



AVALON ANNOUNCES PROPOSED SALE OF WEST AUSTRALIAN EXPLORATION ASSETS

NEWLY ESTABLISHED CALIBURN RESOURCES TO UNDERTAKE IPO AND ASX LISTING

Key Points

- 13 of Avalon's Western Australian exploration tenements to be acquired by newly established Caliburn Resources Limited.
- Caliburn to undertake an IPO and ASX listing as a dedicated energy and minerals exploration company.
- Exploration portfolio includes 13 Exploration Licences in the Yilgarn and Kimberley regions of WA covering several known uranium occurrences.
- Portfolio sale consistent with Avalon's focus on its advanced copper projects in Sweden.

Avalon Minerals Limited (ASX: **AVI** – "Avalon") is pleased to announce that it intends to divest its West Australian exploration assets via the proposed sale to **Caliburn Resources Limited**, which will undertake an Initial Public Offer and proposed listing on the Australian Securities Exchange (ASX).

The sale to Caliburn Resources as a dedicated energy and minerals exploration company is consistent with Avalon's focus on its advanced Viscaria and Adak Copper Projects in Sweden.

The Company recently reported a maiden JORC Code compliant mineral resource comprising an Inferred Resource of 24.1 million tonnes grading 0.8% Cu for the 'B' Zone and 2.5 million tonnes grading 1.6% Cu for the 'D' zone, for a combined 220,000 tonnes of contained copper for the Viscaria Project.

Caliburn has entered into an agreement with Avalon's wholly owned subsidiary, Resource Properties Pty Ltd, to acquire a 100% interest in nine prospective uranium projects encompassing 13 Exploration Licences (nine granted and three under application) in Western Australia. The portfolio covers a total area of approximately 1,900km² in the central and northern part of the Yilgarn Craton and the Kimberley region of Western Australia.

It is expected that Avalon shareholders will be offered a priority entitlement to take up shares in the Caliburn Resources IPO. The capital raised will be used by Caliburn to accelerate the exploration of Avalon's uranium assets and to target other opportunities in mining and exploration in Australia.

The key dates for the Caliburn IPO are listed below;

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ASX Code: AVI

Issued Capital
50.6 million shares
11 million unlisted options

Directors
David McSweeney
(Managing Director &
CEO)

Stephen Stone
(Director)

Gary Steinepreis
(Director)



Key Dates*

Lodgement of Prospectus with ASIC	5 August 2008
Record date for Avalon Priority Offer	7 August 2008
Opening date	12 August 2008
Closing date of Offer	2 September 2008
Dispatch of Holding Statements	8 September 2008
Anticipated date of first quotation on ASX	11 September 2008

*Dates are indicative only and subject to change

*Please see Caliburn announcement attached.

- ENDS -

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On behalf of:
Mr David McSweeney
Managing Director and CEO
Avalon Minerals Limited
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Avalon Minerals – Background

Avalon Minerals Ltd listed in March 2007 with the aim of developing and discovering mineral deposits.

Avalon's corporate objective is to build a diversified resource mining group based on cash flows from producing operations. The primary project generation strategy has been successful with the acquisition of the advanced Viscaria and Adak copper deposits in northern Sweden where a maiden JORC Code compliant copper resource comprising an Inferred Resource of 24.1 million tonnes grading 0.8% Cu for the 'B' Zone and 2.5 million tonnes grading 1.6% Cu for the 'D' zone, for a combined 220,000 tonnes of contained copper has been delineated.