

6 June 2017

ASX ANNOUNCEMENT



Numerous Targets Identified at Bramaderos Gold-Copper project in Ecuador

Outcropping mineralisation evident

ASX: AVI

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Highlights

- **Field investigations at Bramaderos have identified several target areas for high priority follow-up exploration**
- **Assessment of known mineralised areas also highlights significant exploration potential**
- **Follow-up exploration on track to start later this month**
- **Assays from rock chips due within four weeks**

Avalon Minerals Limited (“**Avalon**” or “**Company**”) (**ASX:AVI**) is pleased to provide further information on the recent highly successful field exploration program at the Bramaderos Gold-Copper Project in southern Ecuador, where the Company has secured the right to earn a majority interest in the concession from TSXV listed Cornerstone Capital Resources.

The initial field program was aimed at further defining and prioritising the exploration program which is due to commence this month.

Thirteen surface rock chip samples were collected across multiple prospects within the property. These have been submitted to the Acme sample preparation laboratory in Ecuador and assay results are expected in late June.

The photographs below show outcrops from the Limon gold-copper prospect exhibiting surface mineralisation, and intense stockwork and sheeted quartz veining indicative of a porphyry-style mineralised system. The area of veining at surface is surrounded at a more regional scale by extensive areas of intense argillic alteration which is interpreted to represent an epithermal alteration overprint.

Previous rock chip sampling in the Limon area has returned up to 1.8% Cu and 1.45g/t Au in rock chip samples, and paired samples of 1.24g/t Au and 0.23% Cu, and 1.45g/t Au and 0.45% Cu.

Historic soil sampling has defined areas of coincident Cu, Au and Mo anomalies over an area of approximately 1.4km x 0.5km.

Avalon Managing Director Malcolm Norris said:

“Our initial findings at Bramaderos are very encouraging. There is clearly significant potential beyond that defined by previous explorers. We are building a strong case to deliver a discovery.”



A proposed work program commencing in June across the Bramaderos Project comprises:

- Re-processing of existing ground magnetic data;
- Collection of additional ground magnetic data in areas not previously covered;
- Detailed geological mapping and rock chip sampling at each of Bramaderos main, Porotillo, Melonal, Limon and West Zone prospects;
- Trenching at the West Zone prospect to follow up historical trenching of 41.7m @ 3.7g/t Au;
- Alteration mapping to provide vectors to mineralisation;
- Regional mapping and sampling in areas not previously explored and yet exhibit potential outcropping mineralisation such as Yeso and Ghangué prospects in the south.

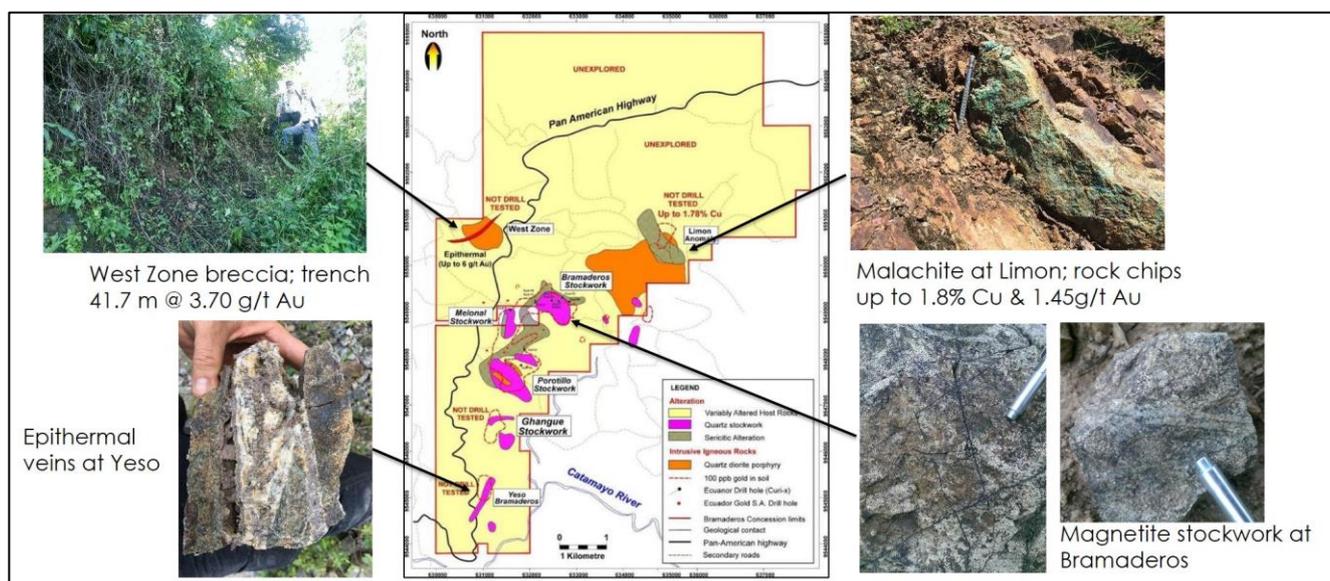
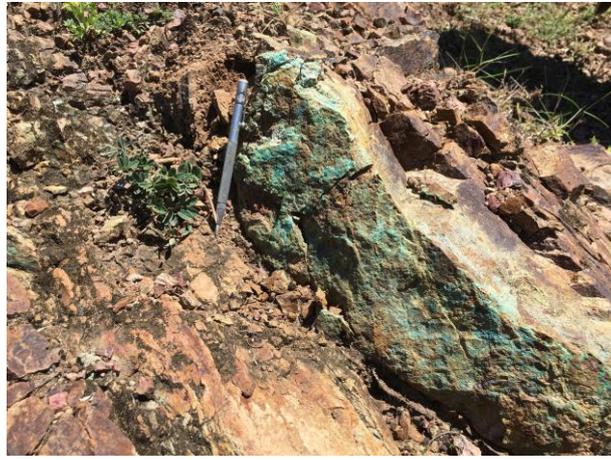


Figure 1: Representative images of veining and mineralisation from some of the mineral prospects on the Bramaderos property, including intense, malachite-bearing, stockwork veining at Limon..

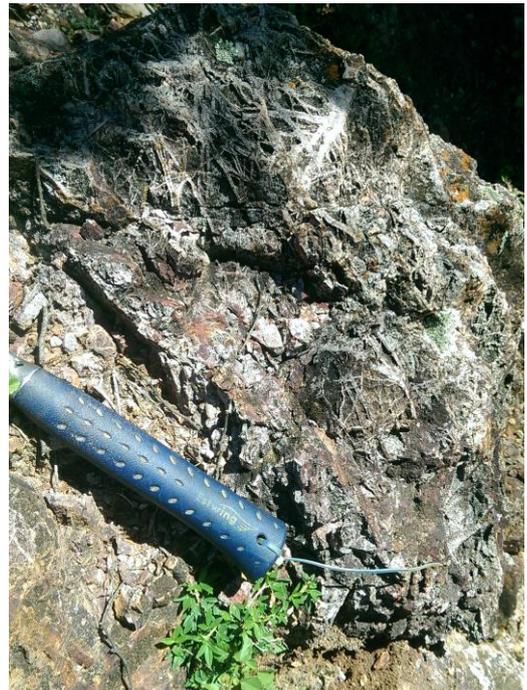




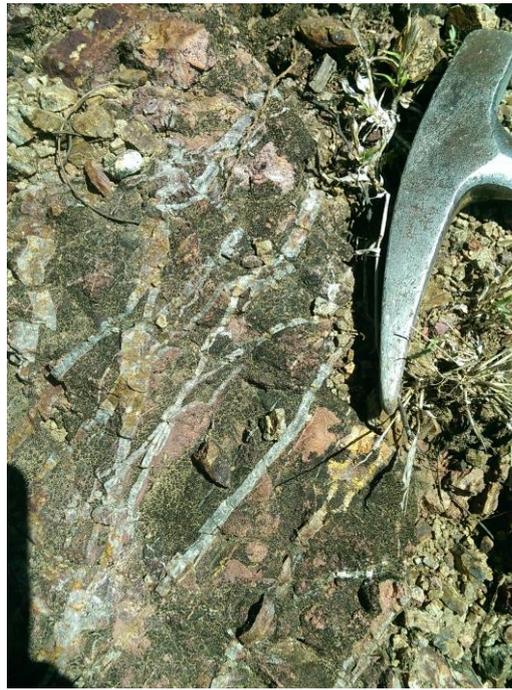
Sheeted veins at Bramaderos Limon Prospect



Malachite staining in area of anomalous historical gold and copper rock chips samples at Limon prospect



Intense stockwork veining at Limon prospect



Thick stockwork veins in altered host rocks at Limon prospect





Limon prospect in foreground showing argillic alteration on slopes surrounding area of outcropping porphyry-style mineralisation



About Avalon

Avalon has an advanced portfolio of exploration and development projects in Scandinavia and Ecuador. The portfolio comprises:

1. **The Bramaderos Gold-Copper Project** where Avalon has signed an earn-in agreement with TSXV listed Cornerstone Capital Resources (see ASX announcement dated 10th April 2017). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is considered to be highly prospective for the discovery of large copper-gold systems. Historical results from drilling at Bramaderos include wide intervals such as 260m at 0.6g/t Au and 0.14% Cu. Trenching results at the West Zone breccia include intersections at surface of up to 42m at 3.7g/t Au. These results, together with the distribution of alteration, and large coincident gold-copper-molybdenum surface anomalies indicate a fertile mineralised system with significant discovery potential.
2. **The Viscaria Copper Project** in northern Sweden has a completed Scoping Study (see ASX announcements dated 16th December 2015 and 5th April 2016) and is moving towards PFS and permitting to allow for mine development. The project has a mineral resource estimate of 52.4 Mt at 1.2% Cu (see Table 1 below). Considerable exploration upside exists and low technical risk drill targets continue to be tested.
3. **The Southern Finland Gold Project**, which includes the Satulinmäki and Riukka gold prospects. These prospects have received shallow diamond drilling by the Geological Survey of Finland (GTK) and Avalon Minerals has now completed a 7-hole diamond drilling program. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391 at Satulinmäki. Intersections by Avalon include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki and Riukka gold prospects are part of an earn-in JV with Canadian company Nortec Minerals, where Avalon can earn up to an 80% interest (see ASX announcement dated 19th May 2016). Avalon has already earned a 51% interest, and has also acquired a significant land position, in its own right, in the district.



Table 1 Total combined resource figure for A Zone, B Zone and D Zone at Viscaria

Resource Area	Classification	Tonnes (Mt)	Cu Grade (%)	Contained Cu (kt)
A Zone	Measured	14.44	1.7	240.0
	Indicated	4.69	1.2	57.2
	Inferred	2.48	1.0	25.5
	Subtotal	21.61	1.5	322.7
B Zone	Measured	0.12	1.3	1.6
	Indicated	4.12	0.7	29.7
	Inferred	15.41	0.8	118.7
	Subtotal	19.65	0.8	149.0
D Zone	Indicated	3.11	0.81	25.2
	Inferred	0.01	0.32	0.02
	Subtotal	3.11	0.81	25.2
	Indicated	7.26	1.37	99.8
	Inferred	0.78	1.57	12.2
	Subtotal	8.03	1.39	111.9
Overall Cu	Total	52.4	1.2	608.9

Note: D Zone subtotals represent open pit at an average grade of 0.81% copper, and underground at an average grade of 1.39% copper.

Refer to Annual Report released 16 August 2016 for the Competent Persons Statement in relation to the estimates of mineral resources. The Company confirms that it is not aware of any new information or data that materially affects the information and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Avalon Minerals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information, please visit www.avalonminerals.com.au

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