



AVALON RIGHTS ISSUE CLOSED

Australian-based metals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon") is pleased to announce that it has raised over **A\$1.54m** following the completion of a 1-for-7 Rights Issue which closed on February 5. This represents a take-up of 44.5% of the amount offered and a shortfall of 9,161,232 shares or A\$1.9m.

With the addition of A\$3.2 million in funds raised from a recent placement in December 2009, the Company is sufficiently funded to continue to progress its drilling and feasibility studies at the Company's 100%-owned **Viscaria VMS Copper Project** in Northern Sweden.

Of the Company's Directors, David McSweeney applied for 714,285 shares for A\$150,000, Steven Stone, 95,238 shares for A\$20,000 and Tan Sri Abu Sahid Mohammed subscribed for his entire allocation of 2,726,865 shares for A\$572,600. Mr Stone has also exercised 200,000 options at 20 cents at the close of the issue for a further A\$40,000 raised.

Avalon Minerals Chairman, Mr McSweeney, said that the 44.5% take up on the Rights Issue was a good result in the current economic circumstances: "Given the general weakness in capital markets over the past few weeks I'm very pleased with the result which I believe is indicative of the strong support that the Company has from its shareholders," he said..

With two diamond drilling rigs on site as part of an extensive 3,500 metre infill drilling program on the 'D' Zone and with further drilling planned throughout the year, the Company looks forward to growing the resource and reserve base at Viscaria while also testing several exciting new regional targets.

– ENDS –

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Directors

David McSweeney
(Executive Chairman)

Tan Sri Abu Sahid
Mohamed (Non-Executive
Director)

Stephen Stone
(Non-Executive Director)

Gary Steinepreis
(Non- Executive Director)



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 mineral 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.

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".