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13 February 2012

The Manager
Company Announcements
ASX Limited
Level 10, 20 Bond Street
Sydney NSW 2000

UNDERWRITTEN CAPITAL RAISING AND RIGHTS ISSUE

Avalon Minerals Limited (**Avalon**) is pleased to announce that it intends to undertake a non-renounceable rights issue of one (1) new share for every five (5) existing shares held by shareholders at an issue price of \$0.06 per share.

The rights issue which is fully underwritten by Indian Ocean Capital, who also act as lead Managers to the Issue, will raise A\$2,868,736 (before costs of the Issue) and result in the Issue of 47,812,267 new shares.

Net proceeds of the Issue will be used to advance the Viscaria Copper Project and to provide general working capital for the Company.

Further information, including the proposed timetable, will be announced as soon as documentation is finalised.

Yours Sincerely

Jeremy Read
Managing Director
Avalon Minerals Limited

– ENDS –

On behalf of:
The Board
Avalon Minerals Limited
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