction, development, exploration and other non-site costs over the life of mine.

4 - "Adjusted All-in Sustaining Costs" or "Adjusted AISC" is defined as "Total Cash Costs" plus "Sustaining Capital" costs over the life of mine and excludes corporate G&A and exploration expenses as per the PEA divided by the expected number of ounces to be recovered over the life of mine.

5 - "Total Project Cash Costs" are defined as "Adjusted AISC" plus "Initial Project Capital" and "Closure Costs".

# For additional information

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