



## SIGNIFICANT HIGH GRADE COPPER INTERSECTIONS FROM VISCARIA COPPER-IRON PROJECT, SWEDEN

### *DTR TESTWORK CONFIRMS ABILITY TO UPGRADE MAGNETITE TO HIGH GRADE IRON CONCENTRATE*

International minerals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon" or "the Company") is pleased to announce that on-going exploration and resource development drilling at its 100%-owned **Viscaria Copper-Iron Project** in Northern Sweden has returned a series of outstanding results from the D Zone.

The drilling program is designed to upgrade the current mineral resource at D Zone of **9.0Mt at 0.6% Cu and 27% Fe** to the Measured and Indicated category.

Recent drilling within the current resource envelope has returned wider and higher grade copper intersections than predicted by the September 2010 resource model, with best results including:

- VDD082      20m @ 1.1% Cu and 21% Fe from 53m**
- VDD083      28m @ 1.9% Cu and 20% Fe from 52m**  
**including 18m @ 2.1% Cu from 62m**
- VDD084      19m @ 1.3% Cu and 28% Fe from 132m**
- VDD085      13m @ 1.1% Cu and 28% Fe from 28m**
- VDD086      79m @ 0.8% Cu and 26% Fe from 88m**  
**including 43m @ 1.4% Cu and 31% Fe from 124m**
- VDD089      20m @ 1.0% Cu and 42% Fe from 120m**

Drilling results are summarised in Table 1 and head assay results and location of drill intersections are shown in Figure 1.

In addition to the assay results reported above, Davis Tube Recovery (DTR) results have also been received for a number of previously drilled holes. These include:

- VDD0068      22m @ 33% Wt Rec, 71.1% Fe and 0.8% SiO<sub>2</sub> from 40m**
- VDD0070      23m @ 35% Wt Rec, 70.7% Fe and 0.8% SiO<sub>2</sub> from 43m**
- VDD0077      14m @ 40% Wt Rec, 71.4% Fe and 0.6% SiO<sub>2</sub> from 43m**
- VRC0019      13m @ 36% Wt Rec, 70.0% Fe and 1.2% SiO<sub>2</sub> from 39m**

Drilling results are summarised in Table 2 and DTR results and locations of reported drilling are shown in Figure 2.

The results indicate the magnetite mineralisation within the D Zone resource can be effectively upgraded to achieve a high quality iron concentrate.

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(Non-Executive Director)

Stephen Stone  
(Non-Executive Director)

Amro Al Khadra  
(Non-Executive Director)

Commenting on the results, CEO of Avalon, Mr Andrew Munckton, said: “These are outstanding results which reinforce our confidence in the D Zone mineralised horizon to host a significant copper and iron ore resource that will underpin the Bankable Feasibility Study for the Viscaria Project Development.

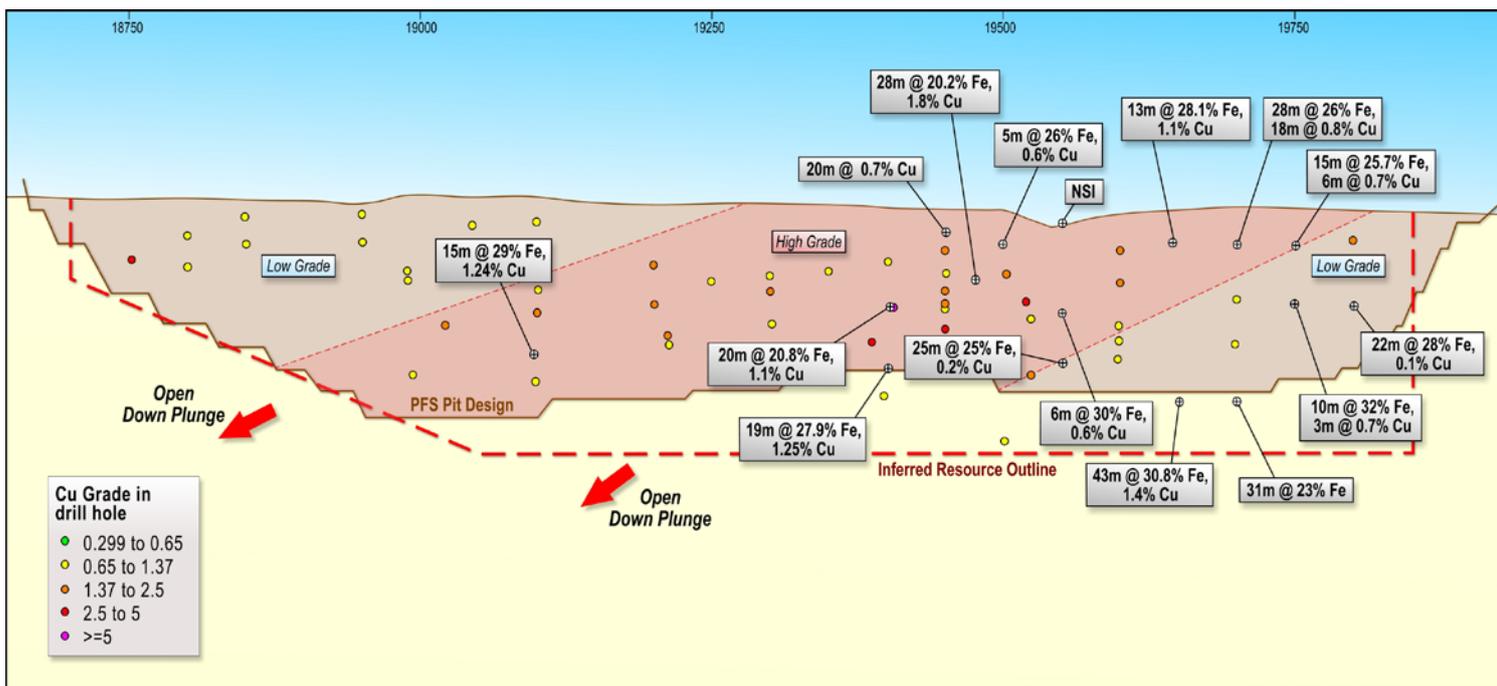
“The wide and consistent nature of the copper mineralisation, particularly in the central part of the D Zone Resource area, gives us confidence to now investigate deeper, down plunge extensions below the current open pit design. In addition to the excellent copper intersections, the DTR results for the coincident magnetite mineralisation are also outstanding.

“Consistent weight recoveries above 35% and outstanding assay results for magnetite concentrate show that the D Zone iron mineralisation is capable of producing a premium quality concentrate averaging greater than 70% iron and less than 1.0% silicon dioxide – which is in line with the nearby LKAB owned Kiruna operations.

“The consistent nature of the results suggests we will be able to produce a highly sought after, premium grade magnetite concentrate from the tailings stream of the proposed copper and iron processing plant.

“The drilling program will continue to evaluate the potential of the D Zone deposit over the March and June Quarters when we expect to move into the southern and deeper parts of the ore zones.

“We are looking forward to testing the potential open pit extension and underground mining positions of the ore body over this period,” Mr Munckton concluded.

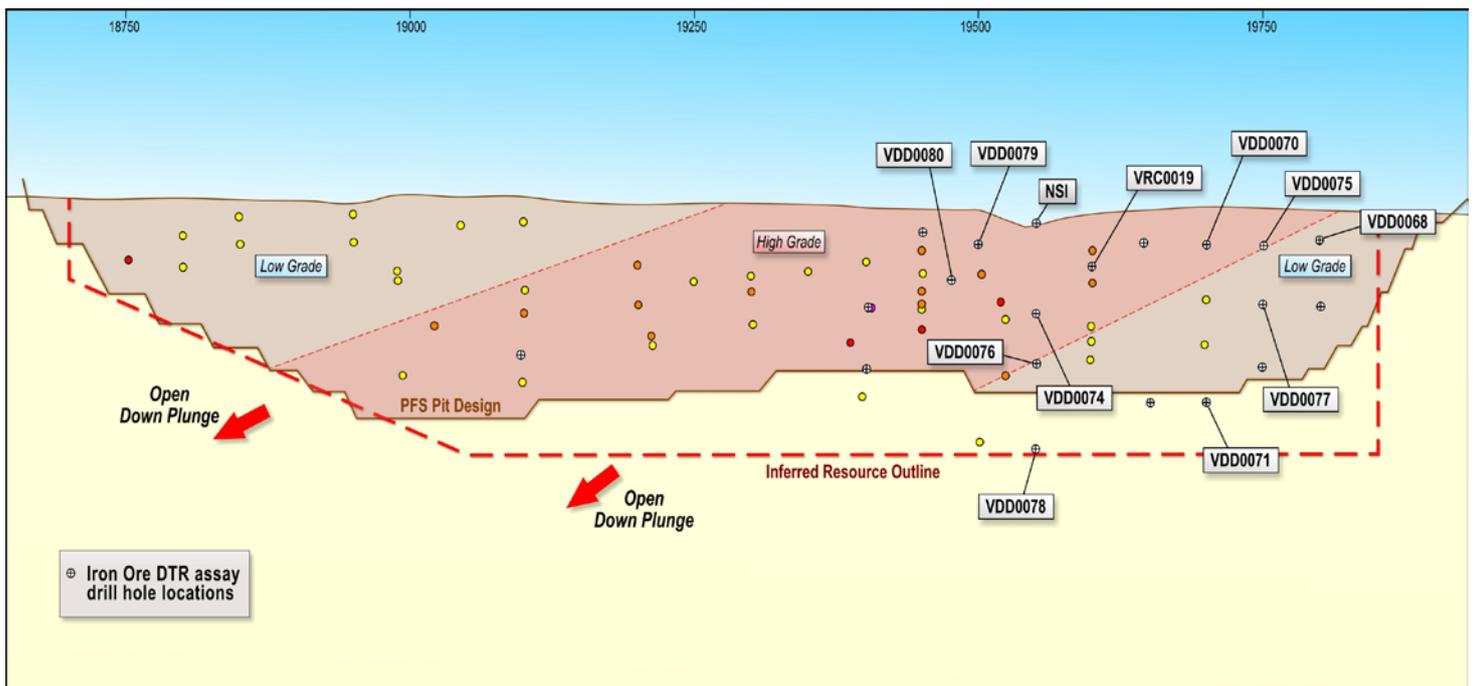


**Figure 1 – D Zone Drilling Overview**

**Table 1: Drilling Intersections Viscaria D Zone**

North	Hole ID	From (m)	To (m)	Interval (m)	Fe%	Cu%
19400	VDD082	50	83	33	15.8	0.75
	<i>Including</i>	53	73	20	20.8	1.08
19475	VDD083	52	80	28	20.2	1.85
	<i>Including</i>	62	80	18	17.9	2.07
19650	VDD085	28	41	13	28.1	1.05
19650	VDD086	88	167	79	26.3	0.84
	<i>Including</i>	124	167	43	30.8	1.42
19400	VDD084	132	151	19	27.9	1.25
19100	VDD089	120	143	23	42.6	1.00
	<i>Including</i>	128	143	15	29.4	1.24

*NB: Assays are by XRF and ICP*



**Figure 2 – D Zone DTR Drilling**

**Table 2 – DTR Results Viscaria D Zone**

North	Drill Hole	From (m)	To (m)	Interval (m)	Wt Rec %	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Cu %	P %	S %
19800	VDD068	40.4	62.9	22.5	33.3	71.1	0.78	0.09	0.002	0.003	0.005
		67.2	79.7	12.5	34.4	70.7	0.54	0.04	0.001	0.002	0.003
19700	VDD070	42.8	66.3	23.5	34.9	70.7	0.79	0.05	0.001	0.003	0.011
19550	VDD074	98.7	104.7	6.0	40.0	70.9	1.09	0.04	0.020	0.006	0.014
19750	VDD075	22.0	30.5	8.5	42.1	71.5	0.64	0.05	0.003	0.005	0.009
19550	VDD076	126.7	137.5	10.8	55.6	71.5	0.55	0.01	0.006	0.007	0.012
19750	VDD077	43.0	57.0	14.0	39.9	71.4	0.55	0.08	0.002	0.002	0.001
19550	VDD078	154.0	163.0	9.0	43.4	71.4	0.57	0.06	0.002	0.005	0.006
		196.0	201.0	5.0	36.6	71.6	0.62	0.17	0.003	0.001	0.030
19500	VDD079	42.0	47.0	5.0	32.7	67.8	2.32	0.28	0.119	0.009	0.001
19475	VDD080	48.0	63.0	15.0	44.8	69.8	1.02	0.10	0.211	0.009	0.006
19600	VRC019	39.0	52.0	13.0	35.7	70.0	1.16	0.05	0.008	0.017	0.002
	<b>AVERAGE</b>	-	-	<b>12.0</b>	<b>38.6</b>	<b>70.7</b>	<b>0.85</b>	<b>0.08</b>	<b>0.053</b>	<b>0.006</b>	<b>0.007</b>

*NB: DTR results are for Davis Tube Recovery using a75micron screen. Approximate fineness of sample is P<sub>80</sub> of 45microns. Assays are by XRF. Assay results are prior to Copper and Sulphur flotation.*

### **D Zone South**

In addition to on-going drilling at the D Zone, Avalon has also completed five lines of drilling into the southern portion of the D Zone South prospect.

Results have shown only low grade (0.1%) copper and iron ore mineralisation over the target horizon.

Further exploration work in this area has been deferred pending availability of drill rigs, which are currently fully utilised at the D Zone.

### ***Competent Person's Statement***

*The information in this report that relates to Mineral Resources and exploration targets is based upon information reviewed by Mr Andrew Munckton BSc (Mining Geology) who is a Member of the Australasian Institute of Mining and Metallurgy.*

*Mr Munckton 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 Munckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### ***JORC – Exploration Targets***

*It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

**– ENDS –**

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