



PRESS RELEASE

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Avannaa Resources to drill new rare earth element discovery at Karrat Isfjord in West Greenland

Avannaa Resources Ltd ("Avannaa") will run a drilling project in West Greenland during summer 2010 targeting a new rare earth element (REE) discovery in the Karrat Isfjord region in license 2010/05.

Fieldwork conducted in 2009 has confirmed Avannaa's 2007 discovery of a REE mineralized horizon on the Niaqornakavsak peninsula. The REE mineralization is a lithologically distinct horizon of banded carbonates that is hosted within, and has gradational contacts with, an amphibolite unit (hornblende-biotite schist). The host rocks are Paleoproterozoic metasediments and metavolcanics of the Karrat Group. The REE horizon is between 13 and 35 meters thick, conformable to the regional foliation, and pinches and swells over a strike length of 1.5 km and is open at both ends where it is limited by the coastline. An important new discovery made in 2009 is that the same mineralized horizon reappears on strike on the next peninsula at Umiamako Nuna, 7 km to the southeast.

The results of a channel sample through 29 meters of the section at Niaqornakavsak are summarized in the table below; indicating average TREO+Y = 1.2 % including 12.5 meters thickness with TREO+Y=1.5 % with individual sample values up to 2.6 % over one meter. The table indicates a particularly favourable distribution of REE's with average content of HREO+Y accounting for about 15% of the total REO+Y.

True thickness through mineralized horizon	TREO+Y* (wt %)	THREO+Y**	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Y
			THREO+Y or metal oxide content as percentage of TREO+Y														
over 29 meters	1.20	14.2	22.3	39.0	4.4	16.6	3.5	1.0	2.6	0.4	1.6	0.3	0.6	0.1	0.4	0.0	7.2
over 12.5 meters	1.47	14.8	21.9	38.5	4.4	16.8	3.5	1.0	2.7	0.4	1.7	0.3	0.7	0.1	0.4	0.0	7.5

*TREO+Y is total rare earth and yttrium oxides in weight percent **THREO+Y is the sum of the oxides of Eu to Lu and Y
All figures are averages over the true thickness of the section

During 2010 Avannaa will conduct 2000m of diamond drilling at a number of locations in the two discovery sites at Niaqornakavsak and Umiamako Nuna and will undertake further exploration prospecting elsewhere in the 122 km² license area.

CEO Nicholas Rose said "The Karrat REE project is a significant deposit in terms of both potential tonnage of contained metal and value of oxide concentrate. The mineralization was previously completely unknown and its discovery is an endorsement of our expertise in grass roots prospecting."

The Qualified Person for the purpose of this news release is the Company's consulting geologist John Pedersen, M.Sc, P.Geo.

About Avannaa Resources

Avannaa Resources is a mineral exploration company founded in 2006 in the UK. Avannaa's primary geographical focus is Greenland. Commodity targets include precious metals, base metals, diamonds and rare earth elements.

Avannaa Resources Ltd. is the holding company for two 100% owned subsidiary companies: Avannaa Exploration Ltd. and Avannaa Diamonds Ltd.

Avannaa Exploration holds seven exploration licenses: 2007/08 and 2010/05 in the Karrat Isfjord region (gold, REE), 2008/27 at Saqqaq/Itilliarsuk (gold), 2007/52 at Disko Bay (diamonds), 2010/20 at Flammefjeld (molybdenum, gold), 2010/31 at Nuussuaq (zinc) and 2010/32 at IC Christensen land (copper). Avannaa Diamonds holds one exploration license; 2008/33 at Ataa (diamonds, gold).

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