



# A Growing Gold Producer in West Africa

TSX: AVR

April 2011



# Forward Looking Statement

*This company presentation contains forward-looking statements under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the development potential and timetable of the projects; the Company's ability to raise additional funds as necessary; 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 statements 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 statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Mali projects are based on assumptions underlying mineral resource estimates and the realization of such estimates; results of previous mining activities at the projects, and detailed research and analysis completed by independent consultants and management of the Company; research and estimates regarding the timing of delivery for long-lead items; knowledge regarding the factors involved in building a mine and other factors described in the annual information form of the company. Capital and operating cost estimates are based on results of previous mining activities, research of the Company and independent consultants, recent estimates of construction and mining costs and other factors that are set out in the scoping study. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. Forward-looking statements are 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 statements, including but not limited to risks related to: timing and availability of external financing on acceptable terms; unexpected events and delays during construction, expansion and start-up; variations in ore grade and recovery rates; receipt and revocation of government approvals; actual results of exploration and mining activities; changes in project parameters as plans continue to be refined; future prices of gold; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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. The Company does not undertake to update any forward-looking statements except in accordance with applicable securities laws.*

*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.*

*Investors are advised that National Instrument NI 43-101 of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

*The company uses the term "cash costs" in this presentation. Cash costs is a non-GAAP figure. Please see the Company's Management Discussion & Analysis for an explanation of this figure and the associated uncertainty.*

## Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated or Inferred Resources

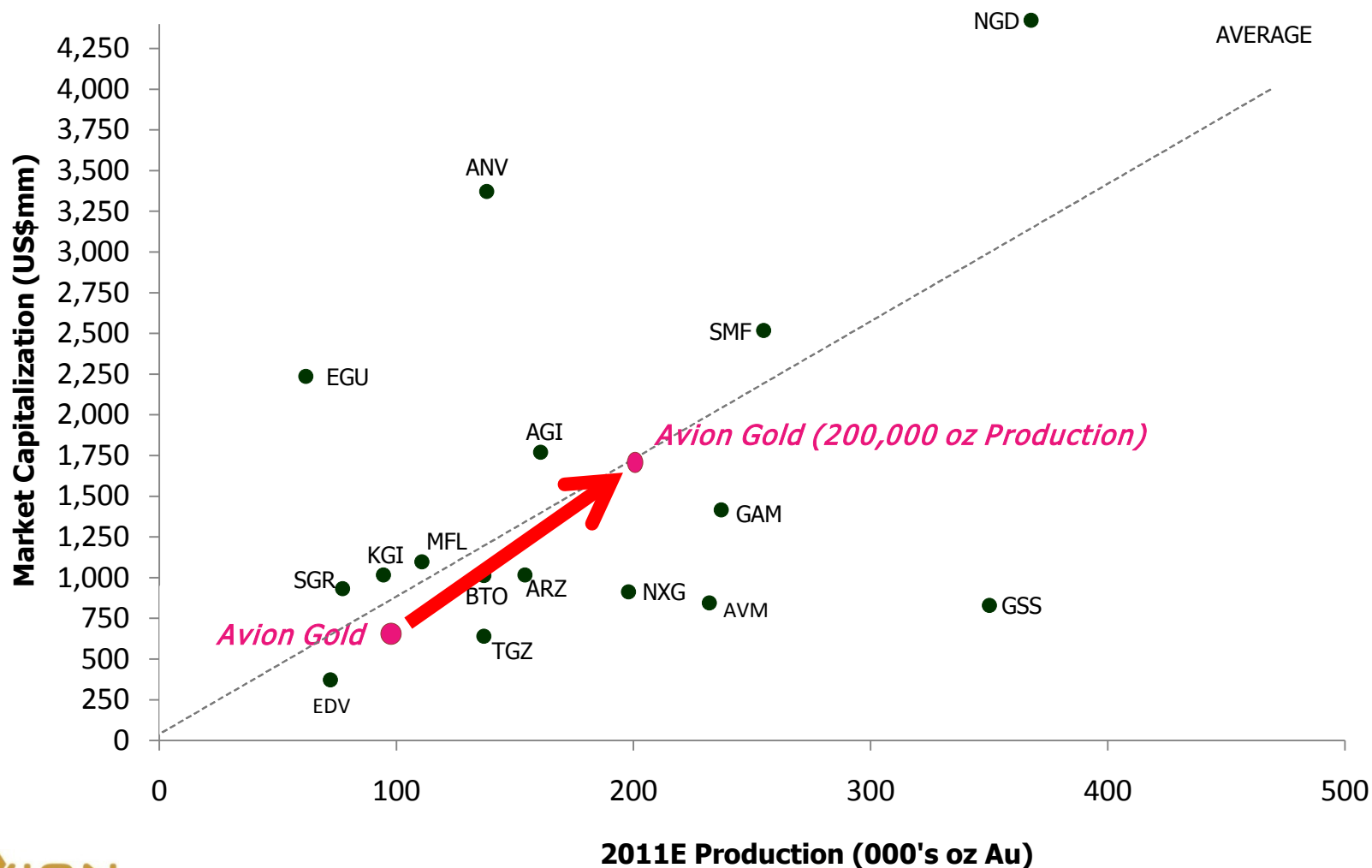
*The information presented uses the terms "measured", "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize these terms. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.*

# Investment Highlights

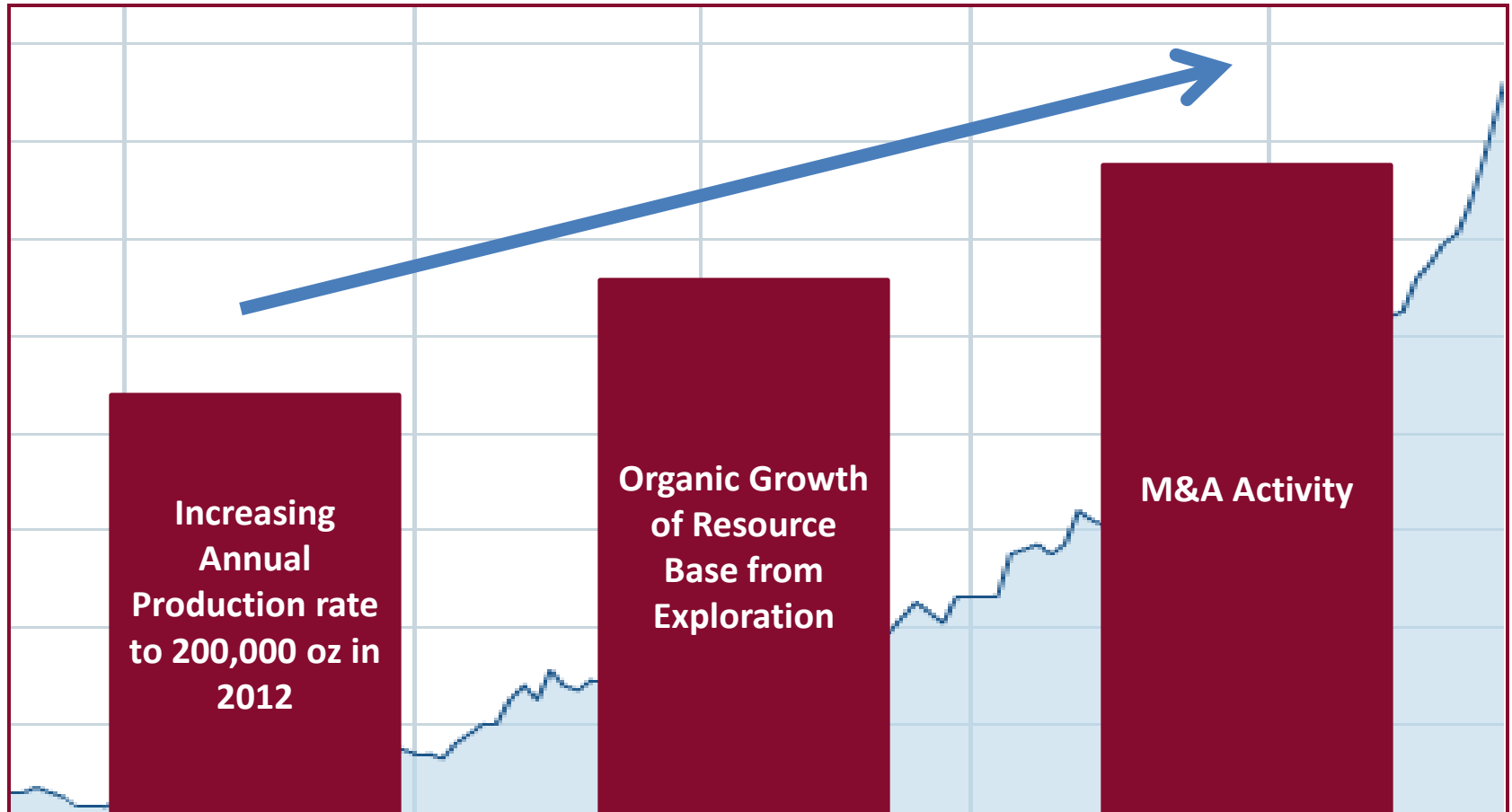
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- Increasing production profile from 87,630 ounces in 2010 to 200,000 ounces in 2012
- Expect a 100% valuation change in 11 months
- Increasing resource base through exploration
- Increasing production and higher grades reduce cost base from ~\$650/oz to \$560/oz in 10 year plan
- Cash Flow positive with ~\$24.5 million in bank

# 11 Month Valuation Bump up from Production Increase to 200,000 oz rate



# Valuation Increase Factors

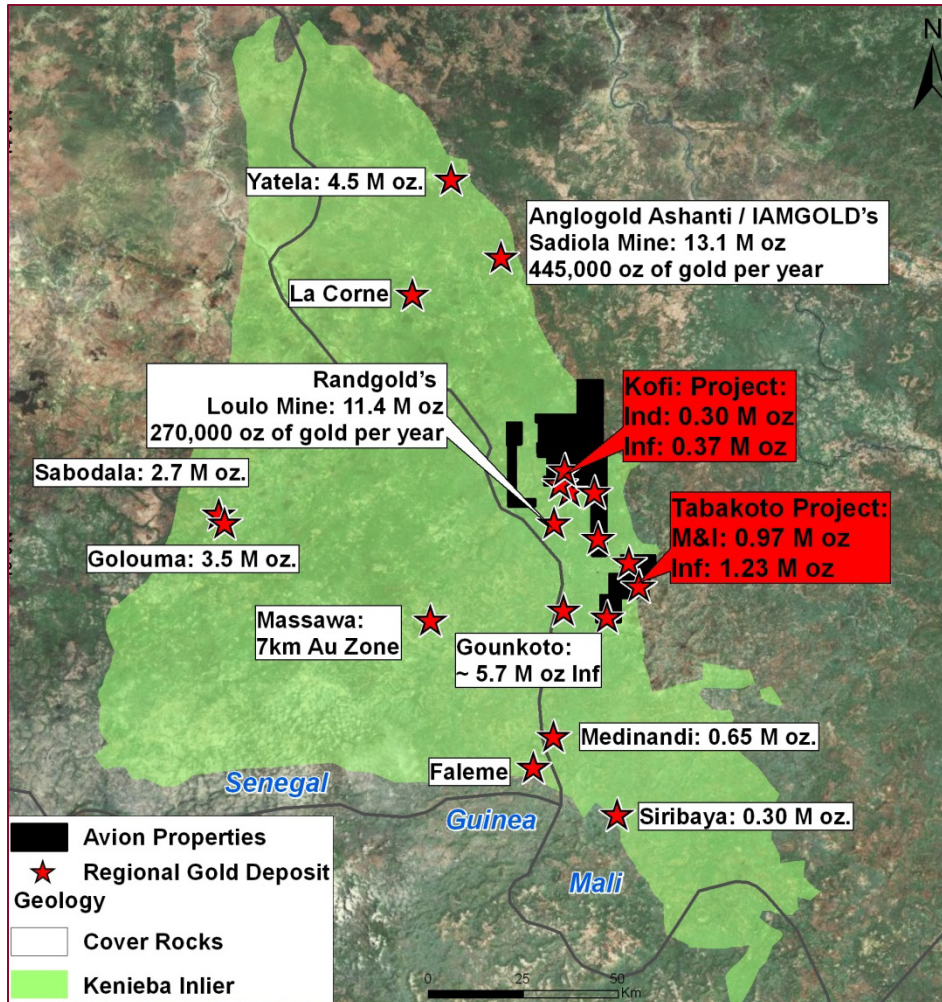


# Avion Properties – West African Focus

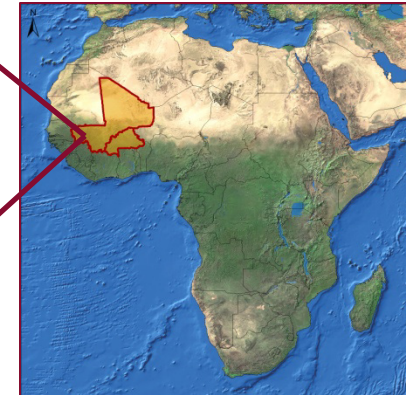


In a good Neighborhood

# Mali: Africa's Third Largest Gold Producer



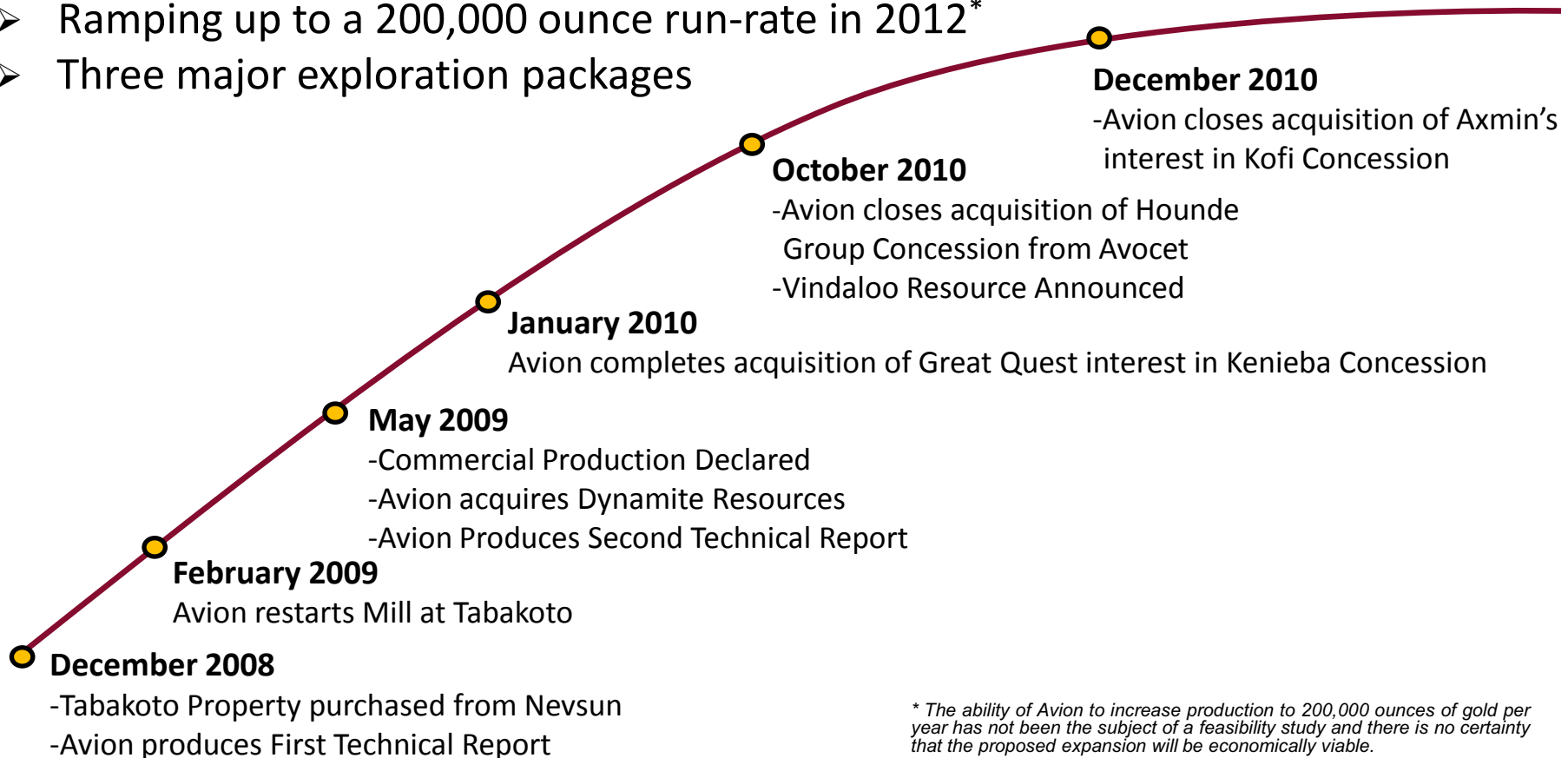
**Western Mali Gold Belt  
>38 million ounces of Resources**



# Bringing Value Sooner

## Delivering Production Expansion into Gold's Bull Market

- 51,000 ounces produced in 2009
- 87,630 ounces produced in 2010
- Ramping up to a 200,000 ounce run-rate in 2012\*
- Three major exploration packages



*\* 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.*



Strong Assets

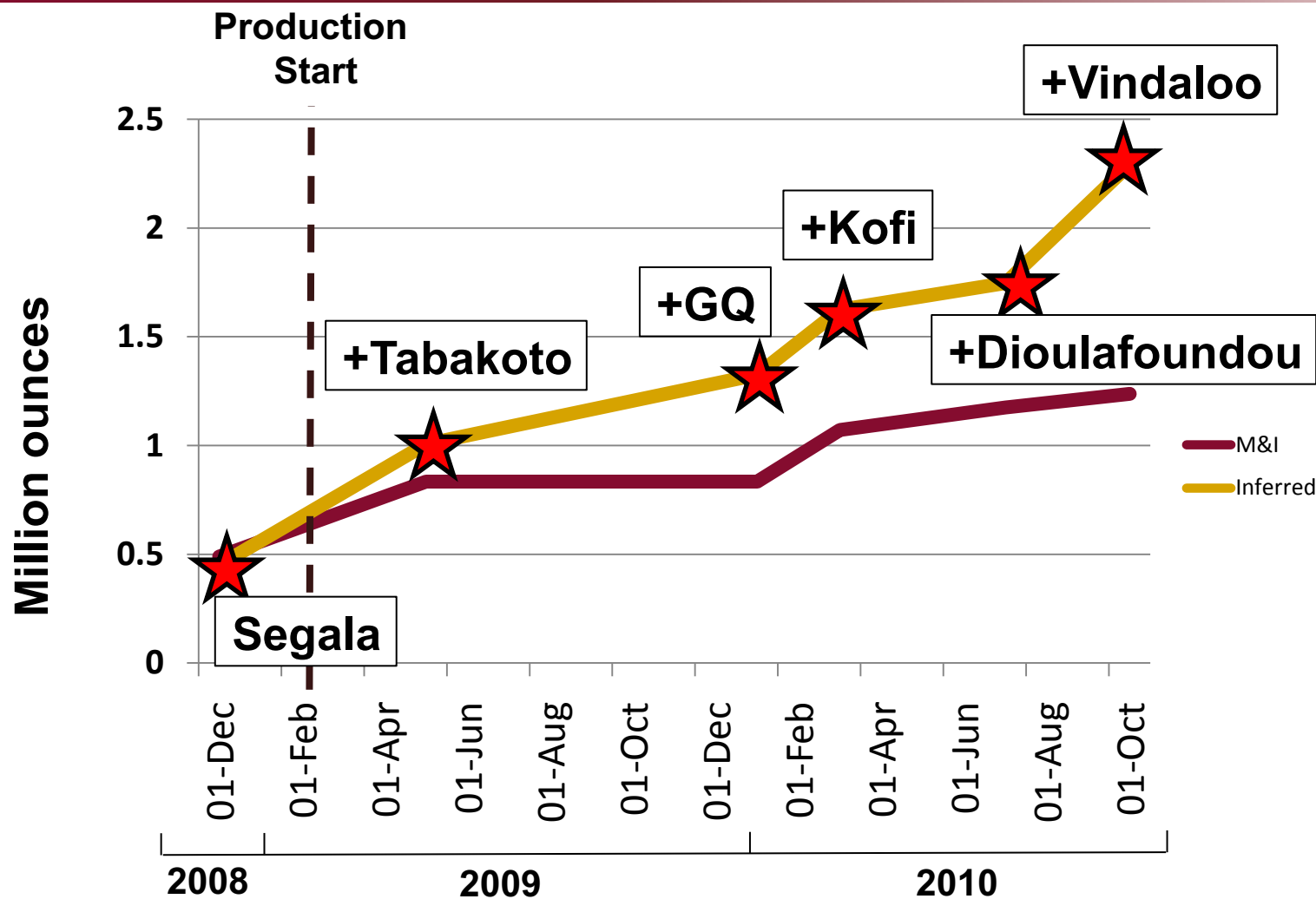
# Resource Base

## Updated – Corporate Mineral Resources\*

	Tonnes	Grade (g/t Au)	Gold Ounces
<b>Measured &amp; Indicated (1 to 2 g/t Au Cut-off)</b>	<b>9,524,000</b>	<b>4.11</b>	<b>1,280,000</b>
<b>Inferred (1 to 2 g/t Au Cut-off)</b>	<b>19,015,000</b>	<b>3.38</b>	<b>2,072,000</b>

- The resource study was prepared by Eugene Puritch, P.Eng. And and Antoine Yassa, P. Geo of P&E Mining Consultants Inc. Note that open pit mineral resources were calculated at a cut-off of 1.0 g/t Au and underground mineral resources were calculated using a 2.0 g/t cut-off.
- Estimates include 81.25% of Kofi Project resources - Dec. 11, 2007 AXMIN news release, Roberts, 2008 43-101 compliant report.
- Resource updated to include estimated mining drawdown, Great Quest Acquisition, recent Kofi Acquisition and Hounde's Vindaloo zone.

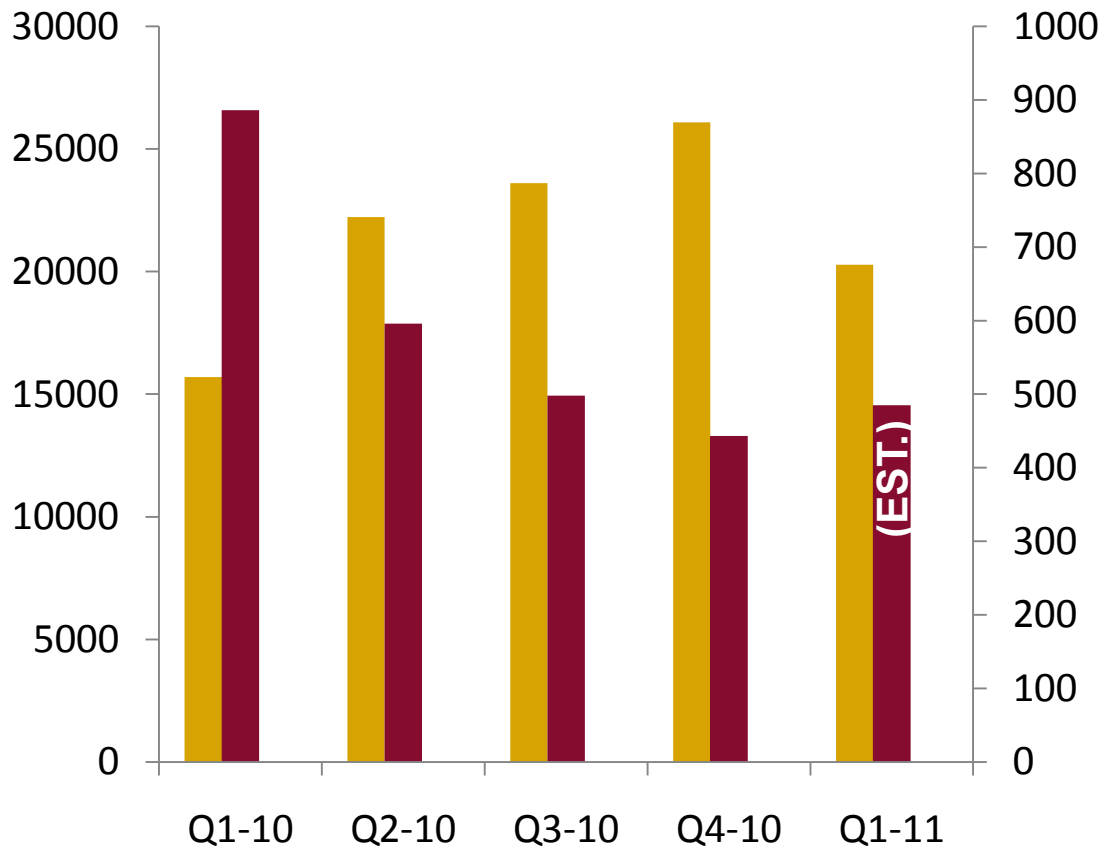
# Increasing Resource Base



\* Tabakoto, GQ & Dioulafoundou are updated to Dec. 30, 2010

# 2010 – Steady Growth 87,630 oz. Produced

## 2011 – 100,000 oz. Forecasted



**2011 Estimated Production of 100,000 oz. Au**



■ Oz. Produced  
■ Cost/Oz.



# Avion Production To Date

	<b>2009 Total</b> <sup>(1)(2)(3)(4)</sup>	<b>2010</b>
Ore Milled (000 t)	562.8	705.9
Head Grade (g/t Au)	2.95	4.02
Recovery (%)	95.4	96.5
<b>Gold Production (oz)</b>	<b>51,291</b>	<b>87,631</b>

(1) Mill was restarted on February 17, 2009. Gold production includes 747 oz recovered from plant clean-up work in 2009 prior to the mill restart.

(2) Commercial production was declared May 1, 2009.

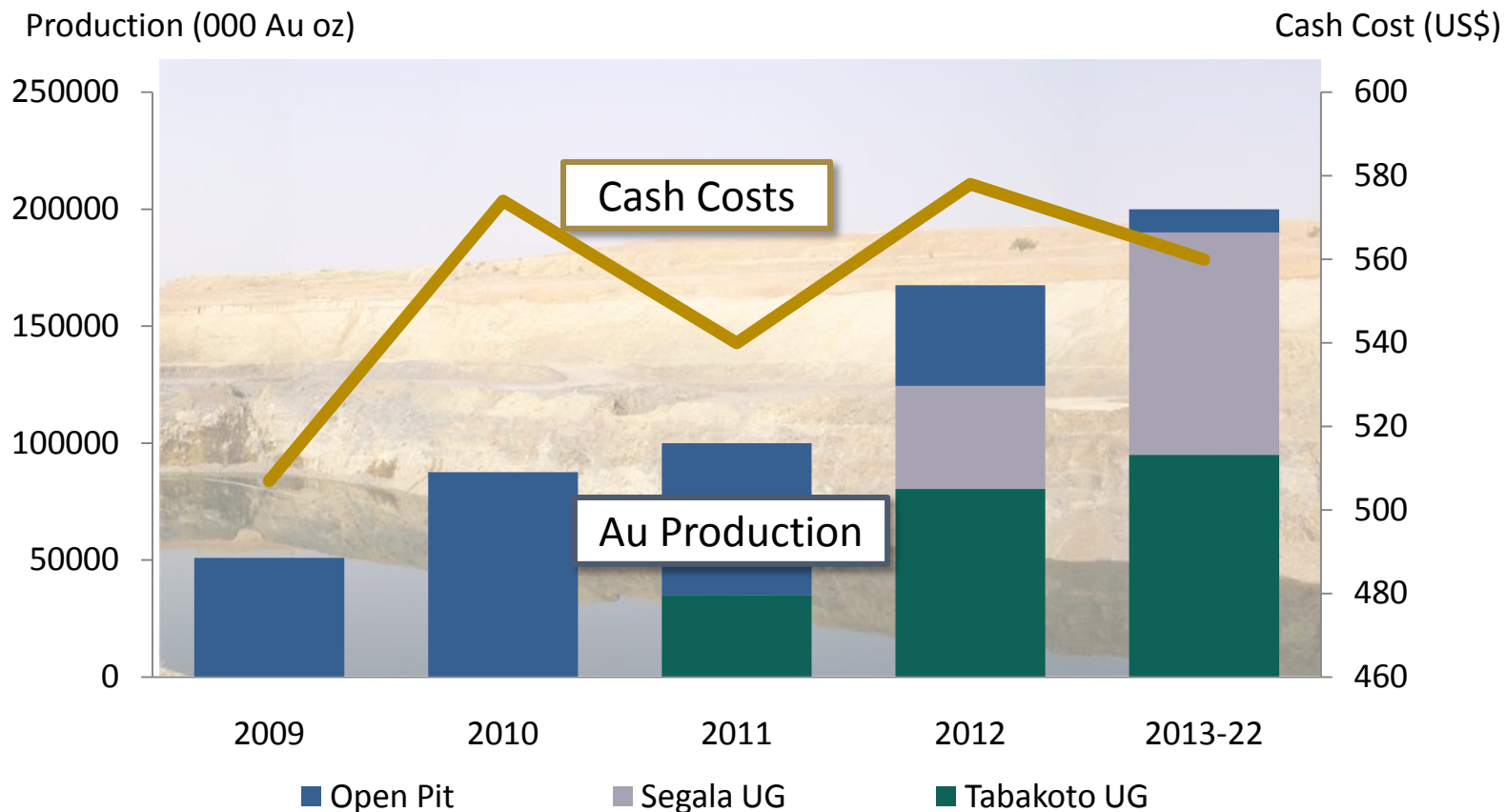
(3) Includes 2 weeks downtime due to heavy rainfall and road transportation issues.

(4) 2009 Total adjusted by -483 oz to reconcile to refined ounces.

<b>2011</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total YTD</b>
Ore Milled (000 t)	180,800				180,800
Head Grade (g/t Au)	3.64				3.64
Recovery (%)	96.2				96.2
<b>Gold Production (oz)</b>	<b>20,272</b>				<b>20,272</b>

# Production Growth vs. Costs

## Au Production and Cash Costs



Initial mine plan presented in the Segala scoping study prepared by M. Rivera, P. Eng. (independent) with the support of T. Mann, P.Eng. (independent) and Andrew Bradfield, P.Eng. (Not Independent Chief Operation Officer of Avion). Resource estimate prepared by Eugene Puritch and Antoine Yassa of P&E Mining Consultants. Using CanaccordGenuity Research's gold price forecast of US\$900/oz in 2009, US\$850/oz in 2010, US\$800/oz in 2011 and US\$750/oz in 2012, open pit and underground recoveries of 90% and 85%, respectively, UG equipment will be leased, UG mining by mechanized long hole retreat

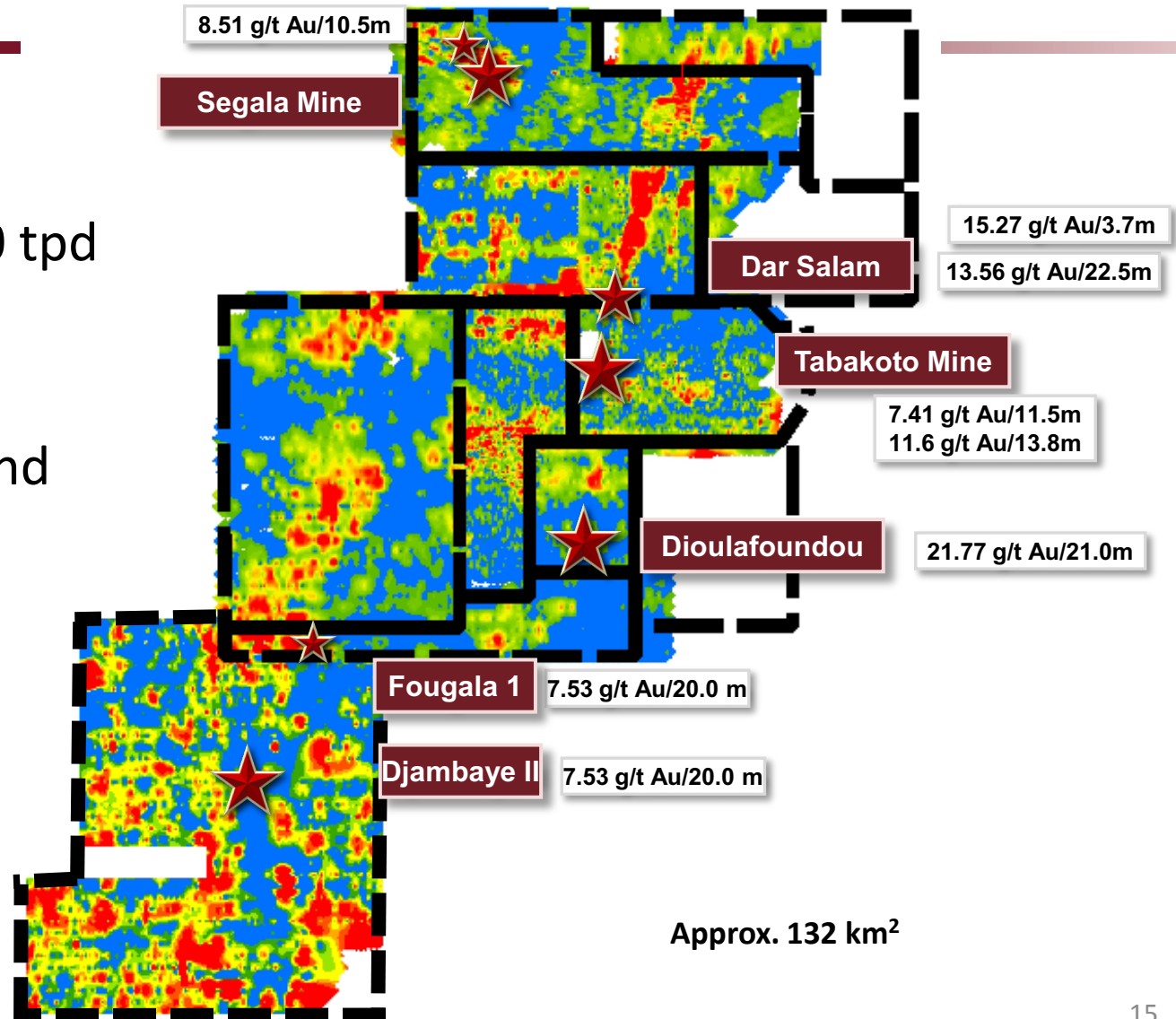
# 200,000 oz/year Run-Rate in 2012

Anticipated project milestones	2011				2012
	Q1	Q2	Q3	Q4	Q1
60,000 metre exploration program	•	•	•	•	
Future exploration programs					•
Tabakoto underground development	•	•	•	•	
Issue NI43-101 report with mine plan	•				
Initial Reserve statement for Tabakoto		•			
Mine other open pits	•	•	•	•	•
Segala underground development		•	•	•	•
Plant expansion construction	•	•	•	•	•
1 million ounce Resource on Houndé Property	•	•	•	•	
200,000 oz/year gold production*					◇

Strong Assets

# Large, Target-Rich Property with Central Milling Complex

- ✓ Mill – 2100 tpd
- ✓ Roads
- ✓ Tailings pond
- ✓ Power
- ✓ Water



Strong Assets

\$US100M Assets Acquired for <\$0.20 on the Dollar (2008)



Milling Facility – 2,100 tpd



Camp – now houses 150 staff



Power Supply



Fuel Supply – Contracted



Current Tabakoto Pit



# Recent Tabakoto Underground Development

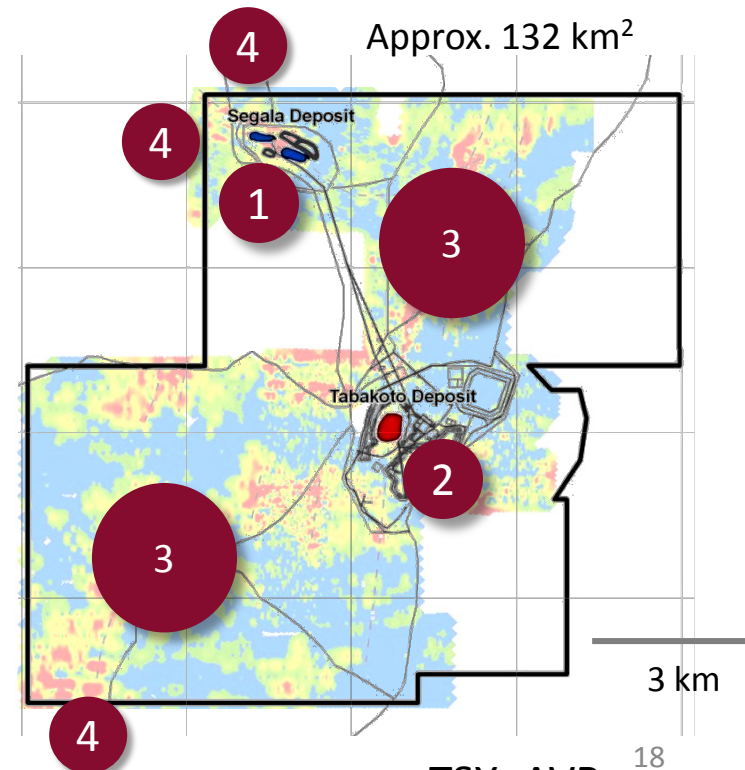
## Avion is Mali's 4<sup>th</sup> Largest Gold Company



# Resources Expansion Potential

## Four Target Concepts

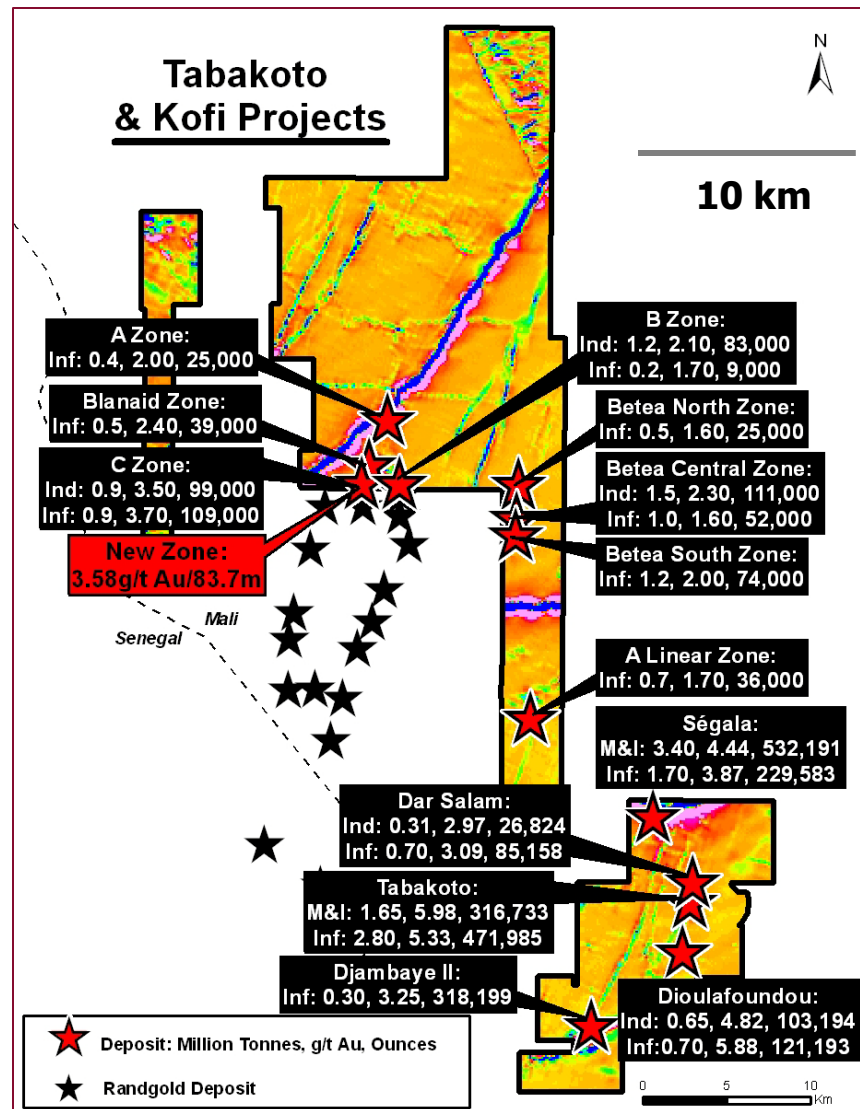
- 1 Segala open to depth – underground potential
- 2 Tabakoto open to depth, and around pit
- 3 Remainder of property – numerous targets
- 4 New Properties



# Target-Rich Exploration Package (~500 km<sup>2</sup>)

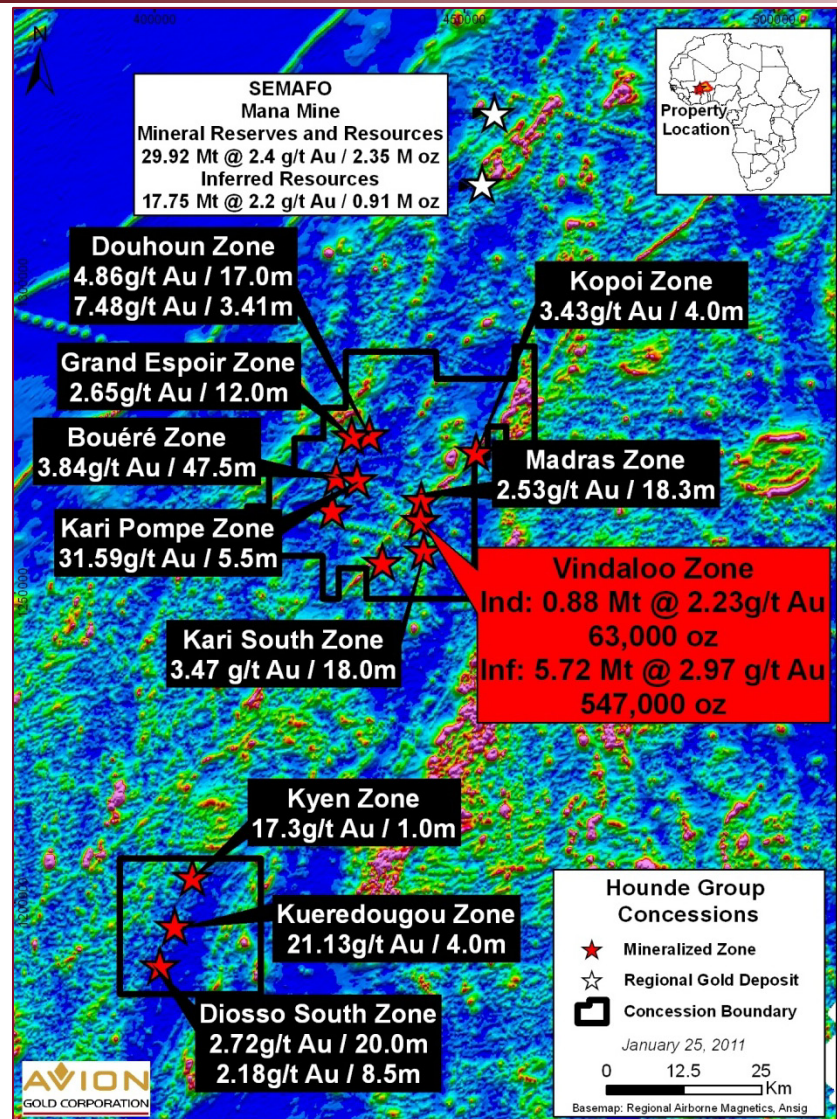
- 75% of drill holes have intersected gold!
- \$10 Million Exploration Budget for 2011 (all properties)
- Total Project (Avion + Great Quest+Kofi + Hounde) Resource of:
  - M&I: 1.3 M ozs\*
  - Inf: 2.1 M ozs\*

\* At 1.0 and 2.0 g/t cut-offs



# Houndé – Burkina Faso

- Excellent Resource Expansion Potential
- \$3 Million Exploration Budget for 2011, potential for increase
- Current Resource of of:
  - Ind: 63,000 ozs
  - Inf: 547,000 ozs
- Recent New Discovery



# Capital Structure

Exchange	TSX
Ticker	AVR
Shares Outstanding – basic	389.6 million
Fully diluted	437.1 million
52-Week High/Low	\$2.08 - \$0.42
Recent Price (April 5, 2011)	\$1.69
Market Capitalization	~\$659 million

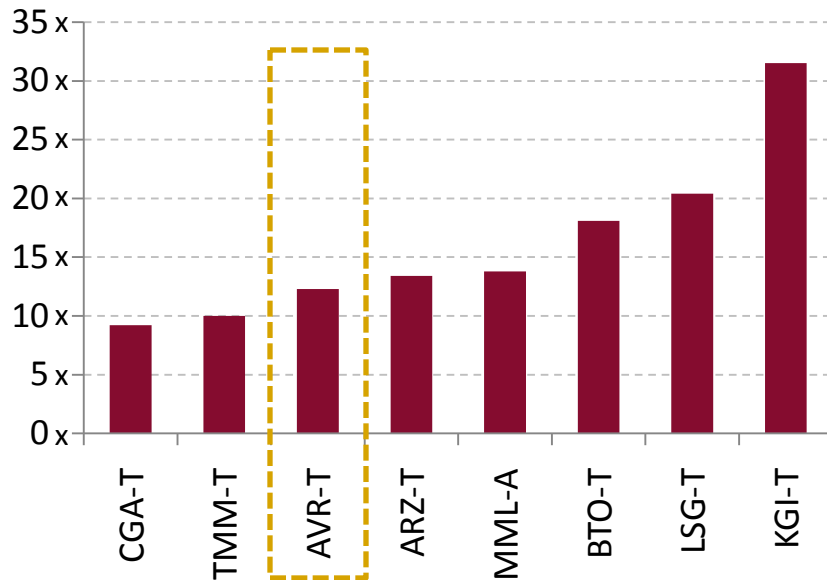


- **Current Cash position of ~\$24.5 Million**
- **Strong Balance Sheet**
- **\$9 Million in the money warrants (May 2011)**

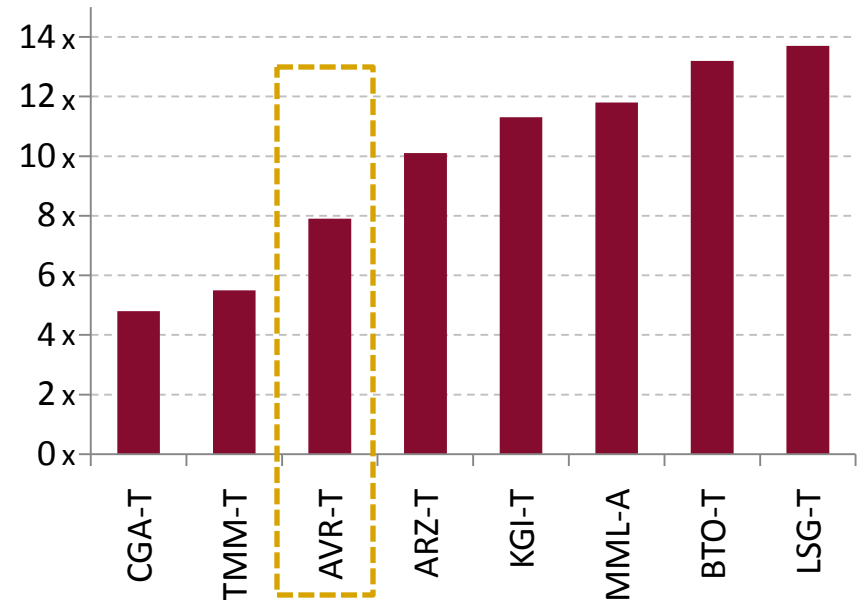
# Undervalued Compared to Peers

Avion is significantly undervalued relative to its producing peer group based on a cash flow multiple

**P/CFPS (2011E)**



**P/CFPS (2012E)**



Source: NCP Northland Capital Partners Inc Research and public market research (updated April 6, 2011)

# Avion Gold Corporation

## MAJOR SHAREHOLDERS

Sprott Asset Management ~17%

Sentry Investments ~13%

Pinetree Capital ~4%

Craton Capital ~4%

Carmignac Gestion ~4%

RBC Asset Management ~3%

Maple Leaf Partners ~3%

Resolute West Africa Ltd ~3%

Aberdeen International ~2%

**Management Directors ~2%**

# Independent Research and Media Coverage

## Independent Research – Full Coverage

<b>Firm</b>	<b>Analyst</b>
NCP Northland	Catherine Gignac
Wellington West	Paolo Lostritto
Canaccord Genuity	TBD

## Independent Research – Research Notes

<b>Firm</b>	<b>Analyst</b>
BMO Capital Markets	Andrew Breichmanas
Desjardins Securities	Brian Christie
NB Financial	Tara Hassan
PI Financial	Eric Zaunscherb

## Media Coverage

<b>Firm</b>
OB Research



# Experienced Management Team & Board

## MANAGEMENT

John Begeman, President, CEO and Director  
Don Dudek, Senior VP Exploration and Director  
Greg Duras, CFO  
Andrew Bradfield, Chief Operating Officer  
Brianna Davies, Corporate Secretary

## BOARD OF DIRECTORS

James Coleman—Chairman  
John Begeman  
Stan Bharti  
George Faught  
Bruce Humphrey  
Lewis Mackenzie, Major General (Ret.)  
Honorable Pierre Pettigrew, P.C.

# Avion Gold Corporation



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