



AVALON DOUBLES GROUND HOLDING IN NORTHERN SWEDEN TO TARGET NEW VMS COPPER AND IRON ORE POTENTIAL

FOUR NEW APPLICATIONS FOR 463km² NEAR VISCARIA COPPER PROJECT

Australian minerals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon") is pleased to advise that it has moved to significantly expand its ground position at its **Viscaria Copper Project** in Northern Sweden after identifying new VMS copper and iron ore potential in the region.

Avalon said that following the recent discovery of the iron ore potential within the 'D' Zone and as a result of its growing confidence in the broader potential of the Viscaria Copper Project, it has moved quickly to identify **new iron ore and copper targets** strategically located close to its existing 200 km² tenement holding.

Iron Ore

As announced recently, in addition to the copper mineralisation identified in the 'D' Zone, significant intersections of **massive and disseminated magnetite iron ore** have been encountered adjacent to the copper-rich horizons.

Significant recent iron ore intersections include:

- **42.9m @ 35.5% Fe from 93m** in VDD0013;
- **27.6m @ 38.4% Fe from 68m** in VDD0014;
- **19.0m @ 33.8% Fe from 77m** in VDD0015; and
- **19.0m @ 33.4% Fe from 17m** in VDD0019.

As a result of the recognition of the magnetite iron ore potential in the 'D' Zone, the Company has moved quickly to review any coincident iron ore and copper opportunities within and nearby to its Viscaria ground holdings.

As a result of this review, the Company has lodged **four new applications for 463 km²**, more than doubling its current land holding in Northern Sweden.

The new areas include two Skarn iron targets and one large VMS copper geochemical target (*see Figure 1 attached*).

The two new iron ore targets include:

- The **Kurravarra** target – a 25km long magnetic target in the same stratigraphic position as the 'D' Zone, located 20 km to the north of Viscaria; and
- The **Karkejaure** target – a large 8km by 7km magnetic and gravity target, located 50km north of Viscaria.

The new VMS copper target includes:

- The **Vittangijarvi copper anomaly**, which was generated by geochemical sampling and a number of historical discoveries 30km to the north of Viscaria.

The exploration potential of these projects is seen as complementary to the potential future establishment of mining operations at Viscaria.

Avalon Minerals Ltd
ACN 123 184 412

PO Box 165
West Perth WA 6872

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

Email:
andrew.munckton@avalonminerals.com.au
Web:
www.avalonminerals.com.au

ASX Code: AVI

Directors

David McSweeney
(Executive Chairman)

Tan Sri Abu Sahid
Mohamed (Non-Executive
Director)

Stephen Stone
(Non-Executive Director)

Gary Steinepreis
(Non- Executive Director)

Andrew Munckton
(General Manager
Operations)



All of the new exploration areas lie adjacent to or within a short distance of the power, transport and communication infrastructure established to service the world class operations of LKAB at Kiruna and Boliden at Aitik.

– ENDS –

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

On behalf of:
Andrew Munckton
General Manager
Avalon Minerals Limited
Mobile: +61 0439 399 318

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.

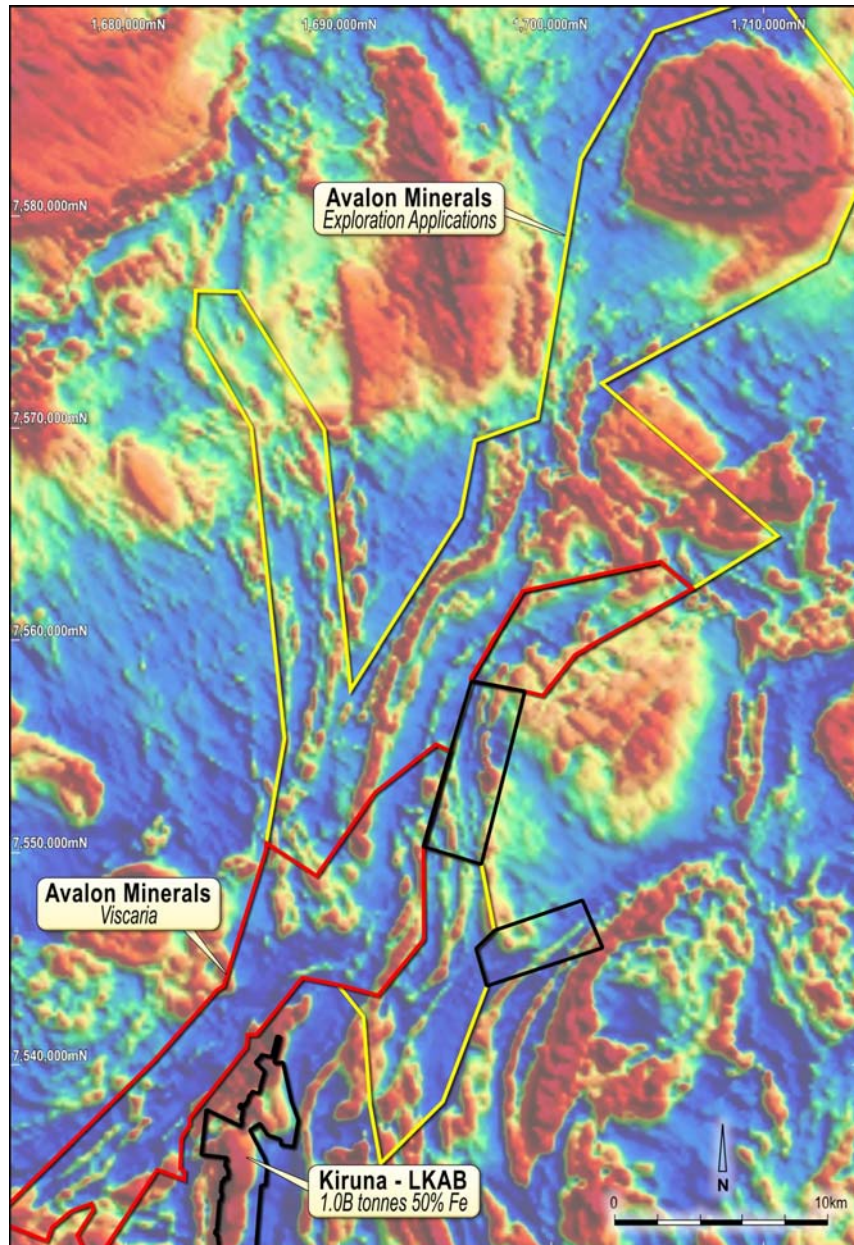


Figure 1: Exploitation Concessions Overlaid on Magnetic Image