



PRESS RELEASE

17th November 2008

Avannaa discovers more diamonds at Qeqertaa, West Greenland

Avannaa Resources Limited is pleased to report that new sampling during the 2008 field season at its diamond discovery at Qeqertaa in West Greenland significantly strengthens the diamond potential at this locality. 1487 diamonds including at least 10 macrodiamonds were recovered from a 434 kg sample. Diamonds were also discovered at Anap Nunaa, some 30 km northeast of Qeqertaa. This is clear evidence that the mantle underlying the Ataa Sund region of West Greenland was within the diamond stability window during emplacement of kimberlite-type dykes and pipes.

The Qeqertaa dyke is an ultramafic lamprophyre and one of many such dykes found in the vicinity of the Ataa Sund, located some 50km north of Ilulissat on the west coast of Greenland. In July and August 2008, Avannaa Resources prospected key parts of the company's licence 2008/33 and sub area 4 of licence 2007/52 constituting a total of 1,702 km². The findings include several ultramafic lamprophyres with strike length and thickness of economic interest. One batch of samples still awaits caustic fusion and includes ultramafic lamprophyre dykes as well as a lamproite pipe. Further announcements will be made in due course.

The sample (#252547) from the Qeqertaa kimberlite dyke weighed 433.49kg and was collected in August 2008. It was analysed by SGS Lakefield by caustic fusion and yielded 1487 diamonds of which at least ten are macrodiamonds larger than 0.6mm. The three biggest stones were retained on the 0.85mm sieve and measure 1.45x1.03x0.45mm; 1.28x1.25x0.94mm and 1.20x1.05x1.01mm. The three stones are all transparent; two are white and one off white. All three are free of inclusions and hence of excellent quality. In the 0.6-0.85mm size fraction, five out of the seven stones are crystal fragments, suggesting the presence of larger stones.

Date	Sample ID	Sample Weight	+0.10 6 mm	+0.1 5 mm	+0.21 2 mm	+0.3 mm	+0.42 5 mm	+0.6 mm	+0.8 5 mm	total
Aug 07	252523	39 kg	44	34	11	12	1			102
Jul 08	252547	433.49 kg	688	451	215	98	25	7	3	1487
	Total	472.49 kg	732	485	226	110	26	7	3	1589

The result is very promising and compares well with early results of diamond exploration in Greenland and Nunavut that have been brought to advanced exploration stages. The Qeqertaa kimberlite dyke occurs at a highly accessible fjord-side location with deep water access direct to the dyke. Logistics are straightforward with ice free access by boat on more than 180 days per year and a 20 minute helicopter flight to the resources of Greenland's second largest town thus reducing exploration costs considerably. The dyke outcrops in gentle terrain, there are several good exposures of the dyke and any overburden is mostly less than one meter thick. Where the dyke outcrops, it is up to six meters wide and can be traced intermittently on surface for 1500m. An airborne magnetic survey was acquired during July 2008, and interpretation of the results indicates that the dyke is at least 1.8km km long. The dyke was discovered by geologists from the Geological Survey of Greenland in 1989 and identified by Avannaa Resources to have diamond potential. A small test sample, weighing 39kg (#252523), was collected in 2007 and returned 101 micro diamonds and one macro diamond upon caustic fusion by SGS Lakefield.

On Anap Nunaa in the northern portion of licence 2008/33 a large and heterogeneous body of talc schist with altered ultramafic inclusions has proved to be diamondiferous. Two samples from each side of a nearly 100m wide outcrop yielded a total of three micro diamonds, while a sample from the central portion was devoid of diamonds. Considering the size of the body with intermittent outcrops over 5km of strike length, this is a promising result and warrants further sampling and testing.

Exploration Director Stefan Bernstein commented "This is a further endorsement of our geological model and our expertise in conducting grassroots exploration. Avannaa has all the ground of this exciting new diamond province under 100% Avannaa owned licence, and we will be vigorously exploring our discoveries during the 2009 field season."

Avannaa's field campaign was assisted by Dr Mark Hutchinson, Trigon Geoservices, who played a key role in Hudson Resources diamond discovery at Garnet Lake some 300km south of Disko Bay.

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.

For further information contact:

CEO

Nicholas Rose tel +45 26 25 35 29

Chairman

Hugh Mackay tel +44 7771 660539

info@avannaa.com

www.avannaa.com

Aquila Financial Ltd

Peter Reilly tel +44 (0) 118 979 4100

www.aquila-financial.com