



DRILLING EXTENDS KNOWN LIMITS OF A ZONE AND CONDUCTOR 1 MINERALISATION

Avalon Minerals Ltd (ASX:AVI) is pleased to announce that the 1500m maiden RC drilling program to test the 3 EM anomalies at Bahpagobba, 600m north of the 100% owned 3km long historical Viscaria copper mine in Northern Sweden, has extended the limits of mineralisation.

Holes VRC001, VRC002 and VRC003 were designed to test the eastern conductor target and holes VRC004 and VRC005 were designed to test a central conductor target interpreted to be the continuation of the Viscaria A Zone.

As a result of an interpreted off-hole EM conductor identified by down-hole geophysical surveys carried out in VRC001 and VRC002 a sixth hole was drilled to intersect an interpreted conductor 50 metres north of VRC001 and VRC002.

Two further holes to test the western conductor have not yet been drilled.

VRC001 intersected anomalous copper from 107-109m and 142-144m. VRC002 – drilled 100m to the west of VRC001 – intersected anomalous copper grading up to 1.15% from 23-32m associated with massive chalcopyrite.

VRC005 intersected 4m @ 0.6% Cu from 25-29m. These results confirm that the A Zone north mineralisation continues for at least 600m north of the limits of the Viscaria underground workings confirming that the prospective Viscaria stratigraphy continues for a considerable distance outside the immediate mine areas.

VRC006 intersected 1m @ 0.47% Cu from 30m and 1m @ 0.43% Cu from 217m and confirms the presence of a new zone of copper mineralisation approximately 500m east of the main A Zone.

Avalon is pleased to have been able to use reverse circulation drilling to conduct the maiden drilling program as this style of drilling is not commonly used in Sweden. In addition, Avalon made use of local contractors to conduct down-hole EM surveys to assist in the identification of the off-hole conductor mineralisation subsequently discovered in VRC006.

Importantly, Avalon has demonstrated the relevance and significance of the Geotem data as a tool for exploration in the Viscaria region given its success in identifying 2 mineralised conductors. This will now be an important tool in locating near surface and deeper mineralisation in the regions outside the immediate mine areas where only limited exploration for copper mineralisation has been carried out.

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In addition, Avalon commenced a field test program of the Company's portable Niton XRF analyser. By comparing the results of this program with the initial drilling and assaying the Niton has been shown to be a reliable predictor of grade and mineralisation anomalism prior to assaying.

Drilling, down-hole EM survey and assay results are being reviewed by the Company's geologists and by the consultant geophysicists, Southern Geoscience, before commencing further drilling of the 3 conductors identified at Bahpagobba, 600m north of the historical mining at Viscaria.

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 Resource Geologist. Ms Lindskog has over 7 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".

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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 comprising an Inferred Resource of; 8.2 million tonnes grading 2.7% Cu for the 'A' Zone South, 5.1 million tonnes grading 1.2% Cu for the 'A' Zone North, 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, which combined totals 514,600 tonnes of contained copper.

In addition the recently acquired cluster of six 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.