

ASX ANNOUNCEMENT

1 November 2012

AVALON MINERALS COMPLETES \$8.4M INSTITUTIONAL PLACEMENT

Highlights

- Successfully completed an institutional placement to raise \$8.4m through the issue of 119.6m shares at \$0.07/share;
- Proceeds from the equity raising will be used primarily to complete an aggressive 25,000m drill program at Avalon's flagship Viscaria Copper-Iron Project in northern Sweden; and
- Sydney-based Foster Stockbroking Pty Ltd acted as Lead Manager to the placement which has enabled the introduction of a new cornerstone institutional investor in Acorn Capital.

Details

The Board of Avalon Minerals Ltd (ASX: AVI) ('Avalon' or 'Company') is pleased to announce that it has arranged an institutional placement to raise **\$8.4 million** (before costs) to support the continued exploration and advancement of its flagship **Viscaria Copper-Iron Project** in northern Sweden.

Avalon's Managing Director, Jeremy Read said, "I am delighted with the success of this placement which has raised A\$8.4 million to fund the 25,000m drill program to progress the Viscaria Project. This placement confirms the solid financial support Avalon continues to receive for this project and the Company's strategy".

'It is also pleasing to have on board new institutional investors to broaden the Company's shareholding base and in particular Acorn Capital who I welcome as a new substantial shareholder. We look forward to making significant progress with the proceeds raised.'

Foster Stockbroking Pty Ltd acted as Lead Manager to the placement which is scheduled to occur on Wednesday, 7 November 2012.

Use of Proceeds

The funding will be primarily applied to the 25,000m drill program required to extend the existing Mineral Resources at both the A and D Zones and to meet key resource targets as previously defined in the Viscaria Scoping Study to underwrite the development of a planned 25ktpa Cu operation. Regional targets will also be tested and acquisition opportunities will continue to be reviewed by the Company.

This announcement will now bring to an end the current trading halt and suspension from quotation of Avalon shares.

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

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