



AVALON RAISES \$3.2M TO ADVANCE FEASIBILITY STUDIES ON VISCARIA COPPER-IRON PROJECT

RAISING SUPPORTS OBJECTIVE OF BECOMING A PRODUCER OF COPPER & IRON CONCENTRATES

The Board of Avalon Minerals Ltd (ASX: “AVI”) and (“Avalon”) is pleased to announce that it has resolved to undertake a placement to professional and sophisticated investors to raise **\$3.2 million** to support the continued exploration and development of its flagship **Viscaria Copper-Iron Project** in northern Sweden.

The placement, which comprises 20 million shares at \$0.16 per share, is subject to shareholder approval at a General Meeting of Avalon shareholders to be held shortly. Hartleys Limited is Broker to the offer.

The proceeds of the placement will primarily be applied to a Definitive Feasibility Study at the Viscaria Project, where Avalon is aiming to become a producer of copper and iron concentrates from open pit mining operations at Viscaria commencing in 2013.

Avalon recently increased the Base Case for the Viscaria Pre-Feasibility Study from 500,000 tonnes per annum (“tpa”) of copper ore to 1.5 million tpa of copper and iron ore, while the upside case was increased from 750,000 tpa of copper ore to 3.0 million tpa of copper and iron ore.

The base case scenario would result in prospective average annual production of approximately **13,500 tpa of copper metal** and **392,000 tpa of magnetite concentrate grading approximately 69% Fe** for a period of 10 years.

Avalon will also use the funds raised to advance the exploration of high priority copper and iron targets on recently acquired tenure adjacent to the Viscaria Project.

Members of Avalon’s Board and senior management team have also, subject to shareholder approval, subscribed to the placement, including Tan Sri Abu Sahid Bin Mohamed (Avalon’s largest shareholder and a non-executive Director of the Company), who is increasing his interest to 19.9% of Avalon’s issued shares. A notice of meeting will be mailed to shareholders shortly.

This announcement will now bring to an end the current trading halt.

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Andrew Munckton
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Tan Sri Abu Sahid
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