

Mawson West Terminates Subscription Agreement

Avalon Minerals Limited (**Avalon** or the **Company**) (ASX:AVI) wishes to announce that Mawson West Limited (**Mawson West**) have withdrawn from the recently announced Subscription Agreement (see ASX announcement 12 December 2011)

In accordance with the agreement Mawson West were to have completed technical, legal and financial due diligence on Avalon to its satisfaction by 31 December 2011.

Mawson West today advised that the Due Diligence was completed not to Mawson West's satisfaction and as a result they have terminated the Subscription Agreement on 23 December 2011.

Commenting on the withdrawal Avalon's Managing Director Andrew Munckton said "It is disappointing that Mawson West have terminated the agreement as the company believed it offered both Avalon shareholders and Mawson West shareholders good value in what is a difficult market environment".

– ENDS –

Further Information

For further information on this release and Avalon Minerals generally, please contact:

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