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Large Copper and Magnetite Intersection Revealed at Second Drill Hole at Viscaria Project, Sweden

Highlights

- The second drill hole of a five hole drill program testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources has been completed;
- Drill hole VDD0128 intersected two copper-magnetite mineralised zones of 8.25m and 30m (down hole width) respectively;
- Within the 30m intersection, two intervals of higher grade copper mineralisation occur varying in width from 7.2m to 7.9m (down hole width);
- Assay results for drill hole VDD0128 are expected to be available in approximately 4 weeks time;
- The copper mineralisation in drill hole VDD0128 consists of disseminations, veins and stringers of chalcopyrite mineralisation within disseminated to massive magnetite rich ironstones;
- Drill hole VDD0128 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 @ 0.49% Cu, 23.52% Fe Inferred, 6.1Mt @ 0.6% Cu, 24.82% Fe Indicated and 1.379Mt @ 0.48% Cu, 23.13% Fe Measured according to the guidelines of the JORC Code (2004);
- First drill hole results at drill hole VDD0125 were completed in April 2012 (intersected 17m of copper mineralisation from 451 to 468m) and are expected to be available by the end of May 2012.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the second hole, of a five-hole drill program, has been completed at the Viscaria Project in northern Sweden (Figures One and Two). The drill program will comprise approximately 2,000m 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 current drill program was helping build Avalon's knowledge of the controls on the higher-grade copper mineralisation at Viscaria. It is an important step prior to undertaking a much larger drill program later in 2012, with the aim of increasing the Mineral Resources on the Viscaria Project."

"The results from the first two holes (VDD0125 and VDD0128), completed as a part of this initial drill program for 2012, have both intersected significant intervals of copper mineralisation which increases our confidence in being able to follow the higher grade intervals of copper mineralisation at depth."

"Drill hole VDD0128 intersected two zones of 8.25m and 30m (down hole width) of copper-magnetite mineralisation, which is a very positive result." Mr Read said.

Geochemical assay data for hole VDD0128 will be available in approximately four weeks time.

The 5 hole drill program is estimated to total 2,000m of diamond drilling. This drilling is being divided between drilling at the southern section of A Zone, targeting the plunging high grade copper shoots 600m below the surface and stepping out approximately 30 to 50m beneath the high grade shoots of D Zone, at the 200-300m depth interval. Drilling is currently in progress at A Zone and it is anticipated that drilling will be completed in late May 2012.

Details of Drill Hole VDD0128

Drill hole VDD0128 intersected copper-magnetite mineralisation over two intervals of 8.25m and 30m down-hole respectively, at the contact between basalts and tuffaceous sediments. There is evidence of skarn-like alteration within the massive magnetite which hosts disseminations, stringers and veins of chalcopyrite.

The main copper-magnetite mineralised intervals extend from 189.75m to 198.00m and 215.50m to 245.50m down-hole. The best copper mineralisation occurs predominately over the following intervals:

- 189.75 - 198m (8.25m down-hole width) - Disseminated chalcopyrite, veinlets and stringers between magnetite grains.
- Within the 215.50 - 245.50m (30m down-hole width) intersection:
 - 215.50 - 223.40m (7.9m down-hole width) - Disseminated chalcopyrite, stringers and veins, with skarn like alteration within ironstone;
 - 238.30 - 245.50m (7.2m down-hole width) - Massive magnetite with disseminated chalcopyrite and pyrite.

The survey details of drill hole VDD0128 are given in Table One, with the drill hole location shown in Figure Two. Copper mineralisation typical of that intersected in hole VDD0128 is shown in Figure Three.

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)
VDD00128	1,680,854	7,537,470	510.8	134	-55	189.75	198	8.25	250.7
						and			
						215.5	245.5	30	

For further information please visit www.avalonminerals.com.au or contact:

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Figure One - Project Location



Figure Two - Location of Drill Hole VDD0125 and VDD0128

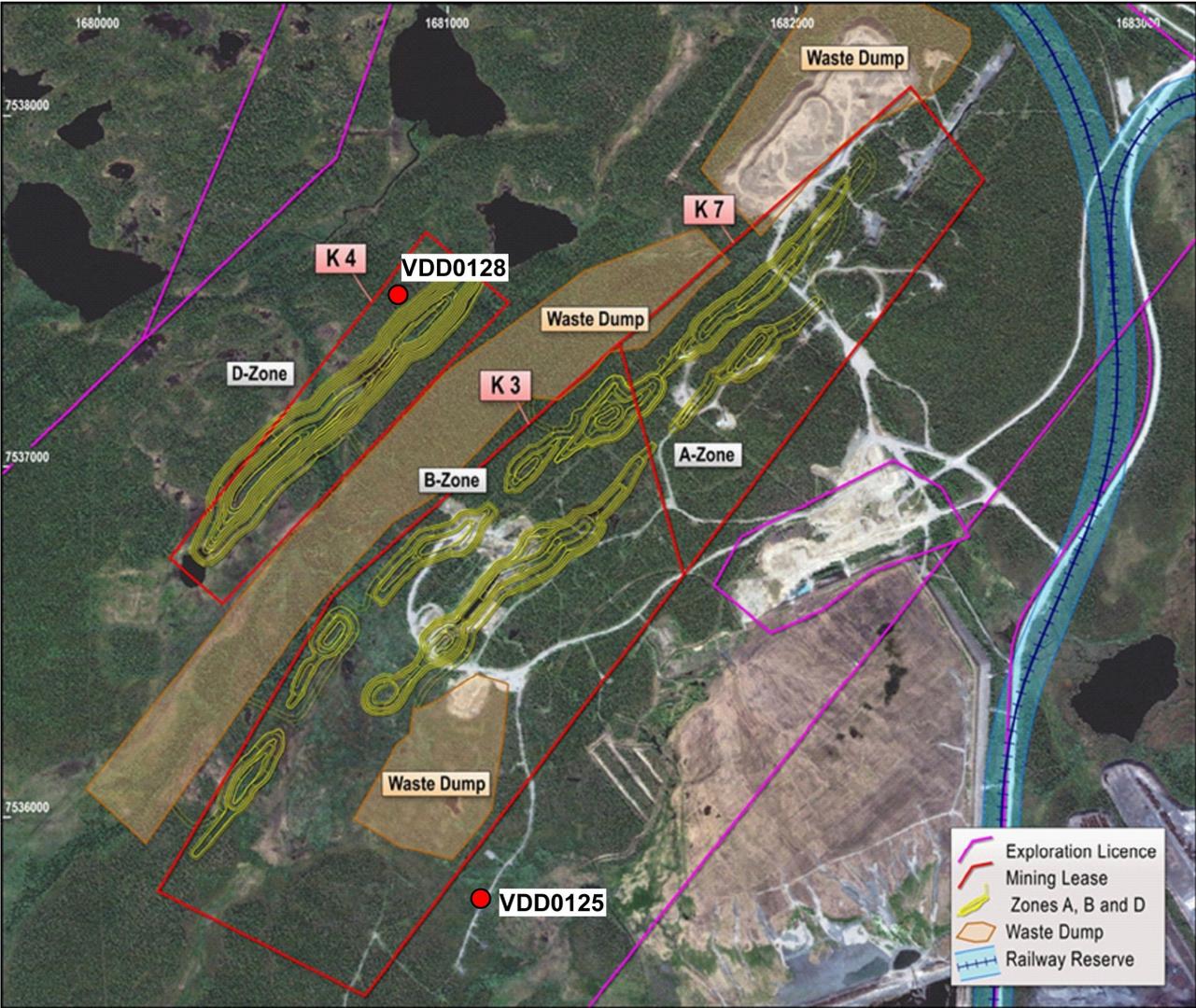


Figure Three - Typical Copper-Magnetite Mineralisation Intersected in Drill Hole VDD0128



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.