



ASX Release

25 September 2008

PRO RATA NON-RENOUNCEABLE ONE-FOR FOUR ENTITLEMENT ISSUE

The board of Avalon Minerals Ltd (ASX: **AVI** "Avalon") is pleased to announce a **(1) for (4) Pro Rata Non-Renounceable Entitlement Issue** ("issue") at an issue price of 15 cents per share, to raise up to **A\$1,953,750 million**. Under the terms of the issue, the Company proposes to issue up to 13,025,000 shares based on current shareholdings.

The Short Form Prospectus together with an Appendix 3B is expected to be lodged with the Australian Securities Exchange (ASX) and the Australian Securities and Investment Commission (ASIC) in early October 2008, and will be open to registered Shareholder in Australia and New Zealand only. The Directors of Avalon reserve the right to place any shortfall shares not taken up by shareholders under the offer.

Avalon plans to use the funds raised to advance its Viscaria copper mine in Northern Sweden by infill drilling high-priority, near-surface and underground copper zones within the high-grade 'A' Zone.

The Company's objective is to become a copper producer within 3 years based on existing resources at Viscaria. In addition, the Company plans to extend the known high-grade resources at Viscaria through extensional drilling, and to grow the resource base and the production profile.

The Viscaria Project – which was acquired from Phelps Dodge in March 2008 for US\$200,000 – is well located with regard to infrastructure and benefits from access to low cost hydro power, rail and by being located adjacent to a large regional mining centre at Kiruna, with a population of 20,000.

Annual General Meeting

The Company advises that the 2008 Annual General Meeting will be held at 10:00am on Tuesday 25th November 2008 at The Park Business Centre at 45 Ventnor Avenue, West Perth.

Please see today's ASX announcement for further details of the upcoming development and exploration programmes for the Viscaria Project

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Stephen Stone
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- ENDS -

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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 and Adak copper deposits in northern Sweden where a current JORC Code compliant copper resource comprising an Inferred Resource of 39.9 million tonnes grading 1.3% Cu for 515,000 tonnes of contained copper has been delineated.