

## FIRST THREE DRILL HOLES HIT MINERALISATION IN EXPLORATION TARGETS DEFINED IN VISCARIA PROJECT SCOPING STUDY

### Highlights

- The first three drill holes of the 25,000m drill program to extend the A Zone and D Zone Mineral Resources at Viscaria have been completed;
- All three drill holes completed to date have intersected mineralised intervals from 14m to 34m down hole thickness;
- Each of these mineralised intersections have extended the known mineralisation zones by approximately 30m down dip;
- VDD0130 was drilled at D Zone and intersected two mineralisation zones:
  - 34m of disseminated copper sulphides associated with massive to disseminated magnetite from 200-234m down hole, and
  - 34m of disseminated copper sulphides from 276-310m down hole;
- VDD0131 was drilled at A Zone and intersected approximately 14m of disseminated to massive copper sulphides from 404m down hole;
- VDD0133 was drilled at D Zone and intersected approximately 14m of disseminated copper sulphides associated with massive to disseminated magnetite from 228m down hole;
- The next three drill holes VDD0132, VDD0134 and VDD0136 are currently underway.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the first three drill holes of the current drill program have been completed on the Viscaria Project ('Viscaria'), in northern Sweden. This drill program will comprise approximately 25,000 metres of drilling, with the objective of extending the known Mineral Resources at the A and D Zone prospects and delivering on the potential increases to the project Net Present Value outlined in the Scoping Study (see ASX announcement 11 October 2012).

The Company's Managing Director Mr Jeremy Read said, "We have successfully completed the first three drill holes of a 6 month drill program, with the goal of defining the Mineral Resource extensions to allow our Scoping Study Development Cases to be delivered. Therefore, we anticipate the next 6 months will be an exciting time for Avalon."

"All three drill holes completed to date have intersected mineralised intervals from 14 metres to 34 metres down hole thickness and within those broad intervals, zones of high-grade copper appear to occur. The results from these first three drill holes have extended the known mineralisation approximately 30 metres further at depth and appear to be consistent with previous drilling results in these areas, which is very encouraging," he added.

Geochemical assay data for holes VDD0130, VDD0131 and VDD0133 are expected to be available in approximately four weeks.

The next three drill holes VDD0132, VDD0134 and VDD0136 are currently underway.

#### **Details of Drill Hole VDD0130 - D Zone Mineral Resource**

Drill hole VDD0130 intersected two mineralisation zones:

- 34 metres of disseminated copper sulphides associated with massive to disseminated magnetite from 200-234 metres down hole
- 34 metres of disseminated copper sulphides from 276-310 metres down hole

This intersection extends the known mineralisation zone approximately 30 metres down dip from the previously announced drill hole VDD0114, which intersected 14 metres @ 1.1% Cu & 31.4% Fe from 180 metres.

The survey details of drill hole VDD0130 are given in Table One with the drill hole location shown in Figure Two. A cross-section displaying VDD0130 relative to previous drilling is shown in Figure Three.

#### **Details of Drill Hole VDD0133 - D Zone Mineral Resource**

Drill hole VDD0133 intersected 14 metres of disseminated copper sulphides associated with massive to disseminated magnetite from 228 metres down hole. This intersection extends the known mineralisation zone approximately 30 metres down dip from the previously announced drill hole VDD0110, which intersected 6.8m @ 1.6% Cu & 29.3% Fe.

The survey details of drill hole VDD0133 are given in Table One with the drill hole location shown in Figure Two. A cross-section displaying VDD0133 relative to previous drilling is shown in Figure Four.

#### **Details of Drill Hole VDD0131 - A Zone Mineral Resource**

Drill hole VDD0131 intersected 14 metres of disseminated to massive copper sulphides from 404m down hole. This intersection extends the known mineralisation zone approximately 30 metres down dip from the historic drill hole D-3437, which intersected 19 metres at 1.7% Cu from 326 metres; including 8 metres at 2.3% Cu.

The survey details of drill hole VDD0131 are given in Table One with the drill hole location shown in Figure Two. A cross-section displaying VDD0131 relative to previous drilling is shown in Figure Five.

**Table One**

Hole	Prospect	Easting (RT90, m)	Northing (RT90, m)	Azimuth (RT90, degrees)	Inclination (degrees)	From (down hole m)	To (down hole m)	Intersection Width (down hole m)	End of Hole(m)
VDD00130	D Zone	1,680,842	7,537,502	130	-55	200 276	234 310	34 34	324
VDD00131	A Zone	1,682,154	7,537,110	310	-55	404	418	14	546
VDD00133	D Zone	1,680,427	7,537,145	130	-55	228	242	14	270

## ABOUT AVALON

Avalon is an ASX listed mineral exploration company with high quality assets in Sweden, one of the leading metal producing countries in the European Union.

Avalon's flagship asset is the Viscaria Copper-Iron Project located 1,200km north of Stockholm where the Company has delineated a global resource of 66.2 million tonnes of mineralisation, containing 51,000 tonnes of copper and 2.4 million tonnes of iron.

The Viscaria Project is surrounded by established infrastructure, lying immediately adjacent to LKAB's Kirunavaara Iron Ore operation and in close proximity to high-capacity rail and ports.

## ABOUT SWEDEN

Sweden has a 1,000 year mining history, is the largest producer of iron ore in the European Union and is a leading producer of base metals (copper, zinc, lead) and precious metals (gold and silver).

There are excellent discovery opportunities, with much of the country underexplored by modern standards. Furthermore, Sweden possesses a world-class geological database and favourable minerals legislation, is politically and economically stable and has mining know-how, highly trained personnel and excellent infrastructure.

**For further information please visit [www.avalonminerals.com.au](http://www.avalonminerals.com.au) or contact:**

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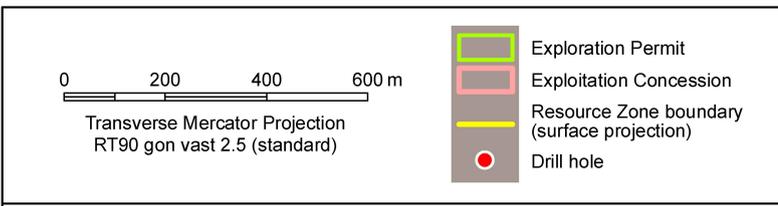
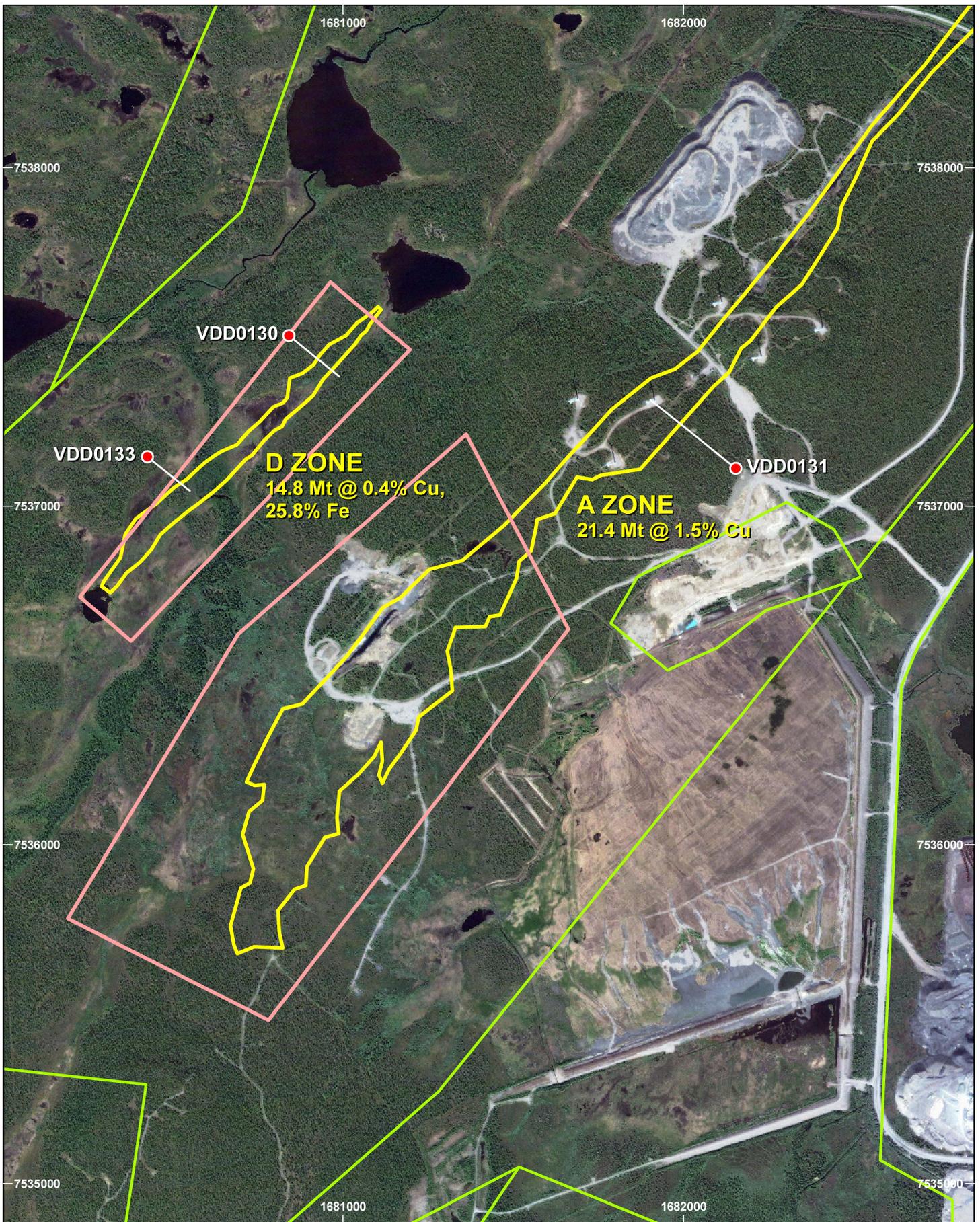
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#### **Competent Persons Statement**

The information in this report that relates to Mineral Resources and Exploration Targets is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure One - Project Location



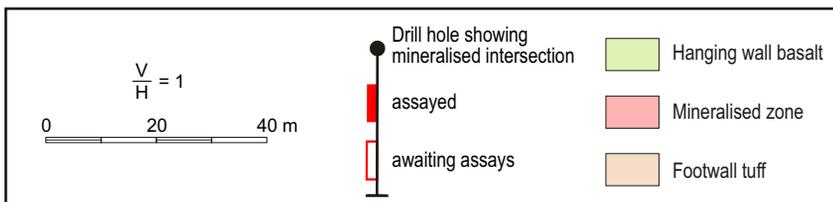
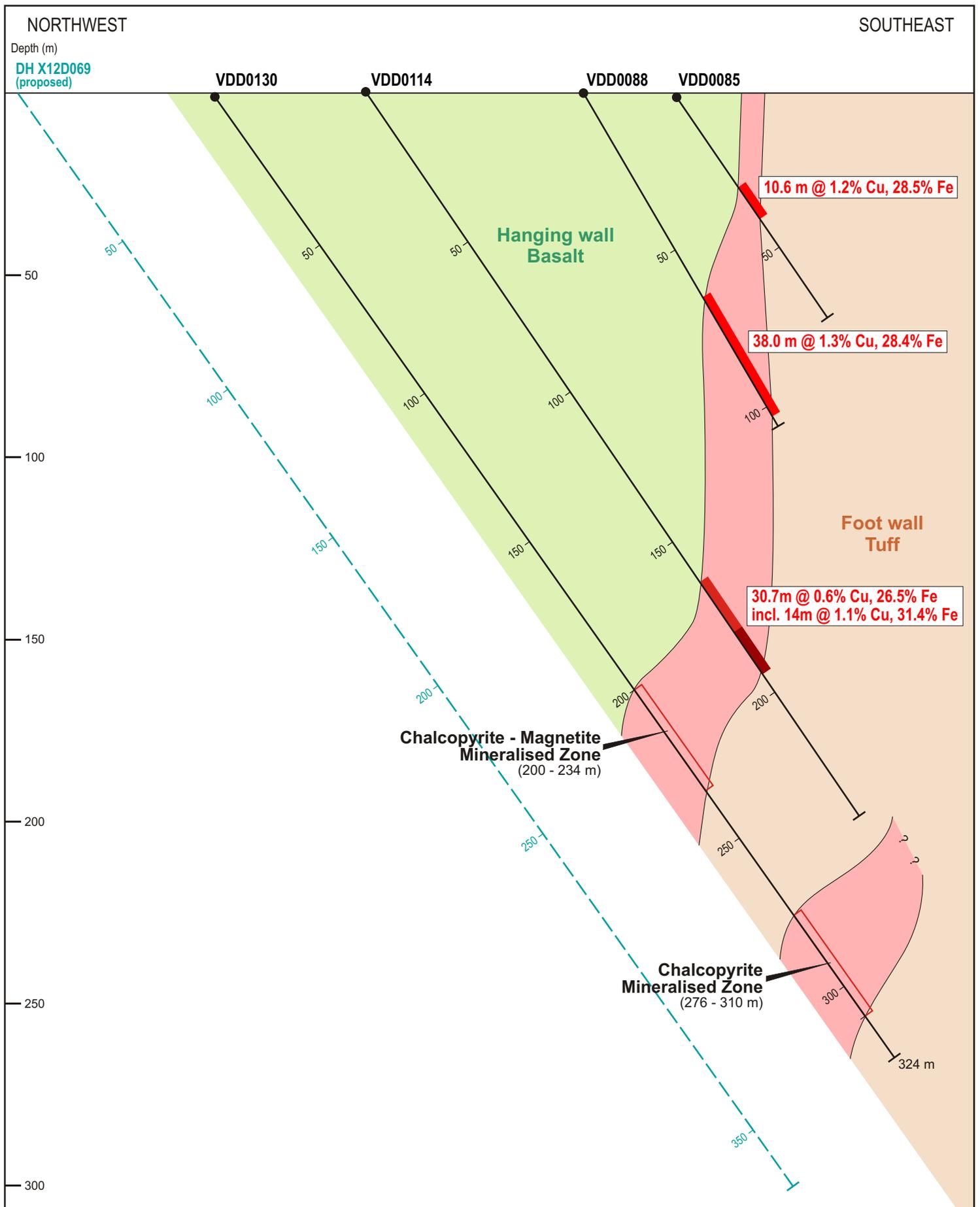


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Prepared: QH	Date: 07.12.2012
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**FIGURE 2**

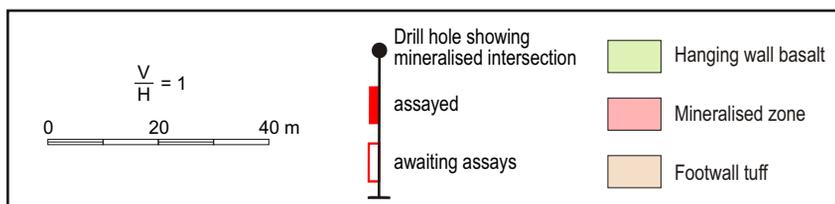
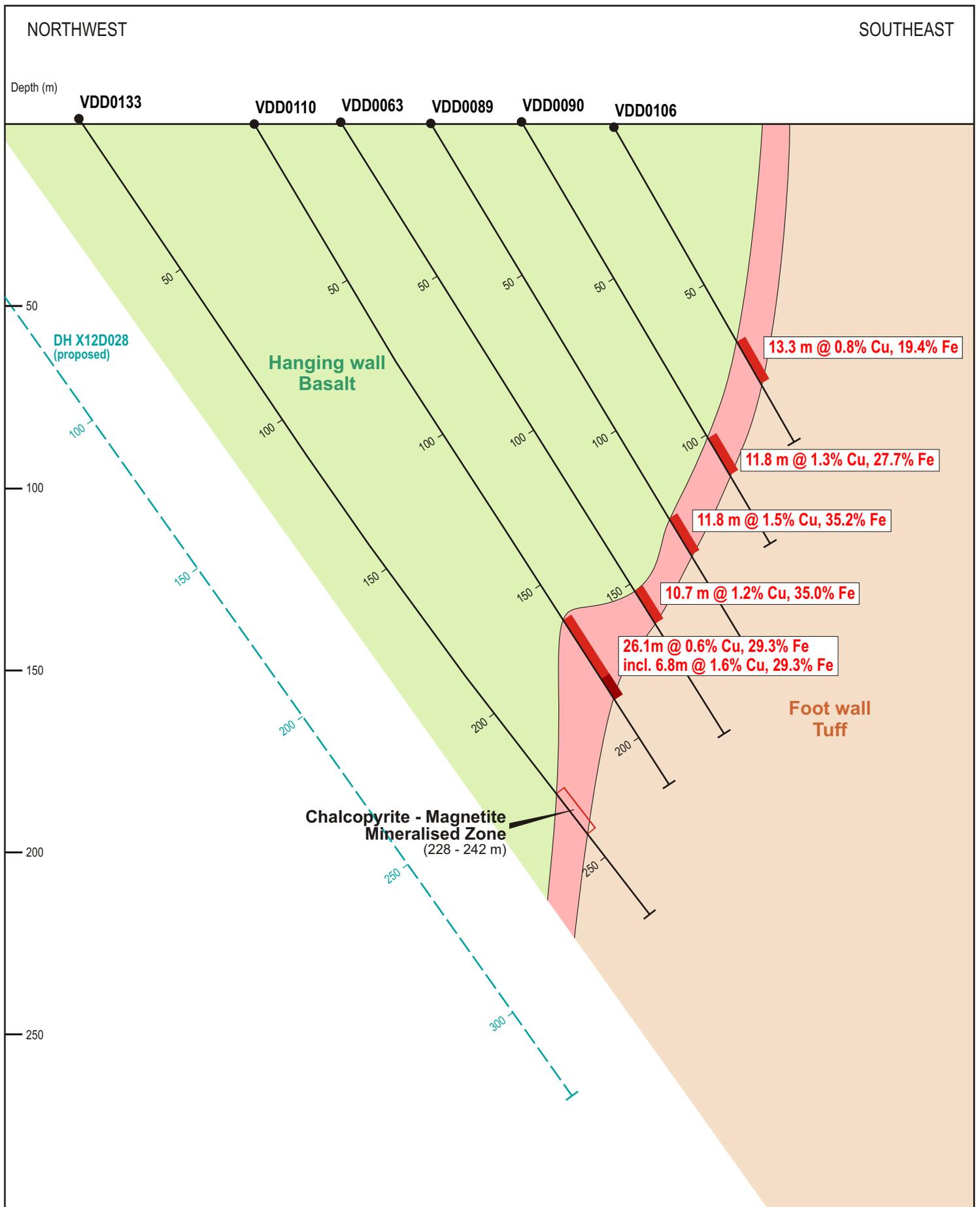
**VISCARIA PROJECT, SWEDEN**  
**LOCATION OF DRILL HOLES**



  
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**D ZONE PROSPECT - VISCARIA PROJECT, SWEDEN  
 SCHEMATIC CROSS-SECTION SHOWING VDD0130**

Prepared: QH	Date: 05.12.2012
Revised:	Drawing: AV-003
<b>FIGURE 3</b>	

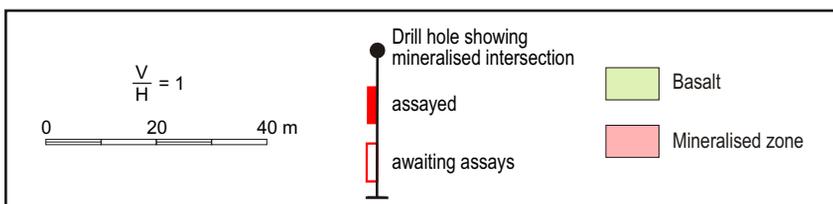
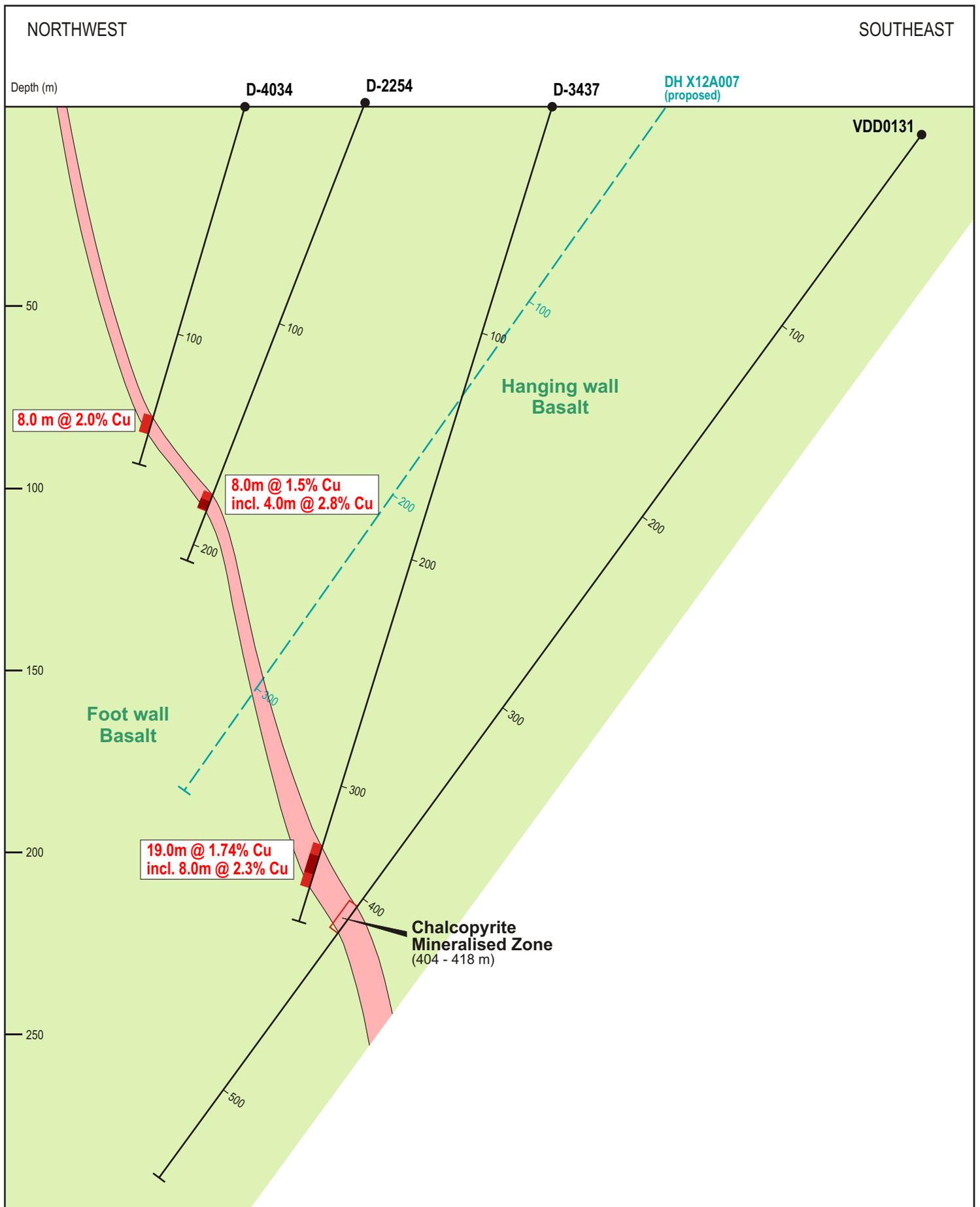


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**D ZONE PROSPECT - VISCARIA PROJECT, SWEDEN**  
**SCHEMATIC CROSS-SECTION SHOWING VDD0133**

Prepared: QH	Date: 11.10.2012
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<b>FIGURE 4</b>	





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**A ZONE PROSPECT - VISCARIA PROJECT, SWEDEN  
SCHEMATIC CROSS-SECTION SHOWING VDD0131**

Prepared: QH	Date: 11.10.2012
Revised:	Drawing: AV-005
<b>FIGURE 5</b>	