



March 14, 2011

## **AVION CLOSES ACQUISITION OF KOFI PROPERTY WALIA SAAKOLA AND WALIA WEST CONCESSIONS**

### **AVION FILES SUPPLEMENTAL EXECUTIVE COMPENSATION DISCLOSURE**

Toronto, Ontario -- **Avion Gold Corporation** (TSX:AVR) (OTCQX:AVGCF) ("Avion" or the "Company") is pleased to announce that it has closed its previously announced acquisition of the Walia Saakola concession as well as the Walia West Concession which form part of the Kofi Property from AXMIN Inc. ("AXMIN") (See news release dated March 31, 2010).

In consideration for 100% of AXMIN's interest in the Walia Sakkola and Walia West concessions, Avion has paid AXMIN CAD \$6,250 and 56,250 shares have been issued, representing 25% of the consideration due to AXMIN in relation to these concessions. The remaining 75% will be paid in three equal tranches on June 11, 2011, March 11 2012 and September 11, 2012.

The Kofi property contains nine mineralized zones with identified mineral resources. All of the estimated mineral resources lie in the Kofi Nord concession of which Avion's holds an 81.25% interest with 12.5% held by African Mining Selection Corporation and 6.25% held by Société Financière d'Exploration d'Or au Mali (See Avion News Releases dated March 31, 2010 and December 29, 2010). These interests are prior to a carried interest of up to 20% due to the Government of Mali upon commencement of production. Therefore, Indicated mineral resources of 238,000 ounces and Inferred mineral resources of 299,000 ounces are credited to Avion. Total estimated Indicated Mineral Resources are approximately 3.24 million tonnes grading 2.55 g/t Au totalling 293,000 ounces Au (Roberts, 2008, NI43-101 compliant report). In addition, the Kofi property hosts total Inferred Mineral Resources of approximately 5.26 million tonnes grading 2.18 g/t Au totalling 368,000 ounces gold (See Dec. 11, 2007 AXMIN news release, Roberts, 2008 NI43-101 compliant report) . Most of the zones are open along strike and to depth with zones only tested from 60 to 200 metres below surface. All of the zones are within 15 to 38 kilometers of Tabakoto's mine infrastructure, potentially placing these zones, including the estimated mineral resources, within trucking distance to the Tabakoto mill.

#### Avion Files Supplemental Executive Compensation Disclosure

In addition, Avion announced today that it has filed additional executive compensation disclosure for Avion to supplement the information contained in its management information circular dated May 3, 2010 (the "**Circular**") prepared in connection with the annual meeting of shareholders of the Company held on June 8, 2010, including specifically information stating that Mr. Stan Bharti is a "Named Executive Officer", which was not disclosed in the Circular, and correcting and clarifying the Company's Compensation Discussion & Analysis, including clarification that benchmarking is not used to determine salaries of executive officers and the determination of bonuses.

## About Avion Gold Corporation

Avion is a Canadian-based gold mining company focused in West Africa that holds 80% of the Tabakoto and Ségala gold projects in Mali. Gold production commenced at these projects in 2009 with just over 51,000 ounces produced. 2010 production was 87,630 ounces of gold. Production sustainability will continue to be supported and enhanced by an aggressive 2011 drill program over an approximately 500 km<sup>2</sup> exploration package that both surrounds and is near to the Company's existing mine infrastructure. The current mineral resources estimate for the Tabakoto project demonstrates several sources of excellent grade open pit and good grade underground mineral resources thus providing significant flexibility for Avion's future mining plans. Additionally, the 1,670 km<sup>2</sup> Houndé exploration property in Burkina Faso has returned promising results. These properties will be subject to a preliminary US\$ 10 million dollar, approximate 60,000 metre, drill-focused, exploration program in 2011. Avion continues to progress towards its medium term goal of 200,000 ounces of gold per year and a longer term goal of organic growth through development of its exploration properties. The Company is developing an underground mine at the Tabakoto deposit, and is preparing to mine underground at the Ségala deposit. Avion has a highly skilled management team, with a focus on growth and consolidation within West Africa.

John Begeman P.E., the President and Chief Executive Officer of the Company and a qualified person under National Instrument 43-101, has reviewed the scientific and technical information in this press release.

### Cautionary Notes

The ability of Avion to increase production to 200,000 ounces of gold per year has not been the subject of a feasibility study and there is no certainty that the proposed expansion will be economically viable.

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the impact of the results on the Company; statements with respect to the development potential and timetable of the Tabakoto, Kofi and Houndé projects; the future price of gold; the estimation of mineral resources; conclusions of economic evaluation (including scoping studies); the realization of mineral resource estimates; the timing and amount of estimated future production, development and exploration; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to those risks described in the annual information form of the Company which is available under the profile of the Company on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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