

AVALON MINERALS Ltd.

Investor Presentation

Copper in Sweden - Near Term Development - Growth



January 2015



Avalon Minerals – Disclaimer

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Avalon Minerals – At a Glance

Ticker	ASX:AVI
Share Price (30 day VWAP)*	\$0.025
Shares on Issue	144,735,608
Market Cap	\$3.62 mill
Cash (31 Dec 2014)	\$1,802,000
52 week trading	\$0.02 - \$0.15
Broker	Morgans Stockbroking
Coverage	Morgans Stockbroking Breakaway Research
Corporate Advisory	Viaticus Capital

Top 10 shareholders hold 63% of shares on issue
Board and management hold 2%

Substantial shareholders

NAME	%
Tan Sri Abu Sahid Bin Mohamed	15.45%
Phoenix Copper Ltd (ASX:PNX)	8.64%
Dato Lim Heng Suan	6.84%
Tan Sri Datuk Ta Kin Yan	6.45%
Marilei International	5.16%
Valbonne II	5.14%

* As at 30 January 2015



Viscaria Project – At a Glance

✓ **A COPPER Project:**

- ✓ Scoping study in progress and assessing copper-only start up – targeting lower CAPEX and higher grade
- ✓ Viscaria copper-magnetite project is a robust development scenario based on a 2014 updated Scoping Study, but weakness in iron price dictates a shift in project development strategy
- ✓ Metallurgy delivers premium quality products of Cu con (23 - 26%) and Fe con (~70%) with low impurities

✓ **Has UPSIDE OPPORTUNITIES:**

- ✓ Underground development, commodity focus, by-product credits
- ✓ Exploration success at both near mine (within 10km) and belt scales

✓ **Non-technical RISK IS LOW:**

- ✓ 3 Exploitation Concessions approved covering main mineralisation at Viscaria
- ✓ Next steps include Environmental Impact Assessment and stakeholder engagement
- ✓ Exploration and development in a manageable risk environment – in an area of ‘National Interest for Minerals’, and overlapping with multiple land use areas.
- ✓ Very good quality infrastructure

Viscaria Project — At a Glance

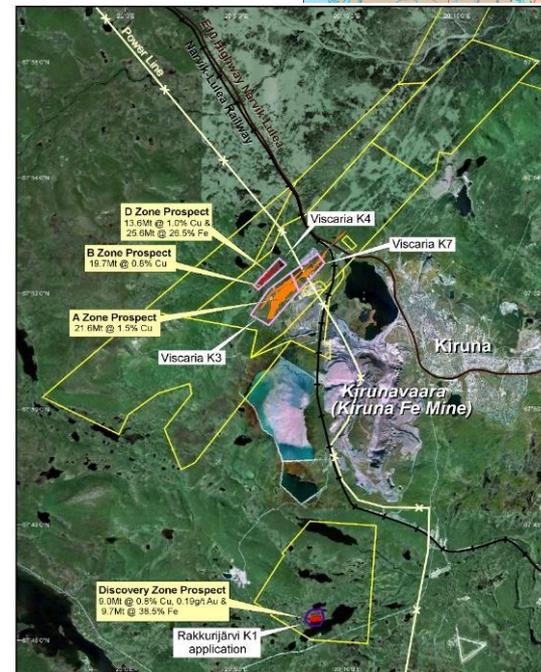
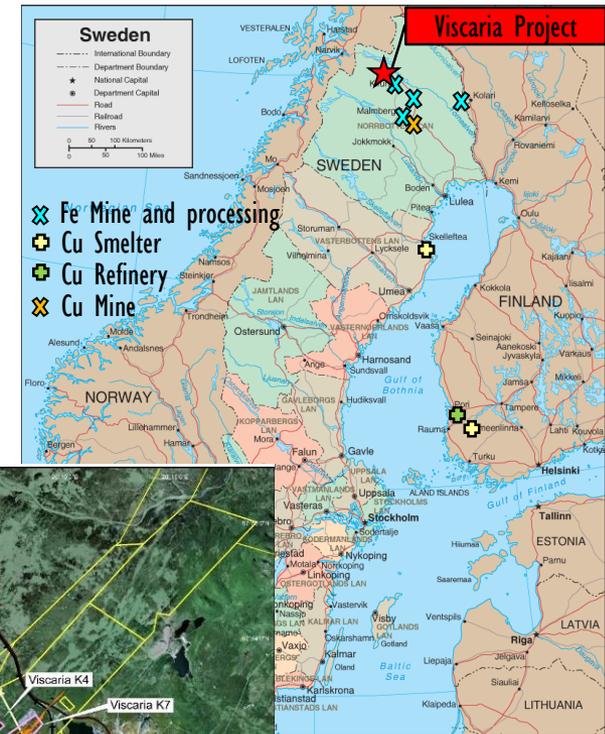
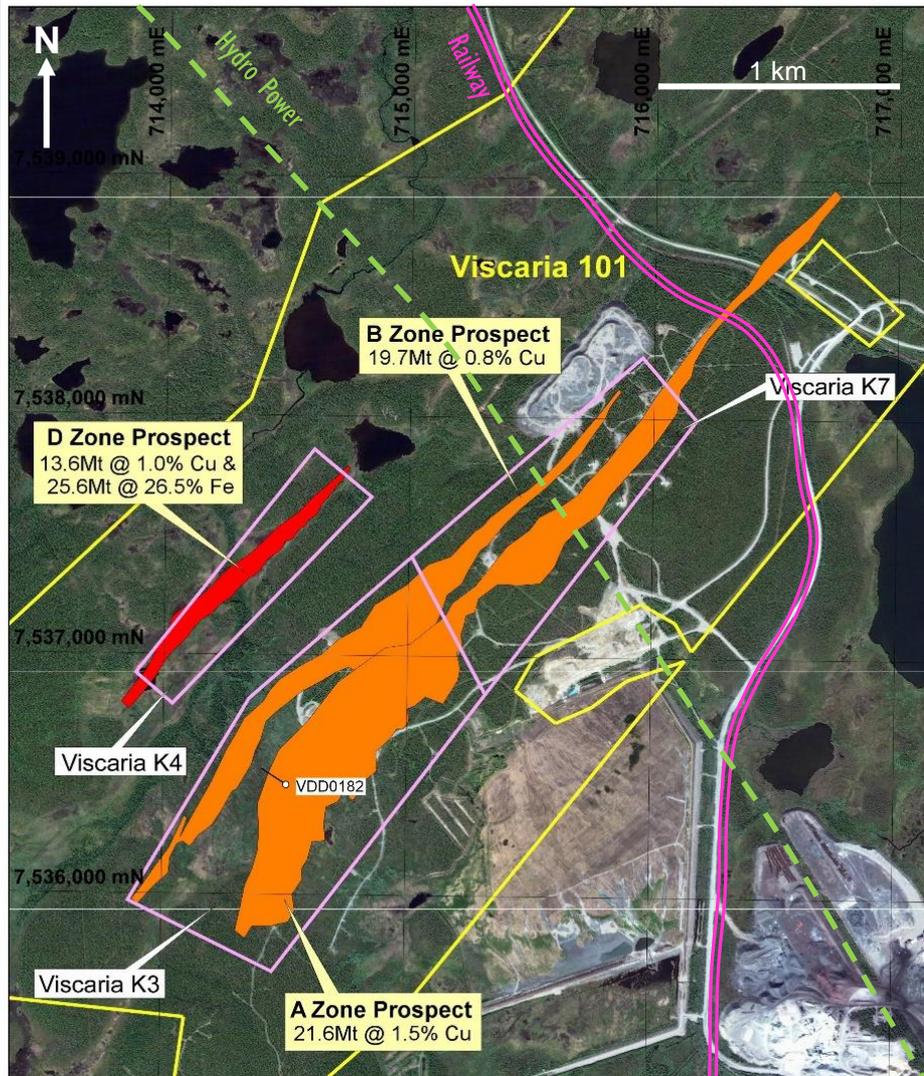
As a

- high grade,
- low CAPEX,
- copper only project, with a staged development plan
- with existing high quality infrastructure
- exploration upside

Avalon Minerals is considered to be heavily discounted relative to its peers

(See slide 22 for comparables)

Viscaria Project – Location



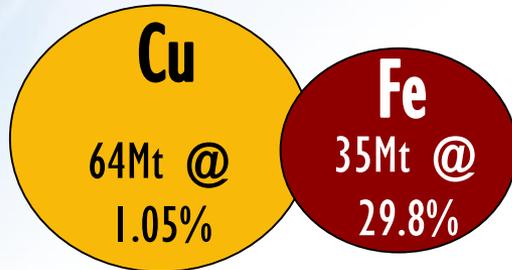
Avalon Minerals – Existing Infrastructure

- ✓ Town (Kiruna, pop. 20,000; skilled workforce)
- ✓ Sealed national highway to mine gate
- ✓ Electrified rail (Public Access) to mine gate
- ✓ Power (Low Cost; ~8c/kWh) and abundant supply
- ✓ Contractors and OEM presence in Kiruna
- ✓ >100 year mining heritage
- ✓ Local smelter within 350km by rail
- ✓ Multiple port location options within 350km by rail



Viscaria Project – Resource Estimate Summary

OVERALL RESOURCE



680,000t or 1.5 Billion lbs Copper
9.1 Million t Recoverable iron

2014 SCOPING STUDY OPEN PIT RESOURCE*

*Represents the portion of the resource captured in open pit shells



16% Measured
51% Indicated
33% Inferred
- See Cautionary
Statement pg 35

215,000t or 471 Million lbs Copper
6.0 Million t Recoverable iron

HIGHER GRADE SUBSETS OF ESTIMATED RESOURCES COPPER FOCUS

A Zone Open Pit (4mt @ 1.25% Cu; see slide 34)

Outlining A Zone Underground @ 2.5% Cu (see slide 11)

Outlining D Zone Underground @ 1.7% Cu (see slide 13)

Viscaria Project – 2015 Scoping Study

Robust 2014 Scoping Study, but

Maximising shareholder return and weakness in the Fe price dictates review of other options

Now optimising project to deliver

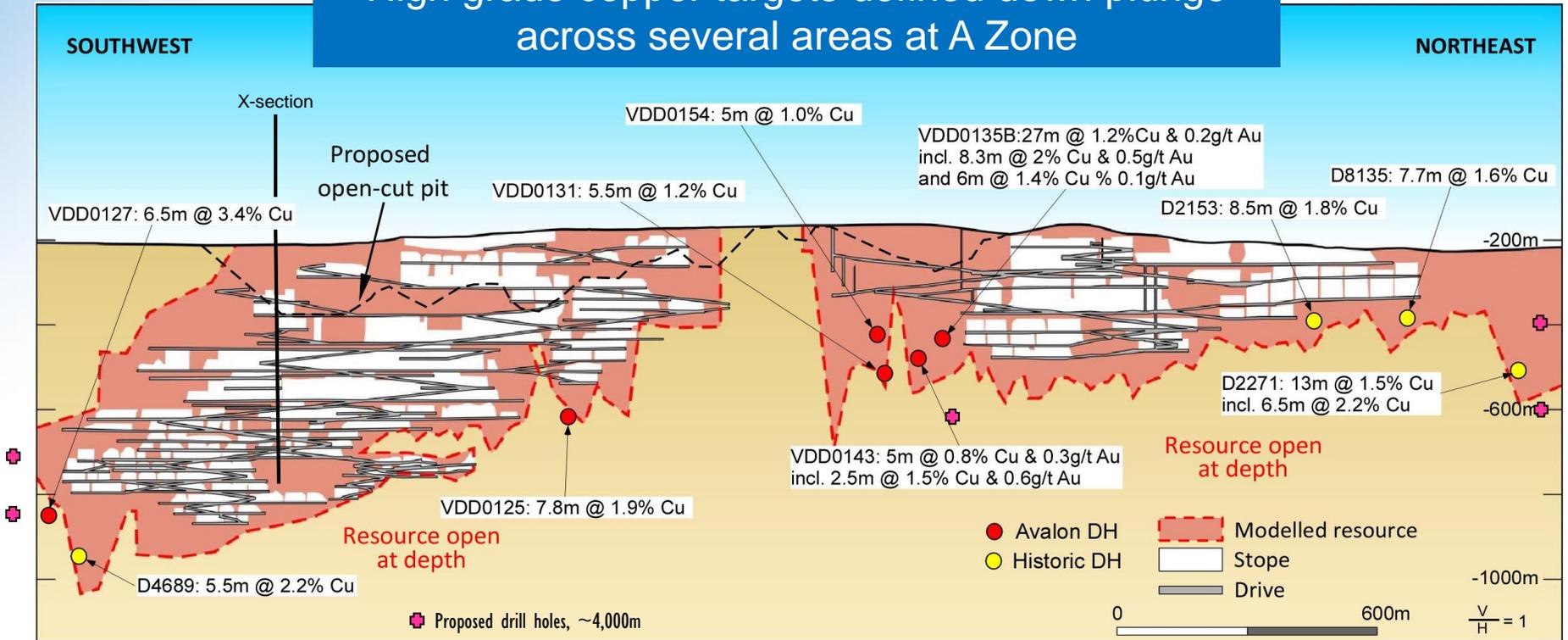
- Lower CAPEX (~\$100 mill)
- Higher grade, copper only start-up (range of grades 1.2 – 2.5% Cu)
- Shorter time frame to production (decision to build 2017)
- Increase leverage to copper (Cu price forecasts positive for >2017)
- Remove link to weak Fe price
- Be expandable
- ‘Bolt on’ Fe processing when commercially justified

Viscaria Project – Opportunities being investigated

- High grade copper only opportunities exist at A Zone, B Zone and D Zone
- Current timetable has a potential decision to build in 2017
- At A Zone grades in excess of 1.25% Cu in opencut positions (for example see slide 34) and in excess of 2.5% in underground positions are being investigated
- At D Zone grades in excess of 1.7% Cu in underground positions are being investigated
- Assess opportunities for combining material from A, B and D Zones to deliver a combined grade in excess of 1.4% Cu
- Consider combinations of material from A, B and D Zone at Viscaria that may deliver at least 1Mtpa over a period of approximately 10 years
- Focus on initial opportunities at the \$80-120mill CAPEX range
- Start small (0.8 – 1.2Mtpa) and be prepared to expand to scales up to 3.5Mtpa as contemplated in the 2014 Scoping Study
- Assess Cu production opportunities in the range 13,000 to 18,000 tpa
- Advance the oxide copper potential and investigate opportunities for a small heap leach SX-EW component for grades in excess of 1% Cu and exploration potential in excess of 5Mt
- Remove the magnetite concentrate stream that was contemplated in the 2014 Scoping Study from immediate studies. Be prepared to advance these studies and ‘bolt this on’ at a later stage if commercially viable

Viscaria Project – A Zone long section

High grade copper targets defined down plunge across several areas at A Zone

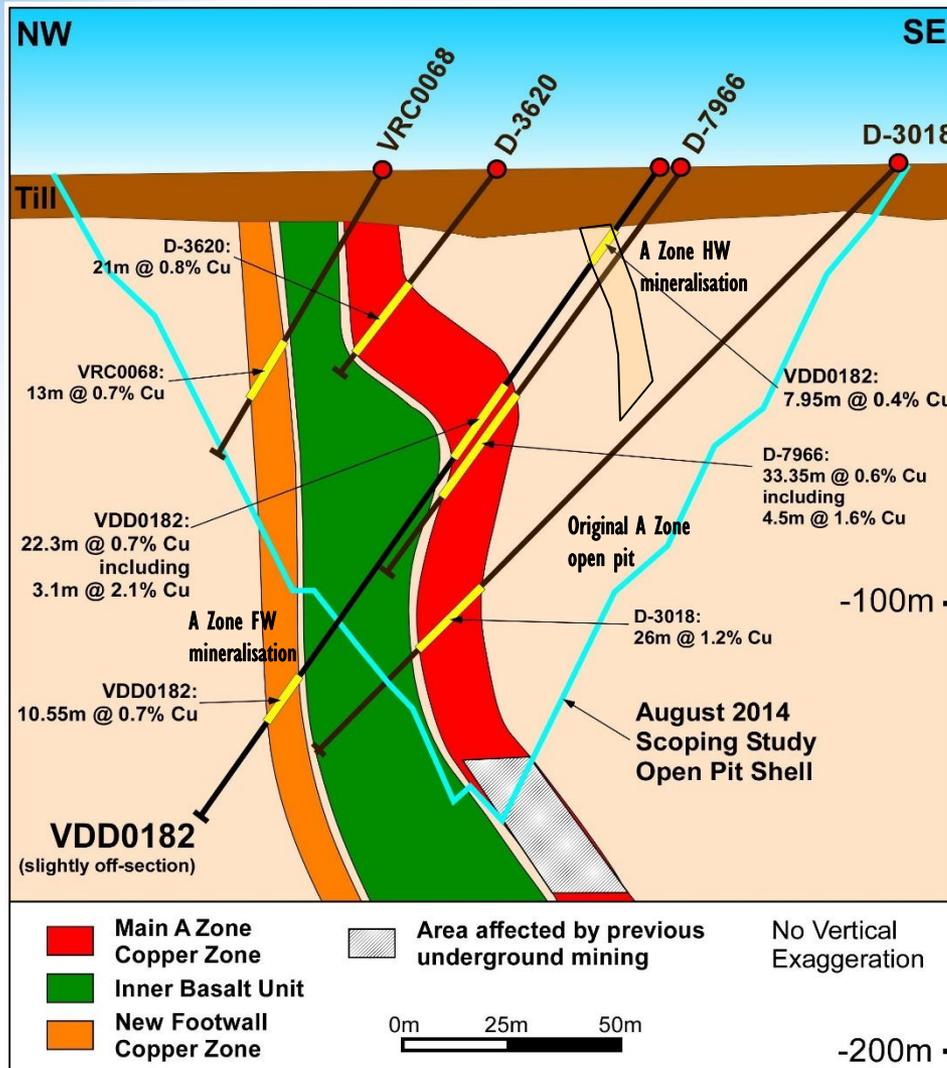


Previously mined by Outokumpu – 15 years of production to 1997 – 12.5Mt of 2.3% Cu at 850,000tpa, producing a concentrate of 26% Cu, 2% Zn & 0.5g/t Au (43Mlb (19.5k t) pa Cu metal in concentrate)

Pre-mined endowment of A Zone only is estimated to have been ~40-45Mt @ ~1.5 – 2.5% Cu



Viscaria Project – A Zone – FW and HW copper zones defined

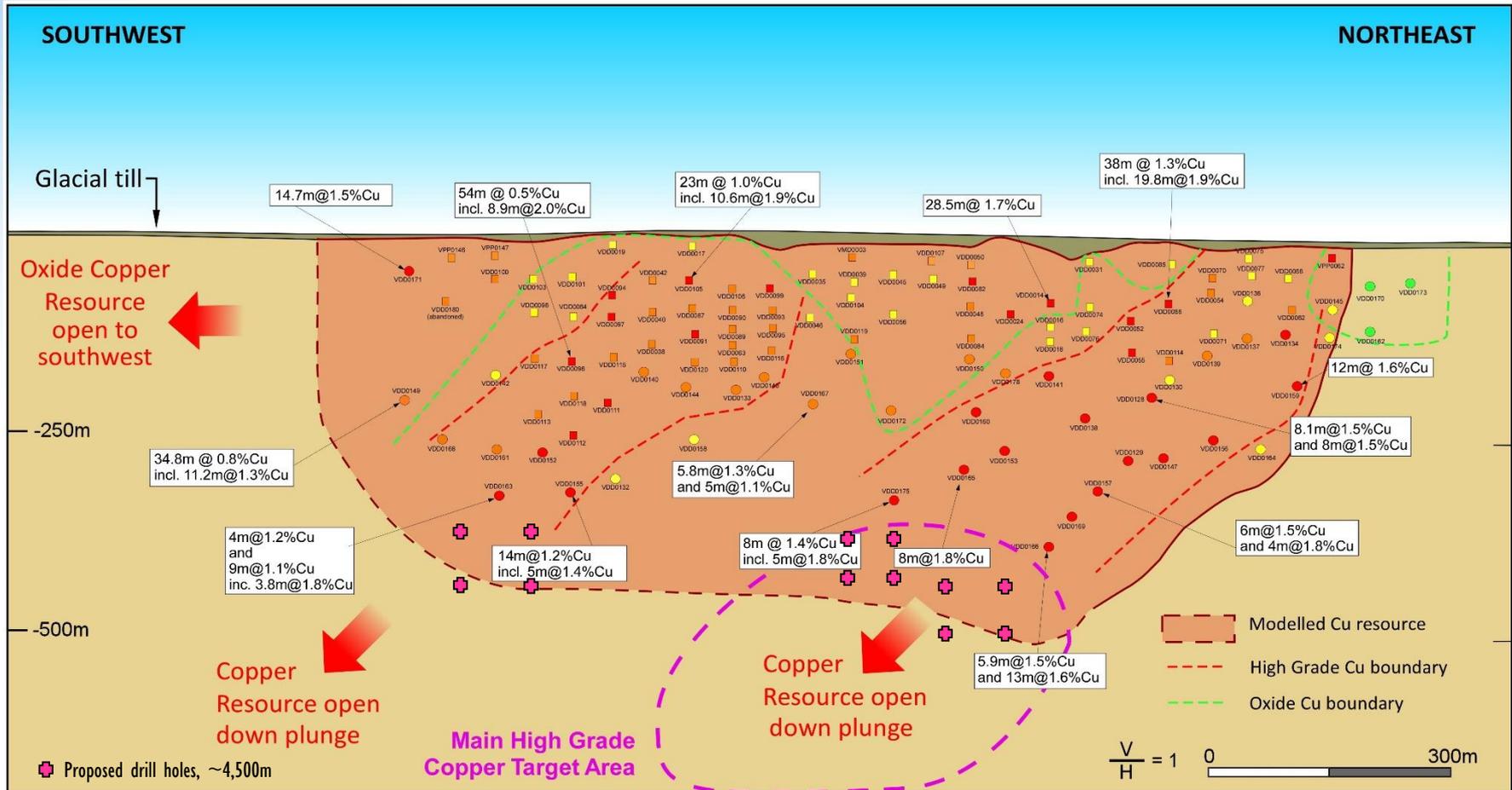


Drill hole VDD0182 completed in December 2014

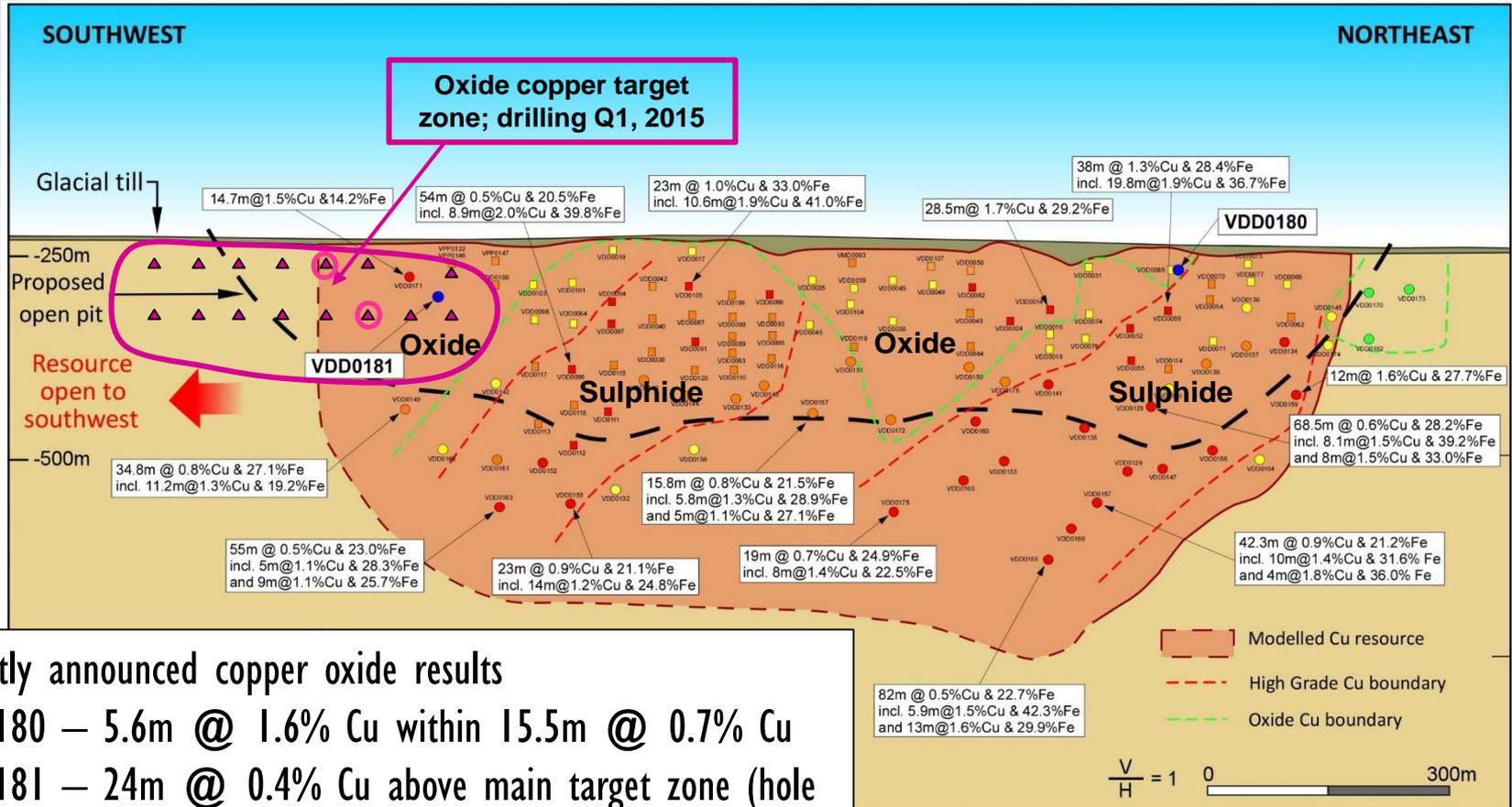
- To assess the A Zone footwall mineralisation
- to assess the main A Zone orebody

- ✓ Positive results
- ✓ Potential increase in open pit mineral resources
- ✓ Supports further drilling
- ✓ Potential hanging wall zones; historic holes not assayed
- ✓ Will reduce strip ratio

Viscaria Project – D Zone high grade copper sulphide potential



Viscaria Project – D Zone copper oxide potential

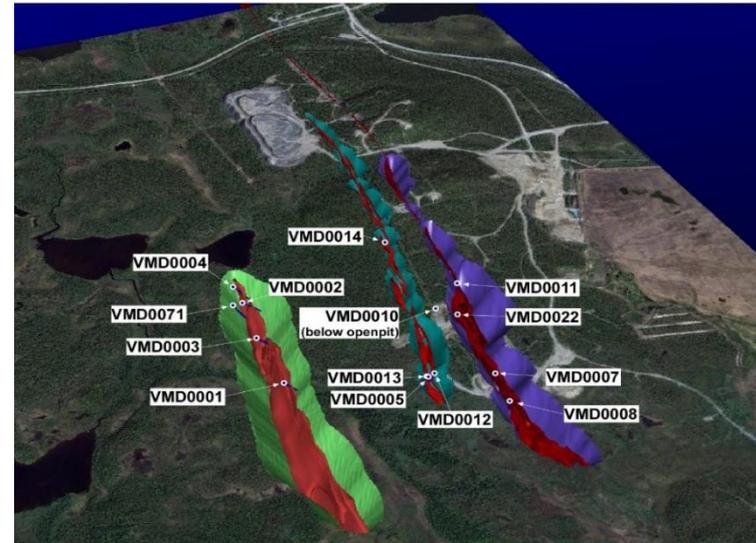


Recently announced copper oxide results
 VDD0180 – 5.6m @ 1.6% Cu within 15.5m @ 0.7% Cu
 VDD0181 – 24m @ 0.4% Cu above main target zone (hole abandoned in target zone)

Order of Magnitude Desk-top Study Completed

Viscaria Project – Metallurgy

- 12 year mining history delivered good quality concentrates
- High quality products
- Low technical risk
- Independent review completed (Ausenco)



Copper

- D Zone copper sulphide mineralisation is chalcopyrite and produces a concentrate with 26% copper and 94% copper recovery;
- A Zone and B Zone mineralised material producing a concentrate with 23% copper and 80% copper recovery;
- A and B Zones mined previously by Outokumpu and delivered high quality concentrate;

Magnetite Concentrate

- High quality, magnetite concentrate with 70% Iron produced with low impurity levels from D Zone
- 1.0% SiO₂, 0.08% Al₂O₃, 0.01% P, 0.004% S, 0.01% Cu
- Product comparable to that of LKAB, Northlands, Northern Iron



Viscaria Project – Copper Price Forecasts

Avalon is targeting production at a higher copper price environment, forecast for post 2017

2015 copper supply forecast keeps changing

- Brookhant and ICSG give 390 kt surplus guidance
- Taking the previous slide, deduct 1.8 Mt = **Deficit of 1.4 - 1.6 Mt for 2015?**
- Consumption - the world is emerging from the biggest recession in 100 years

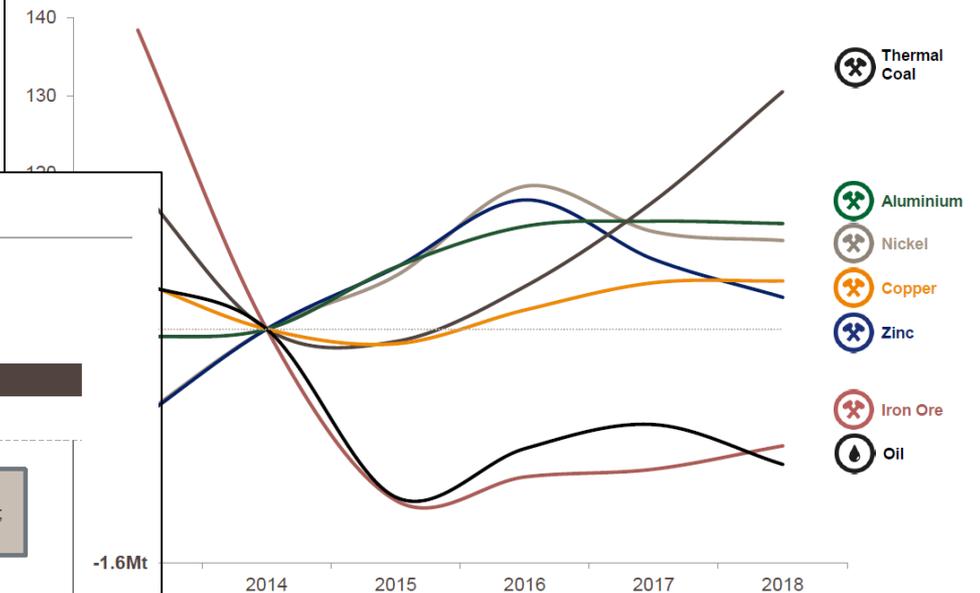
2015 supply forecast as estimated in each period (kt Cu)



Source: Wood Mackenzie Global copper long-term outlook Q1 2010 to Q3 2014, Glencore estimates

... supported by positive fundamentals and prices

Consensus price forecasts 2014=100



Source: Wood Mackenzie, 4 December 2014

GLENCORE

Source: Glencore Investor Day, December 2014



Viscaria Project — Copper Price Forecasts

Forecast consensus ...

Forecast expansions and new supply will not materialise as planned

Supply deficit from 2017

Healthy demand from China and US

“The year which is likely to see the heaviest volume of oversupply is 2016, at which time we expect a surplus of 364,000t and an annual cyclical low for the LME 3-month price of \$6,358/t. In the medium term, the market is forecast to tighten substantially and we expect a supply gap to open up in 2018 (-105,000t) and to widen sharply in 2019 (-426,000t). **Under these conditions, the LME 3-month price is projected to rally strongly to reach \$8,221/t.**” CRU, Oct 2014

“**More than half of a \$110 billion pipeline of copper and gold mines have been postponed or scrapped** because of the commodity slump and higher costs in Chile, which provides a third of the world’s copper, according to the country’s mining association, known as Sonami. Anglo American and Glencore have delayed a \$1 billion expansion at their Collahuasi copper venture, Teck Resources held back its Quebrada Blanca expansion on lower copper prices and Antofagasta has said it will sit out the slowdown in commodities demand before embarking on an expansion to its flagship Los Pelambres mine.” Bloomberg, Jan 2015

“**Citigroup expects copper to rebound to \$7,000 a tonne in the second half of the year (2015)** on increasingly positive supply demand fundamentals. Copper will rebound from its lowest level since the financial crisis as demand from construction in China picks up, according to He Jinbi, president of Maïke, which invests in mines, trades futures, and is the largest importer of copper cathodes into China.” Financial Times, Jan 2015

“On the supply side, the majors have in the last few years focused on cutting costs at existing operations. That’s obviously great for their bottom lines today. However, it also means new mines and greenfield developments are being deferred. **So by 2017–2018 we will face the consequence of a lack of new supply, which is demand outweighing supply.**” Hayward Securities, Oct 2014

The global copper industry will need to add the equivalent of a new Escondida mine every 15 months over the next 10 years in order to meet global demand, Rio Tinto’s (LON:RIO) copper boss Jean-Sébastien Jacques told FT.com

“Australia’s Bureau of Resource and Energy Economics forecast a worldwide surplus of 300,000 tonnes for this year, but both BHP and Rio believe **the market will tighten from 2018, with growing deficits.**” mining.com, Jan 2015

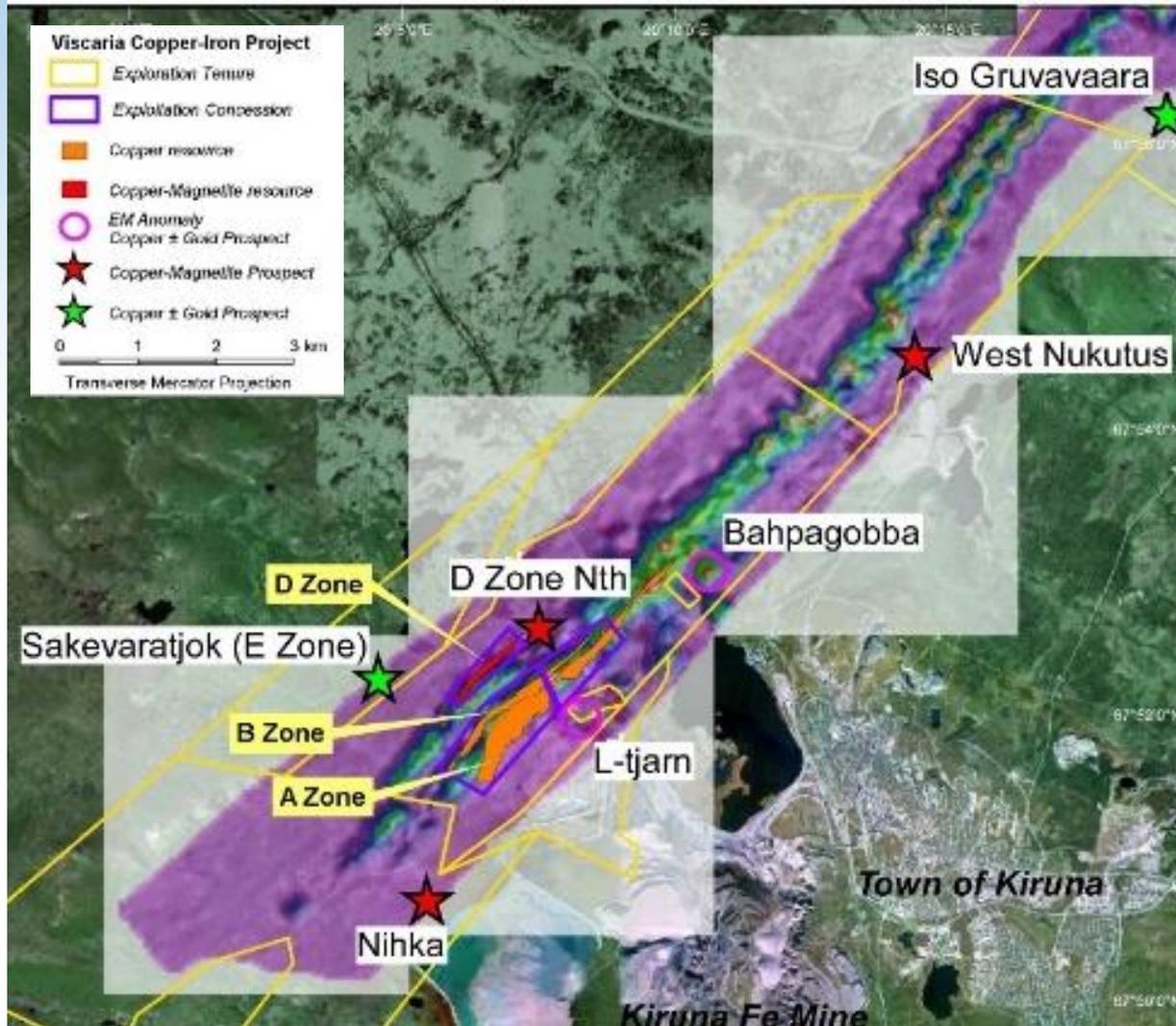
Viscaria Project – The Pipeline – opportunities being investigated

Pipeline

Scale	Source	Products
~1 mtpa	A Zone Open Pit (1.25% Cu)	Cu in concentrate
	A Zone Underground (>2.5% Cu)	Cu in concentrate
	D Zone Underground (>1.7% Cu)	Cu in concentrate
	D Zone Copper Oxide	Cu cathode
Expansion		
2.5 to 3.5 mtpa	D Zone Open Pit	Cu + Fe
	B Zone Open Pit	Cu
	Discovery Zone Open Pit	Cu + Fe
	D Zone Underground	Cu + Fe
'Near Mine' Exploration Success		
	Nihka	Cu + Fe
	West Nukutus	Cu + Fe
	Bahpagobba	Cu
	L-Tjarn	Cu
Regional Exploration		
	Tjarro	Cu
	Tjavelk	Cu

'Bolt on' magnetite concentrate process facility, when commercially viable

Viscaria Project – Belt Scale Exploration Upside



Several targets

Iso Gruvavaara

- Historic workings
- Rock chips up to 1g/t Au and 0.9% Cu

West Nukutus

- Magnetic anomaly of similar magnitude and scale to D Zone
- The closest historic drill hole (150m to the east) intersected up to 0.3% Cu and 0.5g/t Au but did not intersect the magnetic body

Bahpagobba

- EM anomaly along strike of A Zone with good copper intersections from historic drilling
- Best intersections: D2094: 7m @ 1% Cu from 123m; D2470: 1.5m @ 1.8% Cu from 60.5m

D Zone Extensions

- To north and south
- Best historic drill hole VRC0079: 4m @ 0.6% Cu from 49m

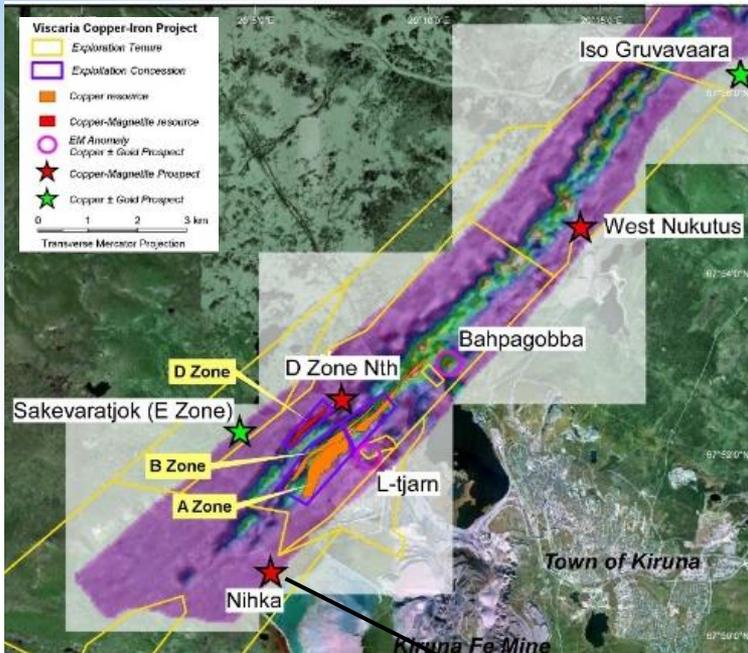
Nihka

- Strong discrete magnetic anomaly in belt of interest



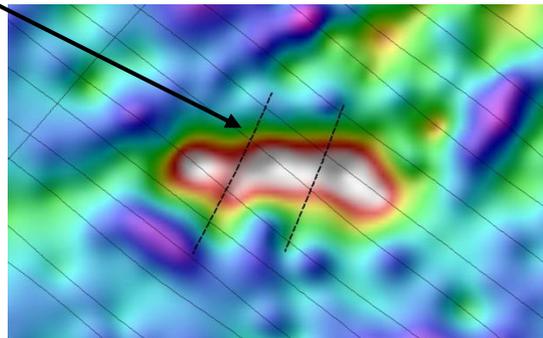
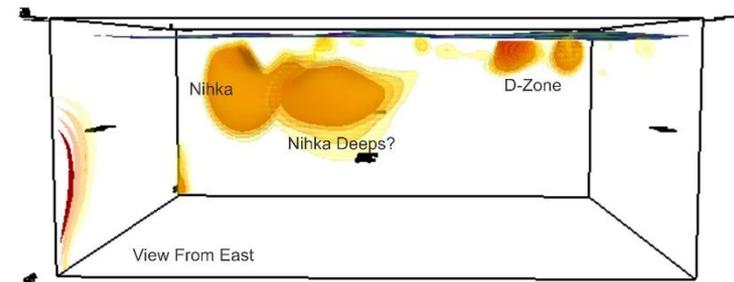
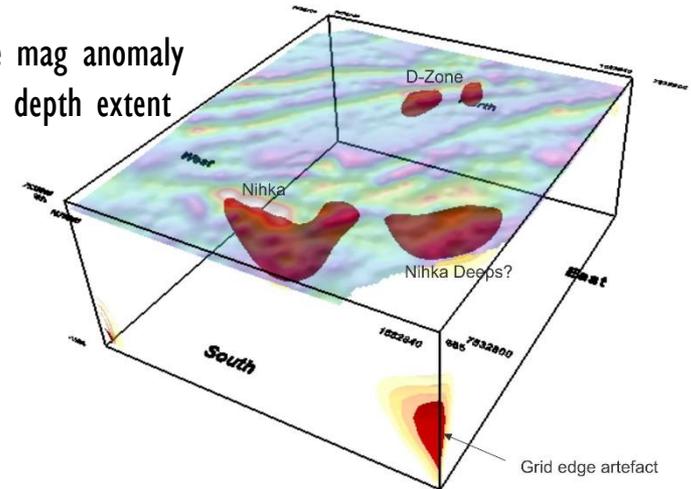
Background; EM image on satellite imagery

Viscaria Project – Belt Scale Exploration Upside

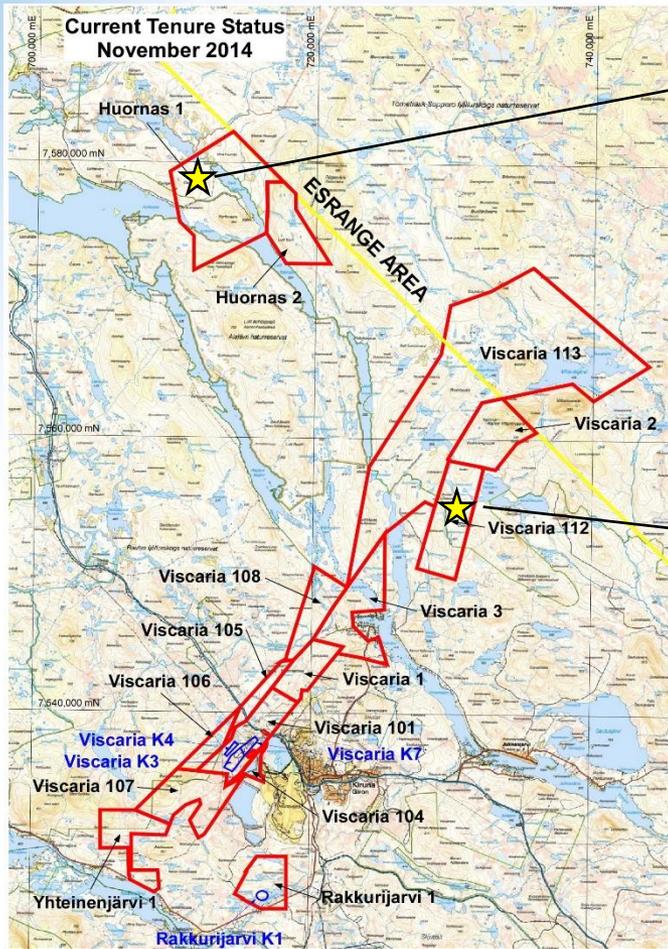


Nihka Target

- Similar style to D Zone mag anomaly
- But larger, and greater depth extent
- No previous drilling
- Q1 drill test

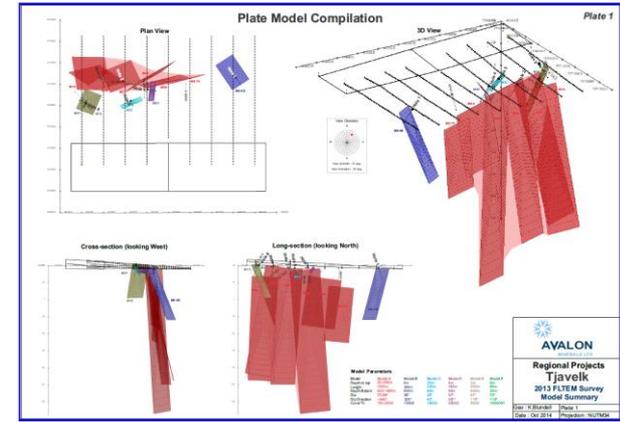


Viscaria Project – Regional Scale Exploration



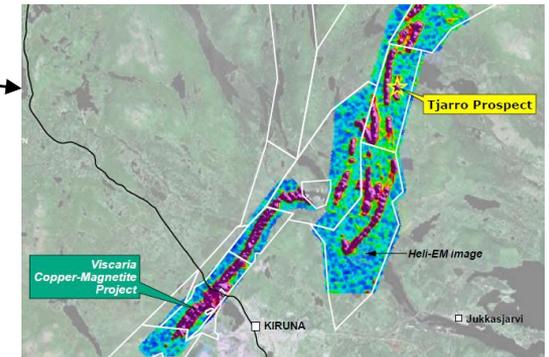
Tjavelk Targets

Several conductors and magnetic anomalies
 Previous exploration returned Cu + Au anomalies
 Recent geophysical modelling completed
 Drill targets defined



Tjarro Target

Previous drilling
 15m @ 1.3% Cu
 34m @ 0.6% Cu & 0.4g/t Au
 11m @ 0.4% Cu & 0.2g/t Au
 Further geophysical modelling underway



Viscaria Project – Peer Group Comparison

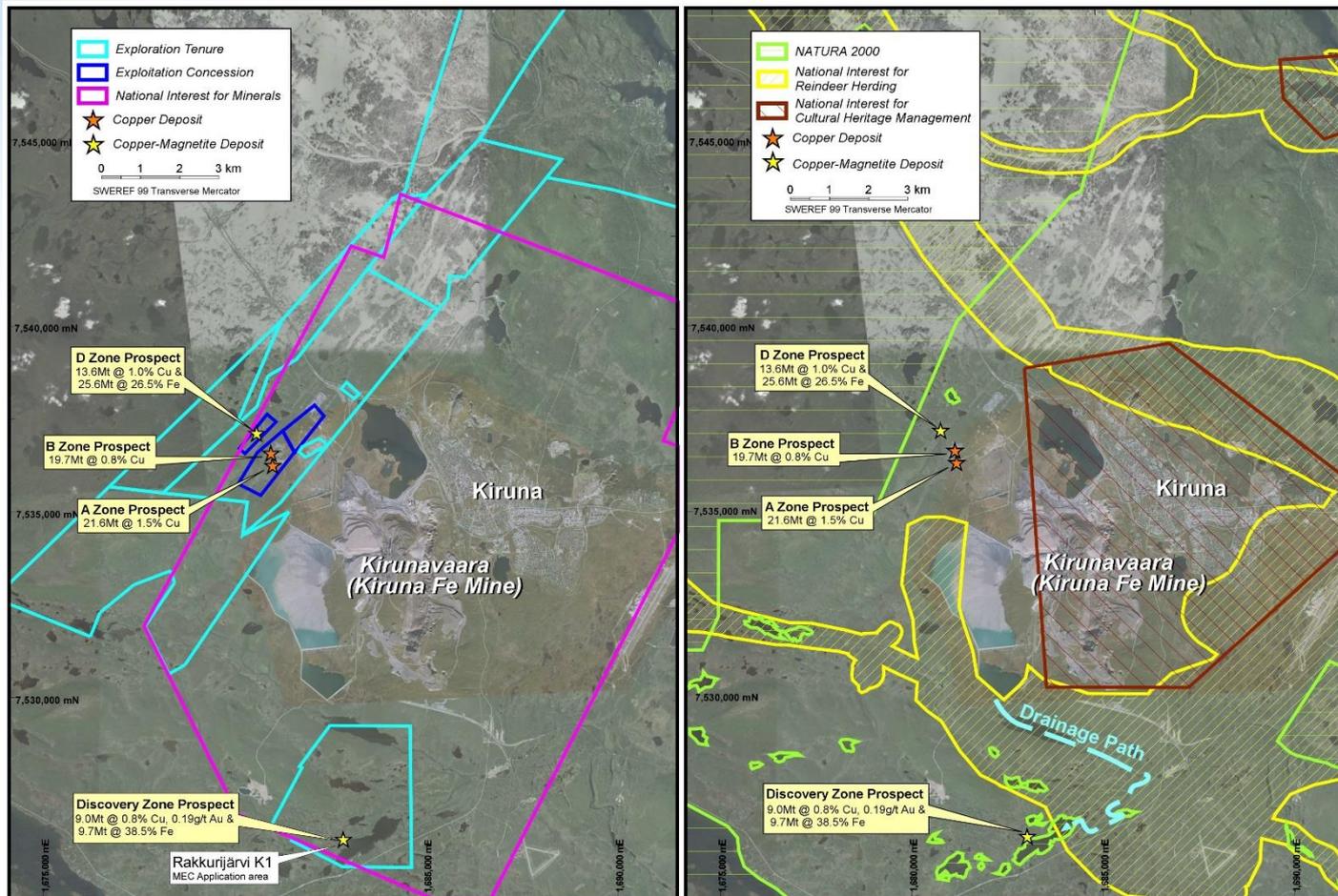
Viscaria

- ✓ LOW Capital Intensity, forecast at 7,500 \$/t
- ✓ LOW Cost/lb copper production, <\$2/lb forecast for copper only project
- × LOW Valuation - EV/Resource lb of Copper, very low at <1c/lb

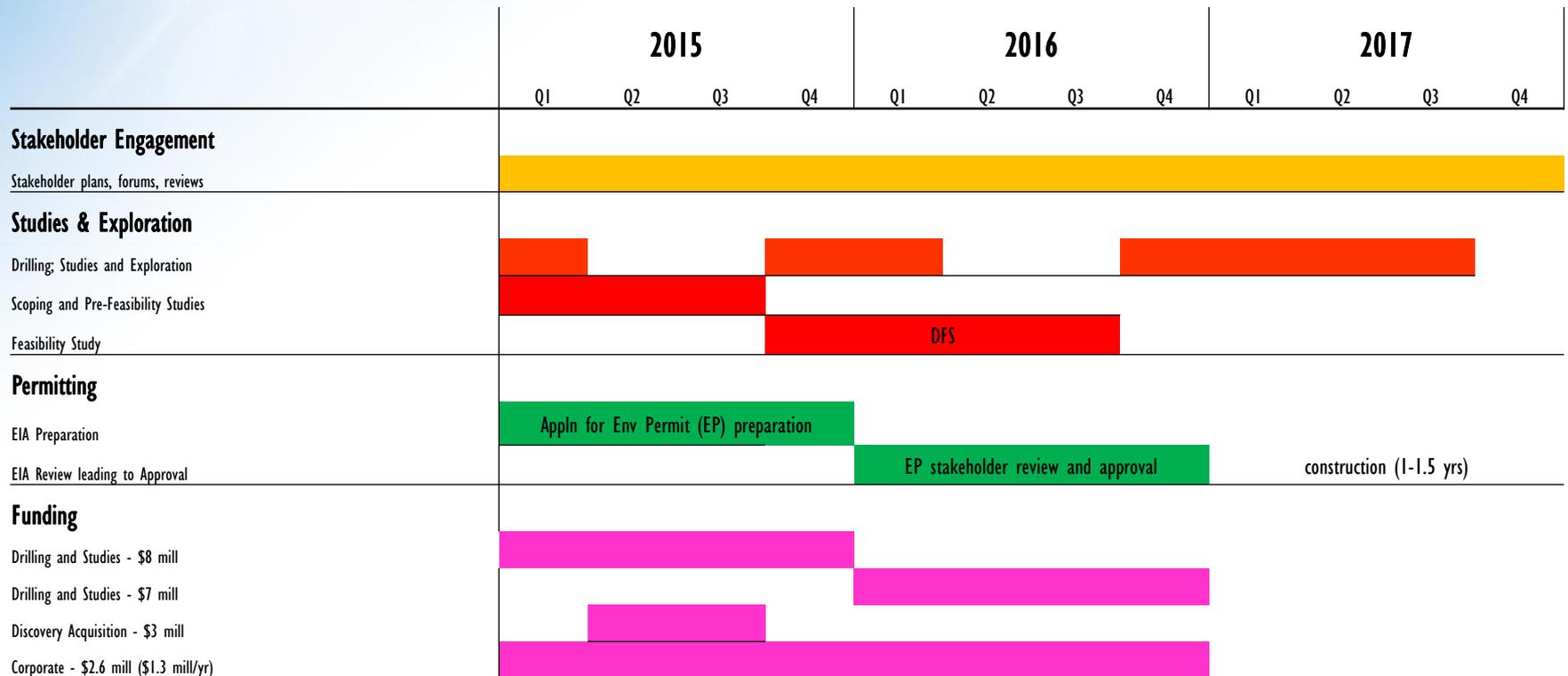
Company	Code	share price (A\$)	shares on issue	Cu Resources (M+I+I)	lbs Cu	M. Cap (A\$)	EV	EV/lb Cu in Resource	Country	Stage	Capital Intensity
Avalon Minerals	ASX AVI	\$0.025	144,735,608	63.86mt @ 1.05% Cu	1,475,166,000	\$3,618,390	\$2,118,390	\$0.0014	Sweden	in PFS	9,000
Intrepid Mines (acquired Blackthorn)	ASX IAU	\$0.130	369,869,196	34.7mt @ 2.29% Cu	1,748,186,000	\$48,082,995	-\$23,417,005	-\$0.0134	Zambia	in DFS	12,000
Avanco Resources	ASX AVB	\$0.073	1,661,675,855	63.28mt @ 1.26% Cu, 0.33g/t Au	1,754,121,600	\$121,302,337	\$101,497,337	\$0.0579	Brazil	in DFS	5,833
KGL Resources	ASX KGL	\$0.160	140,240,563	25.3mt @ 1.1% Cu, 25.8g/t Ag	612,260,000	\$22,438,490	\$12,650,490	\$0.0207	Australia	in PFS	12,000
Altona Mining	ASX AOH	\$0.230	534,678,592	129.1mt @ 0.53% Cu, 0.1g/t Au	1,504,800,000	\$122,976,076	\$74,476,076	\$0.0495	Australia	in DFS	6,753
Kombat Copper	TSX-V KBT	\$0.050	114,782,047	1.7mt @ 1.93% Cu, 16g/t Ag	72,182,000	\$5,739,102	\$3,739,102	\$0.0518	Namibia	Past Producer	n/a
Tintina Resources	TSX-V TAU	\$0.095	222,492,510	18mt @ 3.3% Cu	1,173,920,000	\$21,136,788	\$13,736,788	\$0.0117	US, Montana	PEA completed	
Producers											
Hillgrove Resources	ASX HGO	\$0.380	147,711,123	31.3mt @ 0.78% Cu, 0.2g/t Au	537,108,000	\$56,130,227	\$60,330,227	\$0.1123	Australia		n/a
Straits Resources	ASX SRQ	\$0.003	1,217,730,293	25.771mt @ 1.6% Cu	907,139,200	\$3,653,191	\$109,653,191	\$0.1209	Australia		n/a
Rambler Metals and Mining	AIM/TSX RMM/RAB	\$0.360	144,168,228	20.45mt @ 1.54% Cu, +Au,Ag,Zn	694,800,000	\$51,900,562	\$43,200,562	\$0.0622	Canada		n/a

Viscaria Project – Stakeholder Management

- Proposed development areas are in windows surrounded by multiple land use areas
- The key issues are (1) a strong mining heritage, (2) reindeer herding, (3) Natura 2000, and (4) recreation



Avalon Minerals – Planning to Deliver



Copper production during 2018

Target time frames

- ✓ Investigating options to shorten timeframe to decision to build
- ✓ Construction 2017
- ✓ Cu production 2018; expansion potential 2020



Avalon Minerals – Value Growth Drivers

CURRENT	NEAR TERM (within 12 months)	LONGER TERM (> 12 months)
Manage appropriate funding position 👍	Define optimised path <i>good progress</i>	Secure Environmental Permit and all development approvals
Advance selected studies (high grade targets, EIA, tailings)	De-risk project through PFS implementation	Secure funding for development
Drilling at D and A zones 👍	Complete PFS drilling program	Commence construction
Strengthen stakeholder engagement and align with development plans	Complete required EIA to allow for full permitting	Belt scale exploration success
Further reduce non-project costs 👍	Key project enabling agreements in place	New opportunity search
Optimisation studies 👍	Secure all required ECs <i>good progress</i>	
Fully scope studies (metallurgy, geotechnical, waste, tailings, mining, water, flora-fauna)	Define and test additional exploration targets at 'near mine' scale (within 15km of plant)	
	Potential for AIM listing	

AVALON MINERALS Ltd.

www.avalonminerals.com.au



January 2015



Avalon Minerals — Appendices

Avalon Minerals – Corporate Re-positioning

✓ New Board and Management

<p>Chairman Graham Ascough BSc, PGeo, MAusIMM</p>	<p>Appointed November 2013. Mr. Ascough is a senior resources executive with more than 23 years of industry experience evaluating mineral projects and resources in Australia and overseas. He is currently non-executive Chairman of three ASX listed companies: Phoenix Copper Limited, Mithril Resources Limited and Musgrave Minerals Limited.</p>
<p>CEO and Managing Director Malcolm Norris MSc, Grad Dip App Fin, FAusIMM</p>	<p>Appointed April 2014. Mr. Norris is a senior mining industry professional with extensive experience in mineral exploration, business management, development of new business opportunities and asset transactions. His roles have covered a wide range of commodities, geographic locations and management of global portfolios of projects in both large and small organisations. He led the team which discovered the 2Bt Tujuh Bukit copper-gold deposit.</p>
<p>Non-Executive Director Crispin Henderson FCA, FCCA, FCIM</p>	<p>Appointed March 2013. Mr. Henderson has more than 45 years of experience in the financial services and fund management sectors, principally with PricewaterhouseCoopers and Threadneedle Investments. Crispin is based in London and now works as a consultant to the financial services sector.</p>
<p>Non-Executive Director Don Hyma MSc, PEng, IED</p>	<p>Appointed March 2014. Mr. Hyma is a mining industry executive with more than 25 years of progressive capital project experience in the resource sector in Canada, Chile, New Caledonia and Australia. His experience includes direct involvement in delivering numerous major projects, taking them from studies through to implementation, for several multi-national resource companies in the nickel, copper and iron ore industries.</p>
<p>Non-Executive Director Paul Niardone MBA</p>	<p>Appointed February 2012. Mr Niardone was the Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in Western Australia. He was the founding Chairman of Bellevue Resources Limited and has experience in marketing, investor relations and strategic planning in both the Government and private sectors.</p>
<p>General Manager – Studies and Technical Services Ray Robinson B. Eng (Mining), Grad Dip (Economics), LLB</p>	<p>Mr Robinson is a highly qualified and experienced Mining Engineer. Ray brings to Avalon a wealth of experience in managing Feasibility Studies and delivering development projects on time and on budget. Ray has worked across a range of commodities in various geographies, and managed a wide range of consulting groups. He has worked on mine sites throughout Australasia and South America, and has managed small to large scale feasibility studies through to development.</p>

Avalon Minerals – Coverage 2014



Breakaway Research –

- September 2014
- ‘Overlooked Northern Star’ – Speculative **BUY**
- “Modelling indicates potential to produce up to \$US110m free cash flow per year”
- “Risky base case valuation of \$0.068/share” (pre 10:1 share consolidation)



Morgans Research –

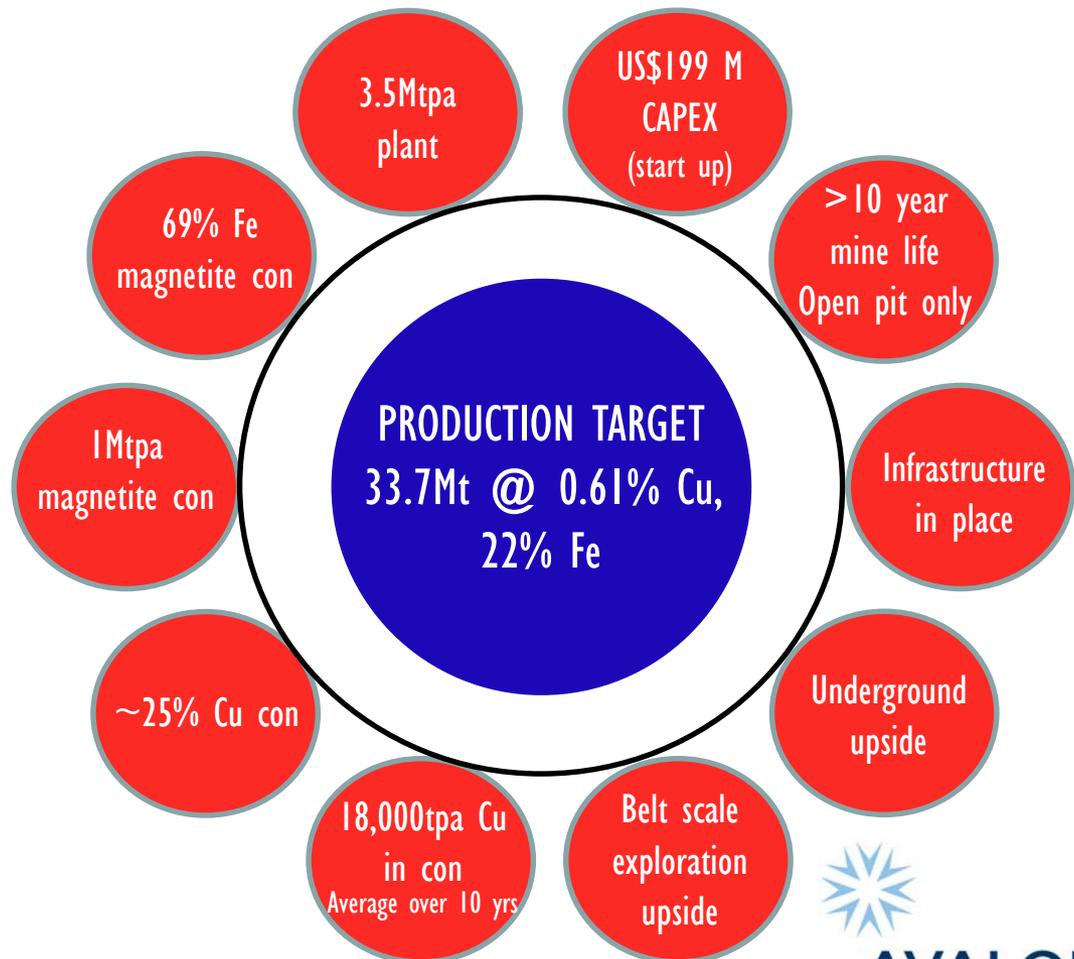
- 2014 – site visit report and follow-up coverage
- “What makes this story different is its potential access to nearby rail infrastructure from the previous operations. At a \$12.5m market capitalisation, we see this as a cheap entry point into a prospective near term copper player”
- October 2014 – Speculative **BUY**



Viscaria Project – August 2014 Scoping Study

Scoping Study assumed:

- a central processing facility at Viscaria of 3.5 Mtpa
- feed from 4 open pits, but dominated by D Zone and Discovery Zone
- producing copper concentrate from standard flotation process
- producing premium quality magnetite concentrate from standard magnetic separation and re-grind (low cost power)



Avalon Minerals – Resource Estimate Summary

Currently Defined Mineral Resource for Copper reported on the Viscaria Project above a 0.4% Cu cut-off.

Resource Name	Classification	Tonnes (Million Tonnes)	Cu Grade (%)	Cu Metal (t)
A Zone	Measured	14.44	1.7	240,000
	Indicated	4.69	1.2	57,200
	Inferred	2.48	1.0	25,500
	Subtotal	21.61	1.5	322,700
B Zone	Measured	0.12	1.3	1,600
	Indicated	4.12	0.7	29,700
	Inferred	15.41	0.8	118,700
	Subtotal	19.65	0.8	149,000
D Zone Cu Resource	Measured	1.0	1.25	12,000
	Indicated	4.2	1.02	43,000
	Inferred	8.5	0.96	81,000
	Subtotal	13.6	1.00	136,000
Discovery Zone Cu Resource	Indicated	2.8	0.89	25,000
	Inferred	6.1	0.75	46,000
	Subtotal	8.9	0.80	71,000
Overall Cu	Total	63.86	1.05	680,000

Avalon Minerals – Resource Estimate Summary

Currently Defined Mineral Resource for Iron reported on the Viscaria Project above a 15% Mass Recovery cut-off

Resource Name	Classification	Tonnes (Million Tonnes)	Fe Grade (%)	Mass Recovery (%)	Estimated recoverable iron (Million Tonnes)
D Zone Fe Resource	Measured	2.0	28.7	35.1	0.5
	Indicated	9.7	27.2	33.1	2.2
	Inferred	13.9	25.7	31.0	3.0
	Subtotal	25.6	26.5	32.1	5.7
Discovery Zone Fe Resource	Indicated	3.0	40.6	53.2	1.1
	Inferred	6.7	37.7	49.0	2.3
	Subtotal	9.7	38.5	50.3	3.4
Overall Fe	Total	35.3	29.8	37.1	9.1

Avalon Minerals — Resource Estimate Summary - Notes

- The A, B D and Discovery Zone Mineral Resources were prepared and first disclosed under the JORC Code 2004. They have been updated since to comply with the JORC Code (2012).
- All Copper Mineral Resource estimates are reported above a block cut-off Grade of 0.4% Cu.
- All Iron Mineral Resource estimates are reported above a block cut-off of 15% Mass Recovery.
- Estimated recoverable iron is based on Davis Tube Recovery test work at a 75 micron grind size. Estimated recoverable iron is tonnes x mass recovery % x Fe % in concentrate (69% Fe).
- Total D Zone Measured, Indicated and Inferred Mineral Resource reported for Copper above a cut-off grade of 0.4% Cu and Iron above 15% Mass Recovery are broadly spatially coincident. However, they are modelled and reported separately to avoid mixing geological domains.
- Total Discovery Zone Indicated and Inferred Mineral Resource reported for Copper-Gold above 0.4% Cu cut-off and for Iron above 15% Mass Recovery are broadly spatially coincident. However, they are modelled and reported separately to avoid mixing geological domains.
- Any discrepancies in the sums and weighted averages are introduced by rounding.

Avalon Minerals – Resource Estimate Summary

From August 2014 Scoping Study

Mineral Resource within Selected Pit Shell

Source	Tonnes (Mt)	Grade		Waste Tonnes (Mt)	Strip Ratio	Measured Resource Included	Indicated Resource Included	Inferred Resource Included
		%Cu	%Fe					
A Zone	4.0	1.25	-	37	9.3	72%	24%	4%
B Zone	3.2	0.67	-	8	2.5	2%	78%	20%
D Zone	15.3	0.52	25	64	4.2	14%	61%	25%
Discovery Zone	9.4	0.66	39	43	4.6	0%	38%	62%
Total Project	31.9	0.67	23	152	4.8	16%	51%	33%

Viscaria Project – Scoping Study Cautionary Statement

The Scoping Study referred to in this presentation is based on lower-level technical and economic assessments and is insufficient to support estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The Scoping Study is preliminary in nature as its conclusions are drawn from a Production Target that is composed of Measured Resource (16%), Indicated Resource (51%) and Inferred Resource (33%) classification, according to JORC 2012 guidelines.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Further, the Company cautions that there is no certainty that the forecast financial information derived from production targets will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets are set out in this announcement

The estimated mineral resources underpinning the Scoping Study Production Target has been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules.

Competent Persons Statement

Competent Persons Statement

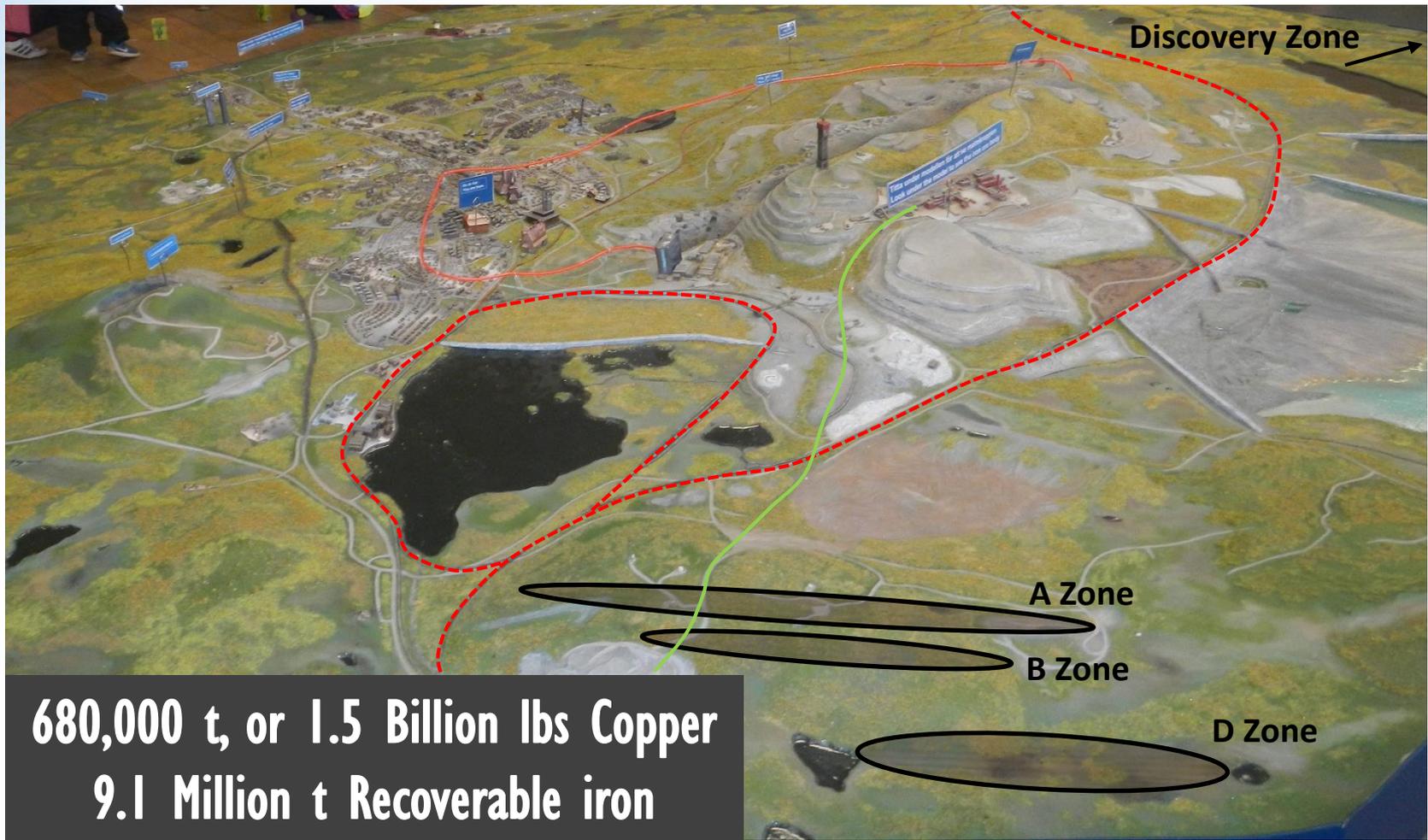
The information in this report that relates to the 2014 Scoping Study is based upon information compiled by, or under the supervision of Manish Garg B.Eng. (Hons.), Master of Applied Finance, MAusIMM, MAICD; Tim Horsley B.Sc. (Hons) (Mining Engineering), MAusIMM; and Trevor Ellice B.Sc. (Hons), M.Sc. (Geology), MAusIMM. Mr. Garg, Mr. Horsley, and Mr. Ellice have sufficient technical and techno-economic assessment experience, which is relevant to the activity that they are undertaking, to qualify as an Experts as defined in the 2005 Edition of the “Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports” (VALMIN Code).

The information in this report that relates to the A Zone and B Zone Mineral Resources are based on the information compiled by Dr Bielin Shi who is a Member of the Institute of Mining and Metallurgy and is a full time employee of CSA Global Pty Ltd (CSA). CSA are an independent mining consultancy who have been engaged by Avalon Minerals Limited to perform geological consulting on a fee for service basis. Dr Bielin Shi has sufficient experience that is relevant to the style of mineralisation being considered and to the activity being undertaken 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 Shi consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the D Zone and Discovery Zone Mineral Resources are based on the information compiled by Trevor Ellice who is a Member of the Institute of Mining and Metallurgy and is a full time employee of Salva Resources Pty Ltd (“HDR | Salva”). HDR | Salva is an independent mining consultancy engaged by Avalon Minerals Limited to perform geological consulting on a fee for service basis. Mr Ellice has sufficient experience that is relevant to the style of mineralisation being considered and to the activity being undertaken 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. Mr Ellice consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results is based upon information reviewed by Dr Quinton Hills who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Hills 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 Hills consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Avalon Minerals – Perfectly located significant copper-iron resource



680,000 t, or 1.5 Billion lbs Copper
9.1 Million t Recoverable iron