

## Continuing thick copper and magnetite intersections at the D Zone Prospect on the Viscaria Project, Sweden

### Highlights

- The fourth and final drill hole testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources on the Viscaria Project has been completed;
- Drill hole VDD0129 intersected a 61.3m thick copper and magnetite mineralised zone (down hole width) from 266.3m;
- The copper-magnetite mineralisation in VDD0129 extends the mineralisation intersected in VDD0128 (68.5m @ 0.6% Cu & 28.2% Fe from 177m, including 5.1m @ 2.1% Cu & 42% Fe and 6.4m @ 1.8% Cu & 34.5% Fe) over 50m down dip and indicates that it is probable that the current Mineral Resource for D Zone can be expanded;
- Drill hole VDD0129 was drilled outside of the currently defined Mineral Resource envelope at the D Zone prospect. The current Mineral Resource for D Zone comprises 11.9Mt at 0.6% Cu and 24% Fe. The Mineral Resource is reported above a 15% mass recovery for magnetite and a 0.0% copper grade cut-off and is classified as having 4.46Mt @ 0.5% Cu, 23.5% Fe Inferred, 6.1Mt @ 0.6% Cu, 24.8% Fe Indicated and 1.379Mt @ 0.5% Cu, 23.1% Fe Measured according to the guidelines of the JORC Code (2004);
- The copper mineralisation in drill hole VDD0129 consists of disseminations, veins and stringers of chalcopyrite mineralisation occurring within disseminated to banded to massive magnetite rich ironstones;
- A much larger drill program is scheduled to occur later in 2012 to increase significantly the Mineral Resources on the Viscaria Project;
- Assay results for drill hole VDD0129 are expected to be available in approximately 4 weeks.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the fourth and final hole of the current drill program has been completed at the Viscaria Project in northern Sweden (Figures One and Two). The drill program comprised of approximately 2000m of drilling, with the objective of testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources.

Avalon's Managing Director, Jeremy Read, said the success of the recently completed drill program indicates that Avalon's exploration team now has a good understanding of the controls on the higher-grade copper mineralisation at Viscaria. This is an important step prior to undertaking a much larger drill program later in 2012, with the aim of significantly increasing the Mineral Resources on the Viscaria Project.

"All four holes VDD0125, VDD0127, VDD0128 and VDD0129 (VDD0126 was abandoned due to drilling issues) were completed as part of this initial drill program for 2012 and have intersected significant intervals of copper mineralisation, which has increased our confidence to follow the higher grade intervals of copper mineralisation at depth."

"Drill hole VDD0129 intersected a thick 61.3m zone of copper-magnetite mineralisation (down hole width), which extends the mineralisation intersected in VDD00128 over 50m down dip. This is another very positive result that has the potential to significantly increase the D Zone Mineral Resource." Mr Read said.

Geochemical assay data for hole VDD0129 is expected to be available in approximately four weeks.

### Details of Drill Hole VDD0129

Drill hole VDD0129 intersected a 61.3m thick copper and magnetite mineralised zone at 266.3m (down hole width), at the contact between dolerite in the hanging wall and tuffaceous sediments in the footwall. There is evidence of skarn-like alteration within the disseminated to banded to massive magnetite which hosts disseminations, stringers and veins of chalcopyrite.

The best copper-magnetite mineralised intervals extend from:

- 296.6-309.15m (12.55m down-hole width) - Disseminations and stringers of chalcopyrite within ironstone (magnetite-rich rock).
- 321.7-327.6m (5.9m down-hole width) - Disseminations and stringers of chalcopyrite and banded magnetite within a tuffaceous sediment.

The survey details of drill hole VDD0129 are given in Table One with the drill hole location shown in Figures Two and Three. Copper mineralisation typical of that intersected in hole VDD0129 is shown in Figure Four.

Table One

Hole	Easting (RT90)	Northing (RT90)	RL (m)	Azimuth (degrees)	Inclination (degrees)	From (down hole m)	To (down hole m)	Intersection Width (down hole m)	End of Hole(m)
VDD00129	1,680,822	7,537,463	510.8	134.215	-60	266.3	327.6	61.3	348

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

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Figure One - Project Location



Figure Two - Location of Drill Hole VDD0129, as well as previously announced holes VDD0125, VDD0127 and VDD0128

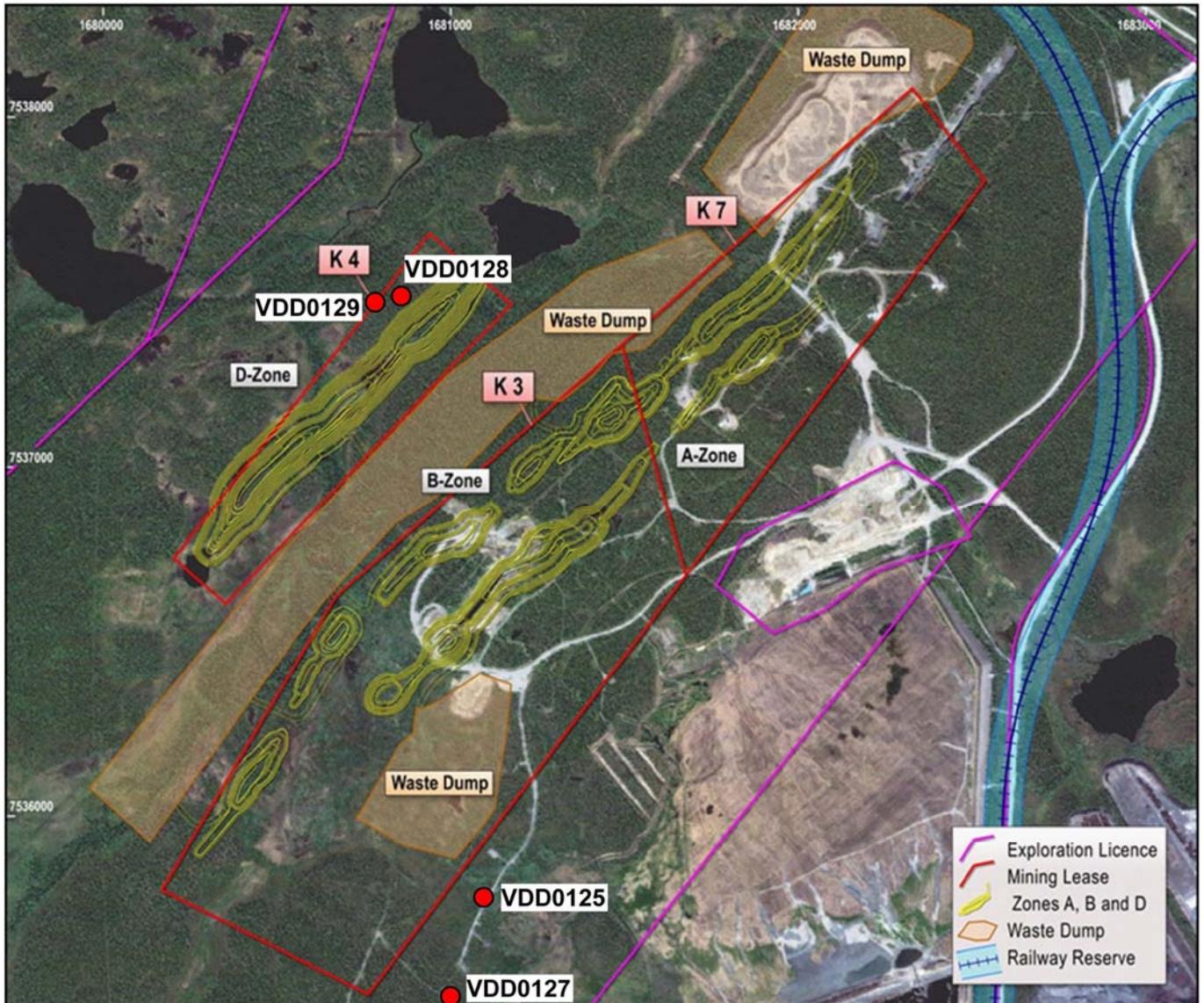


Figure Three - Long sectional view of the D Zone Mineral resource displaying the distribution of copper grade (Mineral Resource not updated with the results from VDD0128 and VDD129. Surface RL = -230m to -250m).

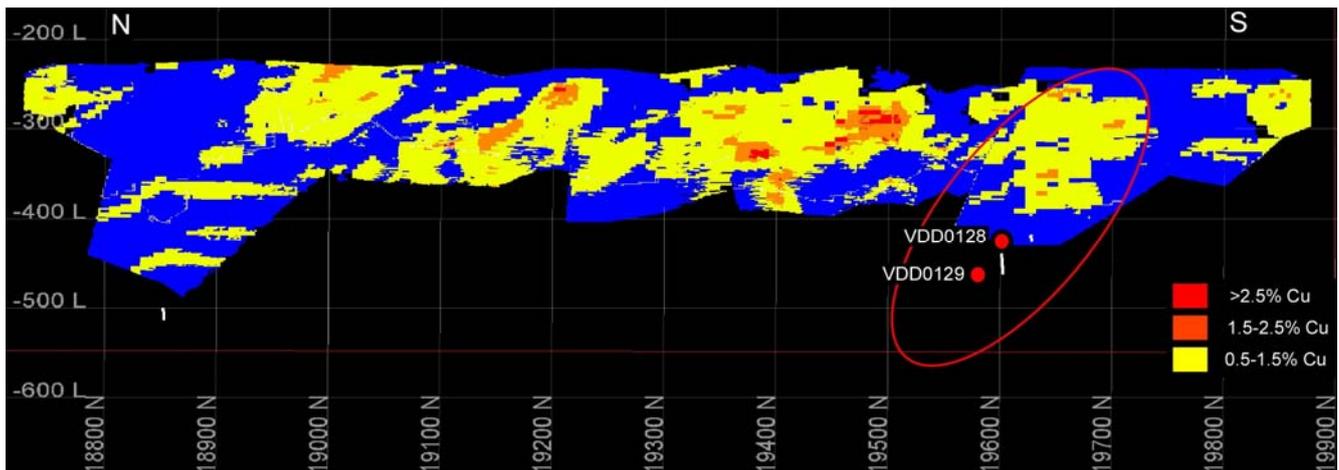
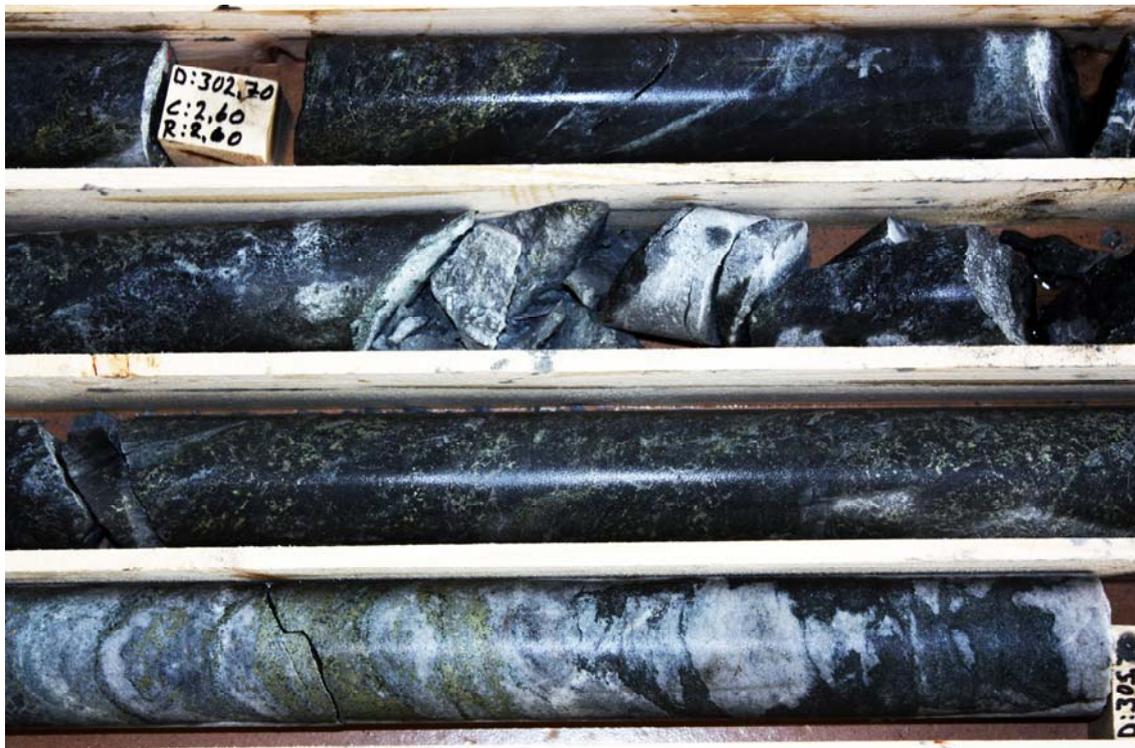


Figure Four - Magnetite-Copper Sulphide Mineralisation Intersected in Drill Hole VDD0129 (yellow sulphide = chalcopyrite; black = magnetite; white= calc-silicate)



#### 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.

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.