FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Avnel Gold Mining Limited
22 Smith Street
St. Peter Port, Guernsey
GY21 2JQ

Item 2 Date of Material Change

January 8, 2010.

Item 3 News Release

A news release (a copy of which is attached as Schedule A) announcing the material change referred to in this report was issued on January 8, 2010 through the facilities of CNW Group Ltd.

Item 4 Summary of Material Change

On January 8, 2010, Avnel Gold Mining Limited ("Avnel" or the "Company") announced that it has completed a non-arm's length, non-brokered private placement (the "Private Placement"), with its principal shareholders, Elliott International, L.P. ("Elliott International") and Elliott Associates, L.P. ("Elliott Associates", and collectively with Elliott International, "Elliott"), and the Fern Trust. In connection with the Private Placement, the Company issued 1,130,438 ordinary shares in the capital of Avnel (the "Shares") at a price of $0.16 per Share. The Shares were issued in satisfaction of the payment of interest due on December 31, 2009 (the "December Interest") on certain outstanding convertible loan notes previously issued by Avnel to each of Elliott International, Elliott Associates and the Fern Trust.

Each of Elliott and the Fern Trust has beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the ordinary shares of Avnel. Accordingly, the Private Placement is a "related party transaction" for the purposes of Multilateral Instrument 61-101 – "Protection of Minority Share Holders in Special Transactions" ("MI 61-101"). Avnel relied on an exemption from the requirement to obtain a formal valuation and minority shareholder approval prescribed by MI 61-101 as they apply to the Private Placement, as at the time of the Private Placement, the Company determined that neither the aggregate of the fair market value of the subject matter of, nor the fair market value of the consideration for, the Private Placement exceeded 25% of Avnel's market capitalization as calculated and determined in accordance with MI 61-101.

Item 5 Full Description of Material Change

See news release attached as Schedule A.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Howard Miller
Chief Executive Officer
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Item 9 Date of Report

January 8, 2010.

Schedule A

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES

AVNEL GOLD MINING LIMITED ANNOUNCES PRIVATE PLACEMENT

ST. PETER PORT, Guernsey, January 8, 2010 – Avnel Gold Mining Limited ("**Avnel**" or the "**Company**") (TSX: AVK) announced that it has completed a non-arm's length, non-brokered private placement (the "**Private Placement**"), with its principal shareholders, Elliott International, L.P. ("**Elliott International**") and Elliott Associates, L.P. ("**Elliott Associates**", and collectively with Elliott International, "**Elliott**"), and the Fern Trust. In connection with the Private Placement, the Company issued 1,130,438 ordinary shares in the capital of Avnel ("**Shares**") at a price of $0.16 per Share. The Shares were issued in satisfaction of the payment of the interest due on December 31, 2009 (the "**December Interest**") on certain outstanding convertible loan notes previously issued by Avnel to each of Elliott International, Elliott Associates and the Fern Trust.

Factors considered by the board of directors of the Company in making a determination that the December Interest should be satisfied by the issuance of Shares (in lieu of paying cash) included ensuring the Company had sufficient cash for its near term working capital needs.

Each of Elliott and the Fern Trust has beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the ordinary shares of Avnel. Accordingly, the Private Placement is a "related party transaction" for the purposes of Multilateral Instrument 61-101 – "Protection of Minority Share Holders in Special Transactions" ("**MI 61-101**"). Avnel relied on an exemption from the requirement to obtain a formal valuation and minority shareholder approval prescribed by MI 61-101 as the Company determined that neither the aggregate of the fair market value of the subject matter of, nor the fair market value of the consideration for, the Private Placement exceeded 25% of Avnel's market capitalization as calculated and determined in accordance with MI 61-101 as at the time of the Private Placement.

The Company was unable to file a material change report in respect of this related party transaction a minimum of 21 days before the close of the Private Placement, as stipulated in MI 61-101. In the Company's view, this is both reasonable and necessary in the circumstances because the December Interest became due and payable on December 31, 2009 and the Company could not determine the issuance price of the Shares before such date.

Following closing of the Private Placement, Elliott International, Elliott Associates and the Fern Trust now hold respectively approximately 31.17%, 20.01% and 29.15% of the issued and outstanding ordinary shares of Avnel.

About the Company:

Avnel is a gold mining producing company operating the Kalana Gold Mine in Mali, in the north west sector of its exploitation permit, and is engaged in the exploration of the whole of the 387.4 sq. km Kalana exploitation permit and the 150 sq. km Fougadian exploration permit.

Avnel's principal asset is an 80% interest in Société d'Exploitation des Mines d'Or de Kalana ("SOMIKA"). SOMIKA is the holder of a 30 year exploitation permit at the operating Kalana Gold Mine in south west Mali. Avnel also holds the Fougadian exploration permit which lies to the south of the main Kalana exploitation permit.

On August 10, 2009 Avnel entered into an option agreement with IAMGOLD Corporation whereby IAMGOLD can earn an option to acquire up to an initial 51% interest in Avnel's 80% interest in SOMIKA by completing a resource study and undertaking to complete a feasibility study for a bulk mineable project.

For further information contact:

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