

AVALON BOOSTS COPPER RESOURCE BY 32% AT VISCARIA PROJECT, SWEDEN

Australian-based international exploration company Avalon Minerals Ltd (ASX: AVI) has taken another significant step towards establishing the foundations for a substantial Nordic copper production business after today (**Monday**), announcing a **32% increase in the Resource Inventory** at its 100%-owned **Viscaria Copper Project**, located 1,200 km north of Stockholm in northern Sweden.

The delineation of an additional Inferred Resource of **5.1Mt @ 1.2% Cu** from a northern section of the Project's **'A' zone** has resulted in a substantial increase in the Company's total Inferred Resource to **31.6Mt at 0.9% Cu for 284,000 tonnes of contained copper metal**. This overall figure is made up of the following zones, of which the 'B' and 'D' zones were previously announced:

'B' Zone – 24.1Mt @ 0.8% Cu;
'D' Zone – 2.5Mt @ 1.6% Cu; and
'A' Zone North – 5.1Mt @ 1.2% Cu.

The 'A' zone had previously delivered the highest grade of the three copper zones at Viscaria and was therefore the focus of previous mining. The existing +12km of decline developed to extract ore from the 'A' zone is believed to be in good working order and, subject to feasibility studies and de-watering approvals, the 'A' zone decline could be re-opened. Development of a similar decline would cost approximately A\$36 million today.

The Resource upgrade at Viscaria comes just 10 weeks after Avalon announced its maiden Mineral Resource estimate and less than 6 months after it acquired the advanced Viscaria and Adak copper Projects from Phelps Dodge Exploration Sweden AB in March 2008.

Commenting on the Resource upgrade, Avalon's Chairman and Managing Director, Mr David McSweeney, said the addition of Inferred Resources from the 'A' zone would add further weight to the economics and life of the Viscaria project which the Company was looking to fast-track into production: "The addition of resources from the promising 'A' zone have again confirmed the potential for these tenements to deliver JORC-code compliant resources capable of supporting a near-term production asset for Avalon." said Mr McSweeney.

"To ensure we bring Viscaria into production as soon as possible, we will be running project development activities including Scoping Studies and resource definition drilling, in tandem with ongoing resources extension drilling to delineate further copper deposits," he added.

While the Viscaria 'A' Zone North resource extends for some 2,100m, its southern strike extension thins for a short distance before re-occurring again as **'A' Zone South**. 'A' Zone South is currently being modelled with Avalon targeting an initial JORC-Code compliant resource from this zone in the current Quarter.

"The beauty of this project is the large size and continuity of the Viscaria system as a whole, evidenced in the strike extension into 'A' zone south, a zone which we are currently modelling to bring into the Inferred category shortly," said Mr McSweeney.

The Viscaria Copper Mine is located in Northern Sweden, 4km from the 1.6 billion tonne (68% Fe) Kiruna mine, Sweden's largest iron ore mine and the world's second largest underground mine. Avalon has three exploration licences at Viscaria (101,102 and 103), and has applied for additional exploration permits over open ground and along strike to the north, for a total area of approximately 67km².

The mine was operated by Outokumpu from 1982 to 1997 and produced 12 million tonnes @ 2.3% copper with 2% zinc and 0.5g/t gold metals credits from the 'A' zone. The mine was closed when the copper price was around \$1.00/lb and at a time when Outokumpu had made a strategic decision to exit its mining operations.

The Viscaria project is linked by rail to the Copper smelter at Skelleftea in northern Sweden operated by New Boliden. Boliden's 1.6 billion tonne Aitik copper-gold project, situated 80km to the south of Viscaria, is currently producing at 18 million tonnes per annum of ore and is serviced by road and rail networks which traverse Avalon's tenements.

The project benefits from excellent infrastructure including an existing rail connection, hydro-generated grid electrical power and proximity to the nearby town of Kiruna which has a population of over 20,000 people.

Competent Persons Statements

The information in this "ASX Announcement" relating to in-situ Mineral Resources at the Viscaria deposit, A, B and D Zones has been based on information compiled by Paddy Reidy of CSA Global Pty Ltd. Paddy Reidy BSc(Hons Geology) is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'(JORC Code 2004 Edition). Paddy Reidy consents to the inclusion of such information in this "ASX Announcement" in the form and context in which they appear.

The information in this report relating to Exploration results is reviewed by Mr Geoff Hewlett MSc DIC MAIG who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and is the company's Exploration Manager. Mr Hewlett has over 30 years of exploration experience in a variety of mineral deposit styles including uranium, base metals and gold mineralisation and he consents to inclusion of the information in this report in the form and context in which it appears. He qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".

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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 current JORC Code compliant copper resource comprising an Inferred Resource of 31.6 million tonnes grading 0.9% Cu for 284,000 tonnes of contained copper has been delineated.