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# ASX ANNOUNCEMENT



## STRATEGIC REVIEW PROCESS

Australian resources company, Avalon Minerals Limited (**'Avalon'** or **'Company'**) (**ASX: AVI**), announces that it has commenced a Strategic Review Process to determine how best to fund the future development of the Viscaria Copper Project in Sweden and maximise shareholder value.

The Strategic Review Process will consider the following aspects of the Viscaria Copper Project and Avalon:

- Funding requirements for the Viscaria Copper Project to complete a Bankable Feasibility Study;
- Opportunities to capture value from the Viscaria Copper Project;
- Potential joint venture arrangements;
- Project and commodity focus of Avalon;
- Strategic partnerships; and
- Company funding arrangements.

Avalon has recently completed a successful extensional drilling program at the A and D Zone Prospects on the Viscaria Project and, its first regional drilling at the Tjärro Prospect.

The drilling at D Zone successfully extended the known copper-iron mineralisation along strike and at depth, in addition to defining two high-grade plunging zones of copper-iron mineralisation. The new drilling results are currently being incorporated with existing data and will be used to define a new Mineral Resource for D Zone.

Following definition of a revised D Zone Mineral Resource, the economics of the overall Viscaria Project, as defined by the October 2012 Scoping Study, will be updated. The prime objective of the extension drilling program was to increase the Mineral Resources on the Viscaria Project, such that the combined Mineral Resources will support a 10-year mining operation with a project Net Present Value of approximately A\$300 million.

Avalon's Managing Director Jeremy Read said, "Following the recent success of the extensional drilling program, the Board has reached a point of confidence with the project that we are assessing all our options to fund a Bankable Feasibility Study for the Viscaria Copper Project and further exploration at the Tjärro Prospect. These options include bringing on board a strategic shareholder or partner to provide the necessary funding to finance this exciting next development phase."

It is anticipated that the new Mineral Resource for D Zone will be announced within the next 2 weeks and the updated economics of the overall Viscaria Project will be announced in late June or early July 2013.

The Strategic Review Process is expected to be completed within the next 2 to 3 months. Avalon will continue to comply fully with its continuous disclosure obligations while it undertakes the Strategic Review Process and will update the market, where appropriate.

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