



32% INCREASE IN INFERRED COPPER RESOURCES AT VISCARIA PROJECT, SWEDEN

Key Points

- Inferred Mineral Resource of 5.1Mt @ 1.2% Cu for 61,200t of contained copper for the northern half of the "A" Zone at Viscaria.
- 32% increase in total Inferred Mineral Resource to 31.6Mt for 284,000 tonnes of contained copper.
- Excellent potential for further resource upgrades including modelling and initial estimates for 'A' Zone South, expected to be completed in the September Quarter.
- Excellent infrastructure including existing rail connection, hydro-generated grid electrical power and proximity to the nearby mining town of Kiruna.

Australian-based resource company, Avalon Minerals Ltd (ASX: AVI – "Avalon"), is pleased to announce a substantial increase in the Mineral Resource inventory for its 100%-owned **Viscaria Copper Project** in northern Sweden with the delineation of an additional Inferred Mineral Resource of **5.1mt @ 1.2% Cu** from a northern section of the Project's 'A' zone.

The delineation of the "A" Zone resource estimate has resulted in a **32% increase** in the total Inferred Mineral Resource to **31.6Mt at 0.9% Cu for 284,000 tonnes of contained copper metal**.

Table 1 - Mineral Resource summary 'A' Zone North

A Zone North				
	Classification	Tonnes (Mt)	Grade %	Cu Metal Tonnes
Total Remnant Mineralisation	Inferred	5.1	1.2	61,200

Importantly, 1.83mt @ 1.3% Cu of the 'A' Zone North resource occurs at less than 100 metres in depth. This adds substantially to the overall open cut potential of Viscaria, including the previously announced 'D' Zone resource where 2.5mt @ 1.6% Cu also lies at depths of less than 100m.

As it currently stands, the total estimated Inferred Mineral Resources at Viscaria are:

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

Avalon Minerals Ltd
ACN 123 184 412

PO Box 165
West Perth WA 6872

Telephone:
+61 8 9322 2752
Mobile:
0439 399 318

Email:
david@avalonminerals.com.au
Web:
www.avalonminerals.com.au

ASX Code: AVI

Directors
David McSweeney
(Managing Director &
CEO)

Stephen Stone
(Director)

Gary Steinepreis
(Director)



'A' Zone Overview

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.

'A' Zone North – 5.1Mt @ 1.2%Cu

The mineralisation of 'A' Zone North is continuous throughout its strike length, steeply dipping towards the east in its northern extremity and thinning out along strike, where it remains largely untested by drilling (see figure 2 below).

Mine opening and geological mapping information digitised from historical mine closure plans and sections was used to exclude mineralisation defined by drilling in mined-out areas. Drilling was nominally undertaken on 20m north-south section spacings, with 50m spacings in the north of the zone and where no mine development existed.

A Zone South

The Viscaria 'A' Zone is geologically continuous over a defined strike length of 4,000m with a central zone (200m) of low grade mineralisation distinguishing the A Zone North (2,100m) from that in the South (1,700m). The 'A' Zone South is currently being modelled with Avalon targeting an initial JORC-compliant resource from this area in the current Quarter.

Viscaria Development

As part of the ongoing exploration and development programme at Viscaria, the following activities are either underway or scheduled to be completed shortly:

- Scoping Studies – currently underway;
- 'A' Zone South resource modelling – scheduled for completion in September Quarter 2008;
- in-fill and exploration drilling programme – scheduled to commence in the September 2008 Quarter.

Viscaria Overview

The historical Viscaria Copper mine is located in the Norrbotten area of Northern Sweden, 4km from the Kiruna Iron Ore mine, Sweden's largest iron ore mine and the world's second largest underground mine. Viscaria is 80km north of Europe's largest open cut (18Mt/annum @ 0.3% Cu) Aitik copper mine which is owned by Boliden (currently being expanded to 35Mt/annum @ 0.3% Cu).

Outokumpu closed the Viscaria mine in 1997, after approximately **12.54 million tonnes of ore grading 2.29% Cu**, 2% Zn and 0.5g/t Au had been produced, mainly from the A Zone over a period of 15 years. At the time of its closure, the spot copper price was approximately US\$1.00/lb compared to a spot price of over US\$3.60/lb today. Only minimal exploration has been conducted at Viscaria since the mine closed.

The addition of 'A' Zone North to the overall Viscaria resource base represents a further milestone in the development of Avalon's Swedish copper assets and adds significantly to the overall potential of the project for sustainable near-term production.



Caliburn Resources Update

The lodgement of a Prospectus for Caliburn Resources (as a vehicle for the divestment of 13 Uranium Licences held by Avalon in Western Australia) has been delayed by approximately three weeks due to current market conditions. Further details will follow as they become available.

Competent Persons Statements

The information in this "ASX Announcement" relating to in-situ Mineral Resources at the Viscaria deposit has been based on information compiled by Paddy Reidy BSc (Hons. Geology) of CSA Global Pty Ltd. Paddy Reidy 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".

- ENDS -

Released by:
Nicholas Read/Jason Cunningham
Read Corporate
Telephone: +61 (0)8 9388 1474

On behalf of:
Mr David McSweeney
Managing Director and CEO
Avalon Minerals Limited
Mobile: +61 0439 399 31

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 2,000 tonnes of contained copper has been delineated.

Scope of Work

The Mineral Resource Estimate for the Viscaria 'A' Zone North resource was conducted by mining consultants CSA Global Ltd ('CSA') during July 2008.

Resources have not been extrapolated more than 25m from the nearest drillhole with defined mineralisation both down dip and along strike.

Note: The Viscaria July 2008 Mineral Resource Estimate for the Northern 'A' Zone was carried out using 3-D wireframes encapsulating >0.3% (Cu). The resource was estimated using Datamine software. Resources were reported using a lower cut-off of 0.3% Cu.

- Mineralisation was interpreted using a copper cut-off grade of 0.3% with a specific gravity of 2.8. All assays were composited to 1 metre samples.
- Variography was used to characterise the spatial continuity within the mineralised domains and to determine appropriate estimation inputs to the interpolation process which was by Ordinary Kriging.
- The Mineral Resource estimate is reported in compliance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Figure 1 - Project Location Map



Figure 3 - 'A' Zone North Long Section

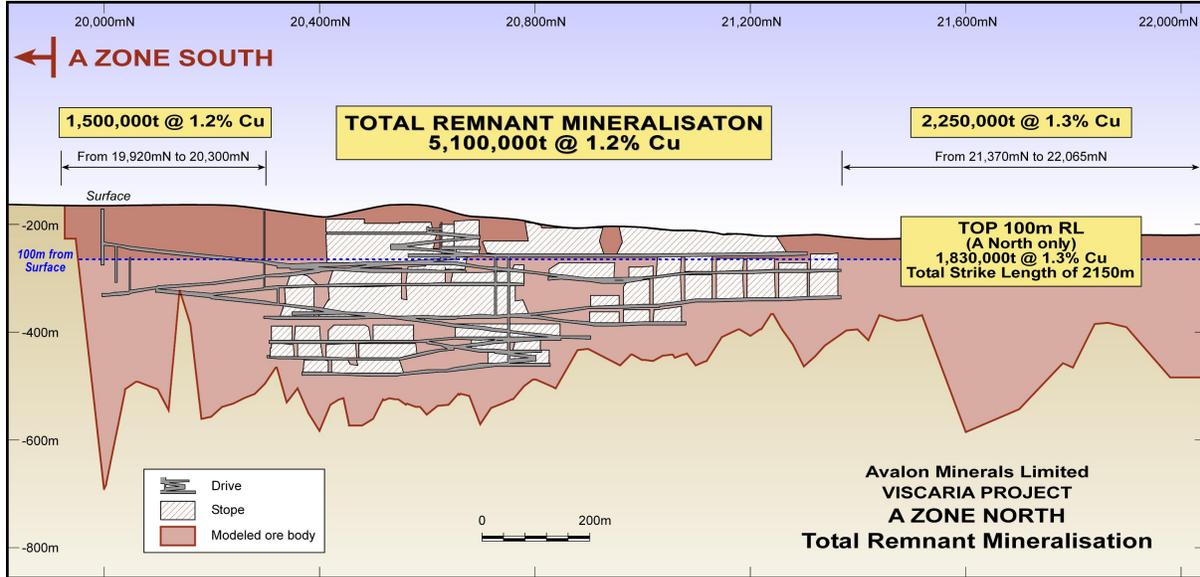


Figure 4 - Visualiser view of 'A' zone in DataMine. The legend depicts Cu grade in % and the grey black hole in the middle shows where previous workings extracted mineralisation.

