



PRESS RELEASE

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Avannaa Resources builds its portfolio and completes second field season in West Greenland

Avannaa Resources Ltd ("Avannaa") is pleased to announce that it has been awarded licences 2008/27 and 2008/33 in West Greenland and that the field programme commenced on 9 June was completed on 1 September.

Licence 2008/33 is located in the Ataa region north of the town of Ilulissat. The 1640 km² licence captures all the relevant open ground around Avannaa's previously announced diamond discovery (press release 18-02-2008) in licence 2007/52 where 101 microdiamonds and 1 macrodiamond were recovered from a single 39 kg sample taken from a kimberlitic dyke. The dyke, which is situated directly adjacent to a deep water fjord, is up to 4 m wide and can be traced for more than 1000 m along strike. The new licence area is known to host a suite of dykes of kimberlitic affinity, and a lamproite pipe, none of which has previously been tested for their diamond content.

Licence 2008/27 located on the Nuussuaq peninsula is 140 km², and comprises two sub-areas at Saqqaq and Itilliarsuk.

Sub-area 1 at Saqqaq contains a gold mineralization in sulphidic cherts in an Archaean supracrustal belt. Found in 1991 by geologists from the Geological Survey of Denmark and Greenland, the Saqqaq gold mineralization has seen substantial fieldwork during the 1990's by Platinova a/s and Nunaoil/Nunaminerals a/s. These programmes resulted in the documentation of substantial gold mineralizations suggesting a grade of 3.2 g/t over 2.5 m thickness, and a strike length of more than 2 km. Down dip extension is unconstrained. The gold mineralized chert band is thought to represent silicification along a major shear zone, which can be followed for more than 8 km along strike. The mineralization is favourably situated only 5 km north of the Saqqaq village which has a small port.

Sub-area 2 at Itilliarsuk contains an Archaean banded iron formation (BIF) and a gold mineralization. The BIF ore is dominated by magnetite, and has been explored by Kryolitselskabet Øresund a/s in the 1970's and by Nunaoil a/s in 1996. Nunaoil reported evidence to suggest the presence of several hundred million tons of potentially economic iron-ore. The gold mineralization needs further basic mapping and sampling, but earlier work has resulted in the discovery of >40g/t Au in sulphidic quartz veins.

On 1 September 2008 Avannaa completed its second field season in Greenland. This substantial exploration programme was started on 9 June and involved up to 16 people operating from base-camps on Disko Island and Arveprinsens Ejland. Highlights include:

- Construction and commissioning of an in-line pressure jig on Disko Island and the processing of bulk samples, totalling 150 tonnes for alluvial diamonds. The concentrate will be run on a grease table in September-October 2008.

- Detailed mapping and sample collection on the Saqqaq gold mineralisation
- Detailed mapping and sample collection on the Itilliarsuk BIF
- Bulk sampling (435kg) from Avannaa's hard rock diamond discovery
- Sampling of newly identified dykes with kimberlitic affinity
- Detailed sampling of a REE mineralisation
- Detailed sampling of a Ni mineralisation
- Aeromagnetic surveying of three project areas

Samples have now been sent to laboratories in Greenland and Canada for assay and further announcements will be made in due course.

Nicholas Rose, Avannaa Resources CEO, said:

"We were very pleased to receive the new licences which have added a number of high quality exploration targets to our portfolio in the Disko Bay region. During the 2008 field season we were able to realize the considerable technical and logistical synergies apparent from the geographical proximity of our project areas to each other, to the international airport at Ilulissat, and to deepwater fjord systems. These are furthermore all factors that will greatly facilitate operations in the event of success."

Notes to Editors

Avannaa Resources is a privately owned junior mining exploration company founded in 2006 in the UK. Avannaa's primary focus is grass roots exploration in Greenland. The founders of Avannaa have been involved in exploration in Greenland since 1982 and have special knowledge of the geology and opportunities in Greenland. Avannaa's strategy is to exploit its expertise to build and mature an exploration portfolio and to bring in development partners for production.

Avannaa Resources Ltd. is the holding company for two 100% owned subsidiary companies: Avannaa Exploration Ltd. and Avannaa Diamonds Ltd. Avannaa Exploration holds three licences in West Greenland: 2007/08 at Karrat Fjord region, 2007/52 at Disko Bay and 2008/27 at Saqqaq/Itilliarsuk. These licences are prospective for gold, diamonds, REE and iron. Avannaa Diamonds holds licence 2008/33 at Ataa, located in the eastern Disko area, this licence is prospective for diamonds and Ni/PGE.

Avannaa Resources has offices in Copenhagen and London.

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