



AVALON TO UNDERTAKE MAJOR AIRBORNE EM SURVEY OVER MARLOO PROJECT, WESTERN AUSTRALIA

Key Points

- **Extensive airborne electromagnetic (EM) survey planned for highly prospective Marloo Project (uranium, gold, copper).**
- **Recent reconnaissance work confirms presence of very strong uranium anomalism at Marloo – background scintillometer readings of up to 1,000cps in outcropping faulted areas.**
- **Historical drilling included 1m @ 237ppm U (from 117metres) returned from a hole drilled by CRA.**
- **Heritage Agreements currently being finalised with the Western Desert Lands Aboriginal Corporation.**

Avalon Minerals Ltd (**ASX: AVI**) is pleased to announce that it has committed to participate in a major airborne electromagnetic (EM) survey which will cover its highly prospective **Marloo Project** in Western Australia's Pilbara region. The survey will significantly enhance its uranium and base metals exploration activities at Marloo.

The planned EM survey will form part of a much larger survey to be flown and partially funded by Geoscience Australia – which will fund one third of the Marloo EM program, with in-fill lines to be funded for by Avalon at a reduced rate.

The Marloo Project – covering seven licences and some 900km² -- forms part of Avalon's 1400km² Paterson Project in Western Australia's mineral-rich Pilbara region. Located in the Paterson Province which hosts the Telfer Gold Mine, the Nifty Copper Mine and the unconformity-styled Kintyre uranium deposit. Avalon is currently focused on the potential for the discovery of unconformity-styled uranium mineralisation within the Marloo Project.

Recent reconnaissance exploration work has reinforced its prospectivity for this style of mineralisation, indicating that faults transecting the project area carried uranium-bearing fluids, with **background scintillometer readings of up to 1,000cps** recorded in outcropping faulted areas. Historical exploration drilling also confirms this strong anomalism, including a significant intersection of **1m at 237ppm U (from 117m)** returned from a hole drilled by CRA Limited.

EM has considerable advantages over other exploration methods in the region – where large areas of sand cover, combined with poor magnetic variability, make it difficult to map the distribution of rock types and faults to effectively target areas with the greatest potential to host mineralization.

Avalon Minerals Ltd
A.C.N 123 184 412
PO Box 165
West Perth WA 6872

Telephone:
+61 8 9322 2827
Mobile:
0439 399 318

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

ASX Code: AVI

Issued Capital
40 million shares
11 million unlisted options
Nil convertible notes

Market Capitalisation
A\$8.8 million

Cash
A\$3.48 million

Directors
David McSweeney
(Managing Director & CEO)

Stephen Stone
(Director)

Gary Steinepreis
(Director)

The three-dimensional EM survey is expected to greatly assist in defining the distribution of prospective host rocks units and delineating drilling targets.

Avalon has retained Southern Geoscience Consultants to interpret the results of the EM survey once it is completed. In addition, it has further expanded its technical exploration support capabilities through the appointment of Consultant Geologist, Mr Geoff Hewlett, to assist with exploration planning for the Marloo Project.

In association with Digirock Pty Ltd, acting as geological consultants, Mr Hewlett will be responsible for planning the uranium and base metal exploration programs at Marloo once the EM survey is completed.

On-ground exploration activities are scheduled to commence as soon as all appropriate Heritage Agreements are signed, enabling the tenements to be granted. These Heritage Agreements are currently being finalised with the Western Desert Lands Aboriginal Corporation and are expected to be completed shortly.

Commenting on the announcement, Avalon's Managing Director, Mr David McSweeney, said: "We are committed to rapidly progressing exploration at the Marloo Project, with our immediate aim being to identify and define the source of the significant uranium and base metal anomalism identified within the project area by recent and historic exploration."

"We expect that the forthcoming EM survey will greatly enhance the evaluation of these anomalies, and represent an invaluable tool in our exploration targeting and planning," he added.

Competent Person Statements

The details contained in this report that pertain to mineral resources and exploration results are based upon information compiled by Mr John Libby, Chief Consulting Geologist at Digirock Pty Ltd. Mr Libby is a Member of the Australian Institute of Geoscientists (AIG) and 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 a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Libby consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

- 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 399 318

Company Background

Avalon Minerals Ltd completed a successful listing on the Australian Stock Exchange on the 22nd of March 2007, after closing an A\$3.5 million IPO oversubscribed, approximately three weeks after its launch.

The Company is initially seeking to become an independent zinc producer by focusing on the exploration and evaluation of its substantial Lennard Shelf Project, located in the West Kimberley region of Western Australia, within a world-class mineral province.

Avalon is simultaneously conducting exploration programs on its Paterson Uranium and Copper-Gold Projects, covering seven exploration licence areas in the mineral rich East Pilbara region of Western Australia.

In addition, it aims to identify and evaluate other mineral resource opportunities, both in Australia and overseas.

Avalon has commenced and will maintain an active project generation and review program for advanced projects which it can independently develop and operate.

- ENDS -