

Form 51-102F3

**MATERIAL CHANGE REPORT**

**ITEM 1: NAME AND ADDRESS OF COMPANY**

Avnel Gold Mining Limited (the “**Company**” or “**Avnel Gold**”)  
Les Echelons, Les Echelons Court  
St. Peter Port, Guernsey  
GY1 4AN

**ITEM 2: DATE OF MATERIAL CHANGE**

January 18, 2017.

**ITEM 3: PRESS RELEASE**

A news release with respect to the material changes referred to in this report was issued on January 18, 2017 and distributed through newswire services. A copy of the news release is attached as Schedule “A” hereto.

**ITEM 4: SUMMARY OF MATERIAL CHANGE**

On January 18, 2017, the Company announced that 65,263,700 warrants (“**Warrants**”), which expired on January 17, 2017 on 5:00 P.M. (Eastern Time), entitling the holder to acquire one ordinary share of the Company (“**Share**”) for each whole Warrant, were exercised for aggregate gross proceeds of \$13,052,740 and 66,000 of such Warrants expired.

The Warrants were issued on July 17, 2014 in connection with the Company’s private placement of units and were exercisable at a price of \$0.20 per Share.

**ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE**

On January 18, 2017, the Company announced that 65,263,700 Warrants, which expired on January 17, 2017 on 5:00 P.M. (Eastern Time), entitling the holder to acquire one Share for each whole Warrant, were exercised for aggregate gross proceeds of \$13,052,740 and 66,000 of such Warrants expired.

The Warrants were issued on July 17, 2014 in connection with the Company’s private placement of units and were exercisable at a price of \$0.20 per Share.

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

**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**

There are no significant facts required to be disclosed herein which have been omitted.

**ITEM 8: EXECUTIVE OFFICER**

For further information, please contact:

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**ITEM 9: DATE OF REPORT**

January 23, 2017

**SCHEDULE "A"**

**PRESS RELEASE**



**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 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 km<sup>2</sup> 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.

**For further information, please contact:**

**Howard Miller**

Chairman and CEO

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