



2010 DRILLING PROGRAMME COMMENCES AT VISCARIA VMS COPPER PROJECT, SWEDEN

INITIALLY TARGETING HIGH-PRIORITY 'D' ZONE OPEN CUT MINERALISATION

Australian-based metals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon") is pleased to announce that the first drilling programme for the 2010 calendar year has commenced at the Company's 100%-owned **Viscaria VMS Copper Project** in northern Sweden.

Drilling has begun with a 3,500 metre, 45 hole diamond drilling program at the unmined 'D' Zone. Drilling in this zone, which is located 600 metres west of the previously mined 'A' Zone, is the first of a series of drilling programs designed to increase and infill resources at Viscaria and search for new discoveries. The average depth of the holes into the 'D' Zone will be approximately 85 metres.

Historical wide-spaced drilling at the 'D' Zone by Swedish State-owned company LKAB over 25 years ago was sufficient to support an Inferred JORC Code Compliant Mineral Resource of **2.5 Mt @ 1.6% Cu**. The 'D' Zone resource is open at depth and to the south and has not been subject to any subsequent drilling or exploration since the initial work by LKAB.

The 'D' Zone is the largest of Avalon's three separate, potentially open-cut mineable resources, and is the first to be drilled.

The 'D' Zone has been identified as a priority target due to:

- It is located parallel to the 'A' Zone and it is hosted in a magnetite unit;
- recent interpretation of magnetic image data by Avalon has highlighted the potential for this magnetite unit hosting the 'D' Zone to continue for up to four kilometres to the south; and
- the subsequent potential to expand the known 'D' Zone mineralisation to the south, which could provide additional resources to the Company's current inventory.

Avalon's Executive Chairman, Mr David McSweeney said he is pleased to be able to recommence site activities and is looking forward to building on the solid results produced from drilling in 2009.

"The success that we achieved with our recent drilling of the 'A' Zone and 'A' Zone extensions give us great confidence that we can have similar positive results from the current drilling programme," said Mr McSweeney.

As part of its drilling and exploration campaigns, the Company is progressing its interpretation and modelling of the earlier results from the 6,000 metre drilling programme completed on the 'A' Zone South in December 2009. These

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included highly encouraging assay results of *4m at 4.21% Cu from 9m and *8m at 2.42% Cu from 64m.

The Company is also undertaking follow up testwork on two down-hole EM conductors identified in hole VDD000D1 which intersected *1.03m at 2.5% Cu and 1.1% Zn from 643.4m.

**Above intercepts marked with * were reported in ASX Announcement dated 12 January 2010*

"This is a very exciting time for Avalon and look forward to updating the market on a regular basis as drilling results become available," he added.

– ENDS –

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Competent Persons Statements

The information in this report relating to Exploration Results is reviewed by Ms Louise Lindskog BSc Hons (Geol) who is a Member of the Australasian Institute of Mining and Metallurgy and is the Company's Exploration Manager. Ms Lindskog has over 8 years of exploration experience in a variety of mineral deposit styles including uranium, diamonds, base metals and gold mineralisation and she consents to inclusion of the information in this report in the form and context in which it appears. She 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".

Avalon Minerals – Background

Avalon Minerals Ltd listed in March 2007 with the aim of discovering and developing mineral deposits and to subsequently build a diversified resource mining group based on cash flows from producing operations.

The primary project generation strategy has been very successful with the acquisition of the advanced Viscaria copper deposit in northern Sweden where a maiden JORC Code Compliant Inferred copper resource has been defined.

This Inferred resource is comprised of:

8.2 million tonnes @ 2.7% Cu at the 'A' Zone South;
5.1 million tonnes @ 1.2% Cu at the 'A' Zone North;
24.1 million tonnes @ 0.8% Cu at the 'B' Zone; and
2.5 million tonnes @ 1.6% Cu at the 'D' Zone.

These resources combined total 514,600 tonnes of contained copper.

In addition, the cluster of six closed historical copper-zinc mines at Adak, 300km south of Viscaria, also provides an opportunity for Avalon to incrementally grow its base metal inventory within northern Sweden.