

29 November 2013

ASX ANNOUNCEMENT



**Avalon Minerals Limited (ASX: AVI)
("Avalon" or "Company")**

ANNUAL GENERAL MEETING

Please find attached the Chairman's address to the Company's Annual General Meeting being held today, 29 November 2013 at 2pm in Brisbane.

Roslynn Shand
Company Secretary

For further information please visit www.avalonminerals.com.au

ASX: AVI

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**ADDRESS BY THE CHAIRMAN OF
AVALON MINERALS LIMITED
CRISPIN HENDERSON
ANNUAL GENERAL MEETING 2013**

May I start by thanking everyone for attending Avalon's 2013 Annual General Meeting. This is my first opportunity as Chairman to attend a meeting of the Company and meet shareholders.

It has been both an exciting year for Avalon, with the Company focusing its efforts on the Viscaria Copper Project in Sweden, and a challenging time, particularly during the past 4 months as you would be well aware from the announcements on ASX.

Whilst it has been an unquestionably difficult period for the company, I wish to take this opportunity to reiterate some of Avalon's successes.

Successful fundraisings were undertaken during the year via placements and we have also just completed a successful Rights Issue.

A placement in November 2012 raised \$8.4M and attracted new institutional investors onto Avalon's share register. The proceeds of this capital raising enabled Avalon to undertake a major resource extension drill program (which commenced in November 2012), as well as commence a regional exploration program including a Heli-EM survey and drill testing of one of Avalon's most advanced regional exploration prospects. The objective of the major resource extension drill program was to significantly extend the known copper-iron mineralisation at the Viscaria Copper Project. The drill program was highly successful, which is evidenced by the significant upgrades to the size and grade of the D Zone Mineral Resource that were announced in April and June 2013.

The results of this resource extension drill program were then used to complete a Scoping Study to determine the viability and potential value of a mining operation at

Viscaria. The Scoping Study assessed an open pit mining scenario on the upgraded Mineral Resources defined on the Viscaria Project with the addition of the Discovery Zone Copper-Iron Mineral Resource. The economic assessments used price assumptions of US\$3.00/lb copper and US\$150/t iron ore pellets. The results of the Scoping Study confirmed the technical and economic viability for a copper-magnetite mining operation at the Viscaria Project and indicated a significantly positive Net Present Value. The Scoping Study results also indicated that the Open Pit Mining Scenario assessed produced between 15,000 to 22,000t of copper and 625kt to 1.25Mt of magnetite concentrate per annum over a 10.3 year mine life.

In August 2013, the Company opened a Rights Issue to enable all shareholders to subscribe for shares on a 1 for 1 basis at 1 cent per share. As many of you would be aware, this Rights Issue was put on hold on 9 September 2013 pending the outcome of an application to the Takeovers Panel. The Takeovers Panel has handed down its decision which is available from the Panel's website.

The Company was able to re-open its Rights Issue on 28 October 2013. We had initially received \$2.1M, with the balance of \$3.7M available for the re-opened issue. I am pleased to advise that, with applications for entitlements and shortfall shares, the offer was oversubscribed by \$2M.

The equity market conditions have been volatile and challenging during 2013 in Australia and overseas. However, I believe the copper price outlook remains positive and the requirement for resources will continue. Therefore, I am confident that the Company's focus on developing the Viscaria Copper Project and growing its resource base will benefit all Avalon shareholders.

I would like to take this opportunity to express my thanks to fellow directors, management and staff for their extraordinary and sustained efforts and commitment to progressing the Company and its flagship Viscaria Copper Project in Sweden.

I also take this opportunity to thank all shareholders for your continued support of Avalon.