

## ASX / Media Release

14 February 2012

# New Board Commences Copper Drill Program at Viscaria Project, Sweden

### Highlights

- New board of Avalon approves a 2000m drill program to commence at the Viscaria Copper Project, northern Sweden, during week of 19 March;
- Five hole drill program will test for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources;
- Drill program will provide valuable information to assist with the planning of a larger copper drill program to be undertaken later this year;
- Drill program is an integral part of company strategy to assess Avalon's copper Mineral Resources and create shareholder value;
- The Mineral Resource inventory (Zones A, B and D) on the Viscaria Project currently totals 53.8Mt @ 1.0% Cu and is classified as having 22.6Mt @ 0.7%Cu Inferred, 15.2Mt @ 0.8%Cu Indicated and 16.0 Mt @1.6%Cu Measured according to the guidelines of the JORC Code (2004);
- Current Mineral Resource for A Zone comprises 21.6Mt at 1.5% Cu. The Mineral Resource is reported above a 0.4% copper grade cut-off and is classified as having 2.5Mt @ 1.5%Cu Inferred, 4.7Mt @ 1.2% Cu Indicated and 14.4Mt @ 1.7% Cu Measured according to the guidelines of the JORC Code (2004);

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce the recommencement of field work on the Viscaria Project in northern Sweden (Figures One and Two). A 2000m, five hole drilling program will commence during the week of 19 March, with the objective of testing extensions to high grade copper mineralisation at the A and D Zone Mineral Resources, on the Viscaria Copper Project in northern Sweden.

Avalon's Managing Director, Jeremy Read, said that during 2012 and 2013 Avalon will concentrate its efforts on determining the full potential of the high grade copper mineralisation within the A, B and D Zone Mineral Resources on the Viscaria Copper project. The 2000m drill program is an important step in the development of a strategy to create value for shareholders by focussing project assessment activities on the Company's copper Mineral Resources.

"The Mineral Resources at Viscaria contain high grade zones of copper mineralisation such as in hole D-7616 with 7.1m @ 3.5% Cu at A Zone and hole VDD0086 with 38.0m @ 1.6% Cu at D Zone."

"This initial drill program for 2012 is designed to follow the higher grade copper mineralisation outside of the existing boundaries of the Mineral Resources at both A and D Zones and it will provide valuable information to assist with the planning of a larger drill program to be undertaken later this year." Mr Read said.

The 5 hole drill program is estimated to total 2,000m of diamond drilling. This drilling will be divided between drilling at the southern section of A Zone targeting the plunging high copper shoots 600m below the surface and stepping out >60m beneath the high grade shoots of D Zone, at the 200-300m depth interval. The drill program is envisaged to take up to 8 weeks and will be completed in Mid-May.

### Extensions of A and D Zone Mineral Resources

On 29 November, 2011, Avalon advised the ASX of updated Mineral Resources for the A, B and D Zone prospects as follows:

- A Zone Mineral Resource comprises 21.6Mt at 1.5% Cu, above a 0.4% copper grade cut-off and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).
- B Zone Mineral Resource comprises 19.7Mt at 0.8% Cu, above a 0.4% copper grade cut-off and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).
- D Zone Mineral Resource comprises 11.9Mt at 0.6% Cu and 24% Fe, above a 15% mass recovery and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).

The Mineral Resource inventory (Zones A, B and D) for the Viscaria Project currently totals 53.8Mt @ 1.0% Cu and is classified as having 22.6Mt @ 0.7%Cu Inferred, 15.2Mt @ 0.8%Cu Indicated and 16.0 Mt @1.6%Cu Measured, according to the guidelines of the JORC Code (2004). For further information please refer to the announcement Avalon made to the ASX on 29 November, 2011.

Within each of the A, B and D Zone Mineral Resources, zones of higher grade and thicker copper mineralisation occur. At a 0.8% Cu cut-off A Zone contains 9.5Mt @ 2.7% Cu and D Zone contains 3.2Mt @ 1.2% Cu. It is the extensions of these higher grade zones which this initial drill program for 2012 will target.

Previous drilling at A Zone intersected high grade copper mineralisation such as:

- 7.1m @ 3.5% Cu in hole D-7616 from 60.3m
- 8.3m @ 3.1% Cu in hole D-7612 from 46.2m
- 9.7m @ 1.8% Cu in hole D-8544 from 56.4m
- 11.3m @ 2.2% Cu in hole D-6670 from 60.3m

Previous drilling at D Zone also intersected high grade copper mineralisation such as:

- 7.5m @ 2.0% Cu in hole VDD0111 from 218m
- 19.8m @ 1.9% Cu in hole VDD0088 from 68m
- 38.0m @ 1.6% Cu in hole VDD0086 from 128m

The existing drill holes, which the five drill holes of this initial drill program for 2012 will follow up on, are given in Table One.

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

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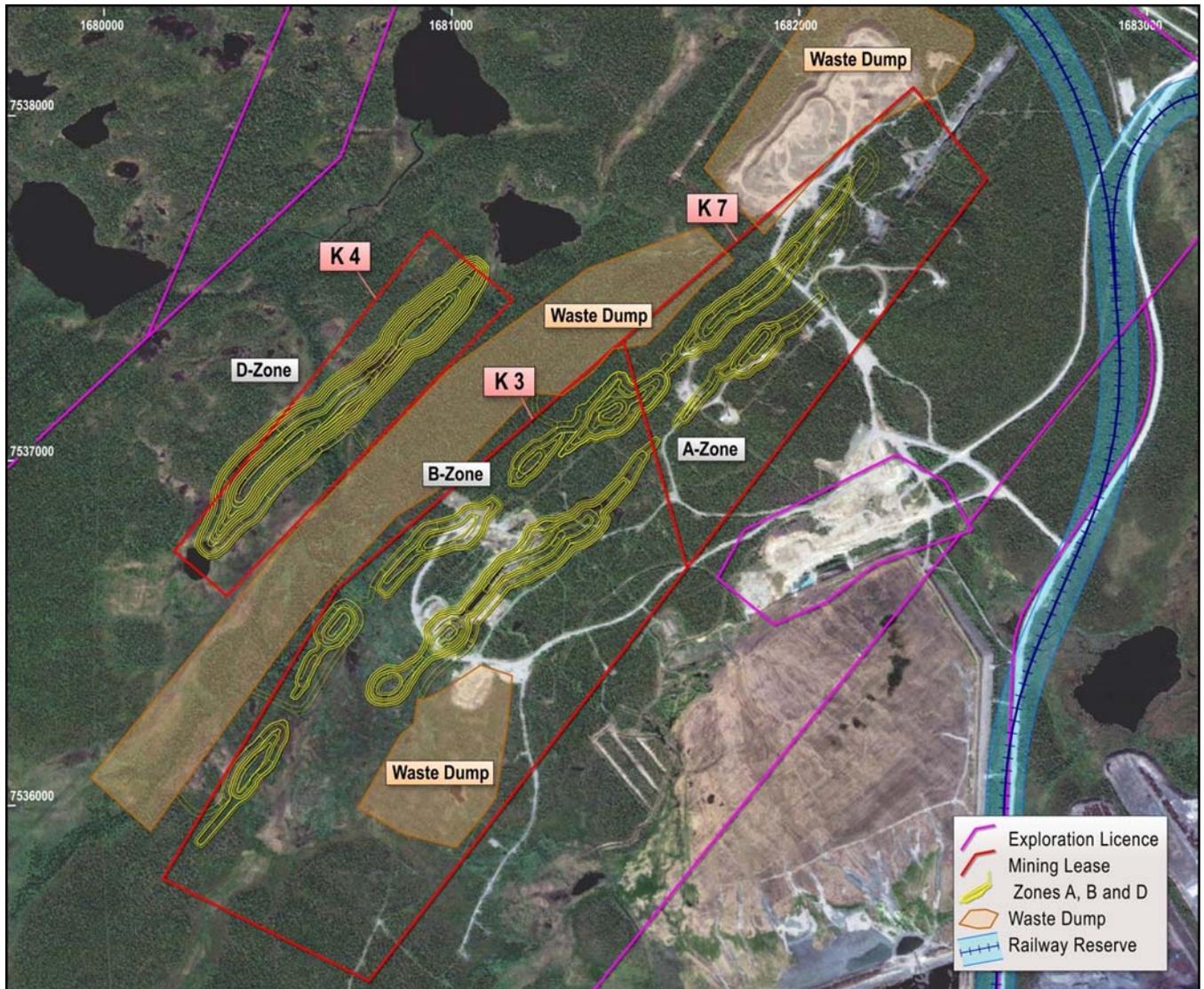
Table One - Existing drilling to be investigated by March-May Drill Program

	Proposed Hole	Existing Hole	From (m down hole)	To (m down hole)	Width (m down hole)	Cu%
A Zone	ASP024	D-6128	428.1	439.6	11.55	1.55
		D-8398	39.3	43.6	4.3	1.64
		D-8397	83.4	89.3	5.9	0.99
		D-8544	56.4	66.1	9.7	1.81
			84	87.9	3.9	2.19
A Zone	ASP025	D-7821	27.8	33.9	6.1	3.11
		D-7703	74.55	81.4	6.85	1.17
		D-7162	125.5	130.3	4.85	3.09
		D-7612	46.2	54.5	8.3	3.12
A Zone	ASP026	D-4686	807.5	809.65	2.15	3.09
		D-4688	787.7	793.2	5.5	2.20
D Zone	DZP114	VDD0112	265.7	270.3	4.6	1.48
			291	297.42	6.4	1.63
		VDD0113	261	268.15	7.15	1.14
		VDD0118	236	239.55	3.6	2.07
		VDD0096	181.3	189.4	8.1	1.75
		VDD0111	218.1	225.55	7.45	2.00
D Zone	DZP115	VDD0114	180.6	194	13.45	1.09
		VDD0086	128	166	38	1.57
		VDD0088	68.25	88	19.75	1.91

Figure 1 - Project Location



Figure Two - Location of the Mineral Resources on the Viscaria Project



#### Competent Person's 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.

The Mineral Resource estimate for A, B and D Zones was compiled and prepared by Dr Bielin Shi (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.