



FURTHER HIGH-GRADE MAGNETITE AND COPPER INTERSECTIONS FROM RECENTLY COMPLETED 'D' ZONE DRILLING AT VISCARIA

'D' Zone Defined Over a Strike Length of 1.1km to a Depth of 150m below Surface

Australian minerals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon") is pleased to report further encouraging iron ore and copper results from the recently completed program of drilling at the 'D' Zone, at its 100%-owned Viscaria Copper Project in Northern Sweden.

Following completion of drilling at the 'D' Zone, Avalon has commenced metallurgical drilling at the 'A' Zone and 'B' Zone copper resources.

'D' Zone

As previously announced, the 'D' Zone consists of overlapping Fe-rich and Cu-rich zones in a magnetite-carbonate Skarn iron deposit. The 'D' Zone is the largest of Avalon's three potentially open cut mineable resources at Viscaria.

Intersections from the recently completed program comprising 4994 metres of diamond core include:

Iron Ore

- 27m @ 34.0% Fe from 85m in VDD0024
- 24m @ 30.4% Fe from 37m in VDD0033
- 32m @ 31.3% Fe from 40m in VDD0039
- 22m @ 27.9% Fe from 111m in VDD0040

Copper

- 12.3m @ 2.08% Cu from 80.6m in VDD0022
- 14.4m @ 2.59% Cu from 99.6m in VDD0024
- 12.1m @ 1.45% Cu from 57m in VDD0035
- 10.3m @ 1.53% Cu from 119.5m in VDD0040

The 'D' Zone is now defined over a **strike length of 1,100 metres to a depth of approximately 150 metres below surface**. It remains open along strike to the south and at depth (*see Figure 1*). Detailed drill hole and assay information is shown in Table 1.

Currently, assays for 18 holes of the 53-hole program remain outstanding. Metallurgical test work has commenced at Ammtec Laboratories in Australia to test the metallurgical recovery of iron and copper from both the broader iron-rich zone and the higher grade copper-rich areas within it.

The results of this test work and completion of the 'D' Zone assaying are expected in June and July 2010 respectively.

A Scoping study of the 'D' Zone iron ore development will be completed in the September Quarter of 2010 following the receipt of all iron ore assays and metallurgical test work results.

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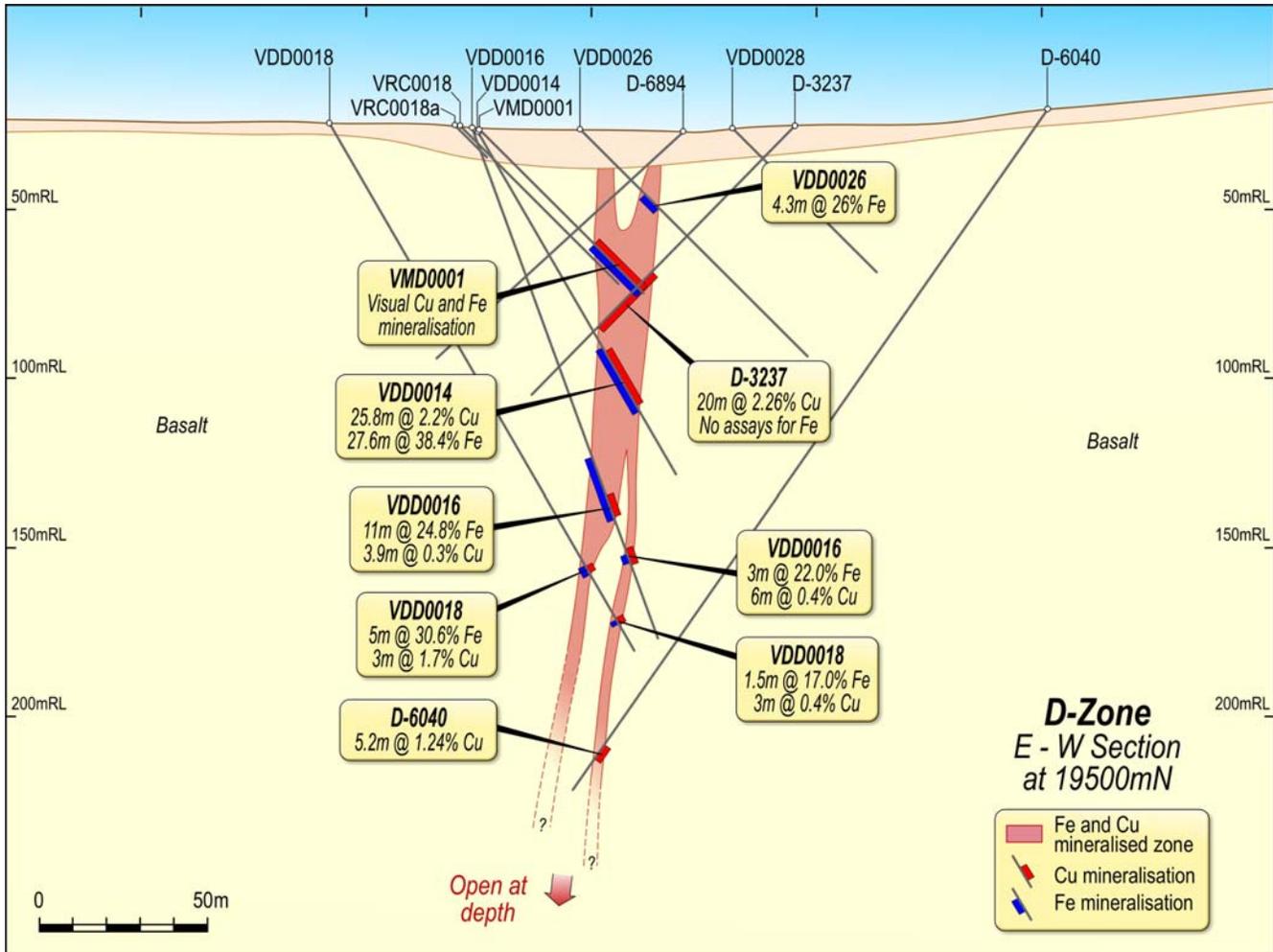


Figure 1: 19500MN Section

'A' and 'B' Zone

Following completion of the 'D' Zone drilling, Avalon has commenced a 14-hole program to provide core suitable for metallurgical testing and process flow sheet design for the copper-rich lodes in the 'A' and 'B' Zones. These zones are chalcopyrite-rich and display only minor amounts of magnetite alteration. The drilling is expected to be completed in June 2010.

The test work will be undertaken by Ammtec Laboratories in Australia.

This metallurgical test work represents the final element in the Pre-Feasibility Study of the Viscaria Copper Project which is scheduled to be completed in the September Quarter 2010 and is expected to form the basis of the subsequent Bankable Feasibility Study, detailed mine planning and process plant design for the recommencement of copper mining operations.

'D' Zone Extended Magnetic Target

Extending approximately 5.0 kilometres south of 'D' Zone is the continuation of the magnetic-rich horizon encountered at the 'D' Zone (see Figure 2).

Drilling programs targeting this highly prospective zone are planned pending the outcome of the 'D' Zone metallurgical test work and are expected to commence in the September 2010 Quarter when drill access should be established.

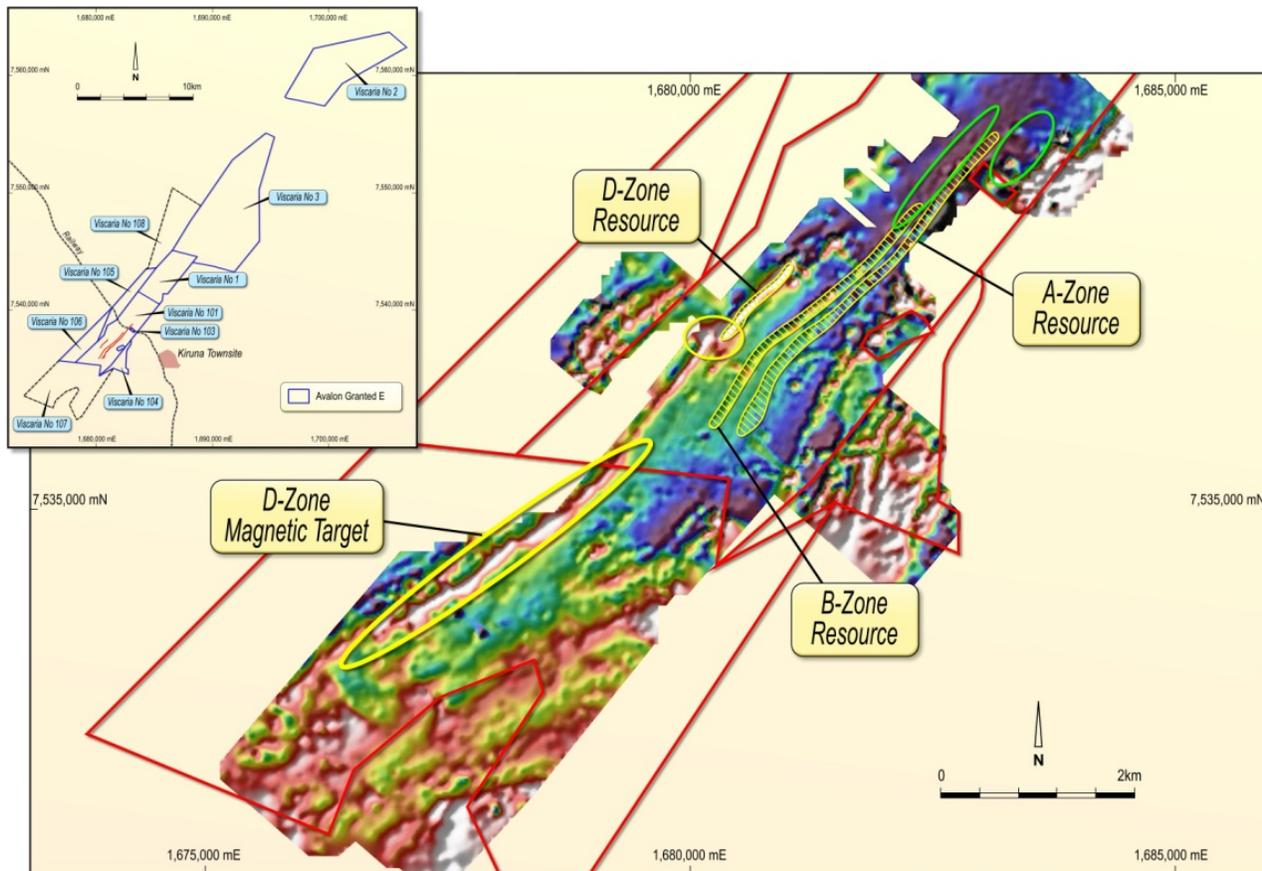


Figure 2: Magnetic image showing magnetite rich unit extending 5 kilometres south of the 'D' Zone

Commenting on the results, Avalon's CEO, Andrew Munckton, said: "The completion of the 'D' Zone drilling marks an important milestone in the development of the Viscaria Copper Project.

"The encouraging copper assays at 'D' Zone coupled with the ongoing metallurgical test work programs at the 'A' and 'B' Zones indicate that the three zones will provide robust, near-surface, Measured and Indicated resources which will form the basis of our Pre-Feasibility Study of the economics of a potential open pit development at the Viscaria Copper Project.

"The consistent intersection of the magnetite-rich horizon in the 'D' Zone gives us confidence that a potentially significant deposit of iron ore may also be defined at this location and at the southern extension of the 'D' Zone. We are looking forward to investigating the significance of this new magnetite and copper rich deposit style at Viscaria and on our larger regional ground holding."

– ENDS –

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Competent Persons Statement

The information in this report relating to the Mineral Resource and Exploration Results is reviewed by Mr Andrew Munckton BSc (Mining Geology) who is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Avalon Minerals Ltd as the Company's General Manager of Operations. Mr Munckton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons 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 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 copper deposit in northern Sweden where a maiden JORC Code compliant copper resource has been defined. This resource comprises of an Inferred Resource of:

8.2 million tonnes grading 2.7% Cu for the 'A' Zone South;
5.6 million tonnes grading 1.3% Cu for the 'A' Zone North;
24.3 million tonnes grading 0.8% Cu for the 'B' Zone; and
2.5 million tonnes grading 1.6% Cu for the 'D' Zone.

When combined, this totals 520,000 tonnes of contained copper.

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

Table 1: Assays from new 41 holes set out below

Hole_ID	Prospect		From	To	Interval	Cu %	Fe %	
VDD0018	D-zone		99.3	99.8	0.5	0.52	10.55	
			149	154	5	1.08	30.6	
		<i>including</i>	151.1	154	2.9	1.8	39.22	
			170	171.15	1.15	0.61	11.03	
VDD0020	D-zone		36.75	47.55	10.8	1.28	34.33	
		<i>including</i>	40	45.25	5.25	1.15	49.84	
			58.8	68.9	10.1	0.82	4.96	
VDD0022	D-zone		72	76.35	4.35	0.59	11.39	
			76.5	90.1	13.6	1.68	41.87	
			80.65	93	12.35	2.08	30.64	
			95.95	99.4	3.45	0.82	6.16	
VDD0024	D-zone		25.36	26.65	1.29	0.27	36.93	
			84.9	89.67	4.77	0.69	13.81	
			90.15	111	20.85	1.71	40.32	
			99.6	113.3	13.7	2.59	37.73	
		<i>including</i>	102	105	3	5.31	37.3	
VDD0026	D-zone		14.5	15.5	1	0.43	18.95	
			35.5	38.5	3	0.13	31.93	
VDD0028	D-zone		NSR					
VDD0030	D-zone		50.37	65.32	14.95	0.57	32.98	
		<i>including</i>	58.83	62.27	3.44	1.91	26.36	
			65.32	78.24	12.92	0.39	10.44	
VDD0031	D-zone		22.75	27.4	4.65	0.03	28.25	
			31.9	35.65	3.75	0	35.96	
			59.8	66.85	7.05	0.11	24.31	
			66.85	67.3	0.45	0.54	17.6	
VDD0032	D-zone		29.7	43.84	14.14	0.45	24.08	
		<i>including</i>	32.69	37	4.31	1.13	15.76	
			65.09	66.8	1.71	0.05	26.92	
VDD0033	D-zone		37.17	61.15	23.98	0.22	30.37	
		<i>including</i>	37.9	44	6.1	0.75	44.16	
VDD0034	D-zone		14	15	1	0.36	10.5	
			31.8	50.44	18.64	0.16	30.74	
		<i>including</i>	33.97	37.5	3.53	0.67	19.11	
VDD0035	D-zone		52.4	68.5	16.1	1.08	33.36	
			57	69.1	12.1	1.45	34.57	
VDD0036	D-zone		10.35	11.74	1.39	0.79	27.18	
VDD0037	D-zone		NSR					
VDD0038	D-zone		AWAITING ASSAYS					
VDD0039	D-zone		40	47.75	7.75	0.24	25.83	
			44.05	51.25	7.2	0.34	21.19	
			54.05	72.25	18.2	0.21	41.9	
			64.35	66.25	1.9	0.78	49.86	
			75.25	81.05	5.8	0.52	5.79	
VDD0040	D-zone		111	133	22	0.8	27.88	
		<i>including</i>	119.5	129.8	10.3	1.53	37.67	
VDD0041	D-zone		AWAITING ASSAYS					
VDD0042	D-zone		48	82.5	34.5	0.59	24.79	
		<i>including</i>	58	82.5	24.5	0.71	29.18	
VDD0043	D-zone		35.55	38.95	3.4	0.95	17.44	
		<i>including</i>	37.65	38.5	0.85	1.53	21.4	



VDD0044	D-zone		34	35.02	1.02	0.62	10.6	
			63	65	2	1.07	28.93	
VDD0045	D-zone		47	48.35	1.35	0.12	30.2	
			54	63.65	9.65	0.28	43.37	
			59.8	79.1	19.3	0.71	10.91	
VDD0046	D-zone		AWAITING ASSAYS					
VDD0047	D-zone		NSR					
VDD0048	D-zone		AWAITING ASSAYS					
VDD0049	D-zone		17.5	19.5	2	0.07	32.15	
			65.4	81.5	16.1	0.77	13.34	
		<i>including</i>	66.4	69.5	3.1	0.42	32.43	
VDD0050	D-zone		32.08	61.55	29.47	0.61	27.34	
		<i>including</i>	35.85	47.33	11.48	0.33	46	
VDD0051	D-zone		AWAITING ASSAYS					
VDD0052	D-zone		AWAITING ASSAYS					
VDD0053	D-zone		AWAITING ASSAYS					
VDD0054	D-zone		AWAITING ASSAYS					
VDD0055	D-zone		AWAITING ASSAYS					
VDD0056	D-zone		AWAITING ASSAYS					
VDD0057	D-zone		AWAITING ASSAYS					
VDD0058	D-zone		AWAITING ASSAYS					
VDD0059	D-zone		AWAITING ASSAYS					
VDD0060	D-zone		AWAITING ASSAYS					
VDD0061	D-zone		AWAITING ASSAYS					
VDD0062	D-zone		AWAITING ASSAYS					
VDD0063	D-zone		AWAITING ASSAYS					
VDD0064	D-zone		AWAITING ASSAYS					