

## ASX / Media Release

23 April 2012

# First Drill Hole Completed on Copper Drill Program at Viscaria Project, Sweden

### Highlights

- The first 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 VDD0125 intersected 17m (down hole intersection) of copper mineralisation from 451 to 468m;
- Assay results for drill hole VDD0125 will be available in approximately 4 weeks time;
- The copper mineralisation in drill hole VDD0125 consists of chalcopyrite and pyrrhotite veins and stringers within strongly altered sediments;
- Drill hole VDD0125 was drilled outside of the currently defined Mineral Resource envelope at the A Zone prospect. The current Mineral Resource for A Zone comprises 21.6Mt at 1.5% Cu. The Mineral Resource is reported above a 0.4% copper grade cut-off and is classified as having 2.5Mt @ 1.5%Cu Inferred, 4.7Mt @ 1.2% Cu Indicated and 14.4Mt @ 1.7% Cu Measured according to the guidelines of the JORC Code (2004);

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the first 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 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 that the 2000m drill program is an important step in commencing a strategy to create value for shareholders by focussing activities on increasing the Company's copper Mineral Resources on the Viscaria Project.

"Our goal with this first drill program for 2012 is to test for extensions of the high-grade copper mineralisation which occurs at both the A and D Zone Mineral Resources."

“The intersection of 17m of copper mineralisation in this first completed hole is a very positive step and provides us with very valuable information to allow us to plan for a much larger drill program later in the year, the goal of which will be to significantly increase our high-grade copper Mineral Resources.” Mr Read said.

Geochemical assay data for hole VDD0125 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 copper shoots 600m below the surface, and stepping out >60m beneath the high grade shoots of D Zone at the 200-300m depth interval. The drill program is being undertaken by two drill rigs and will be completed in mid to late May 2012.

#### Details of Drill Hole VDD0125

Drill hole VDD0125 intersected a succession of basaltic units and tuffaceous sediments. There are several occurrences of vein sets containing copper sulphides. These vein sets seem to be preferably located within the tuffaceous units.

The main mineralisation occurs from 451m to 468m, consisting of veins of chalcopyrite and pyrrhotite within strongly altered sediments. The host rock to the copper mineralisation is strongly silicified and fractured. Biotite alteration with the copper mineralisation is associated with local shearing.

The survey details of drill hole VDD0125 are given in Table One with the hole location shown in Figure Two. Copper mineralisation typical of the 17m intersection is shown in Figure 3.

**Table One**

| Hole    | Easting<br>(WGS 84) | Northing<br>(WGS 84) | RL<br>(m) | Azimuth<br>(degrees) | Inclination<br>(degrees) | From<br>(down hole m) | To<br>(down hole m) | Intersection<br>Width (down<br>hole m) | End of<br>Hole<br>(m) |
|---------|---------------------|----------------------|-----------|----------------------|--------------------------|-----------------------|---------------------|--|-----------------------|
| VDD0125 | 1681119.056         | 7535701.18           | 525.195   | 310.205              | -65.0                    | 451.0                 | 468.0               | 17.0                                   | 503.9                 |

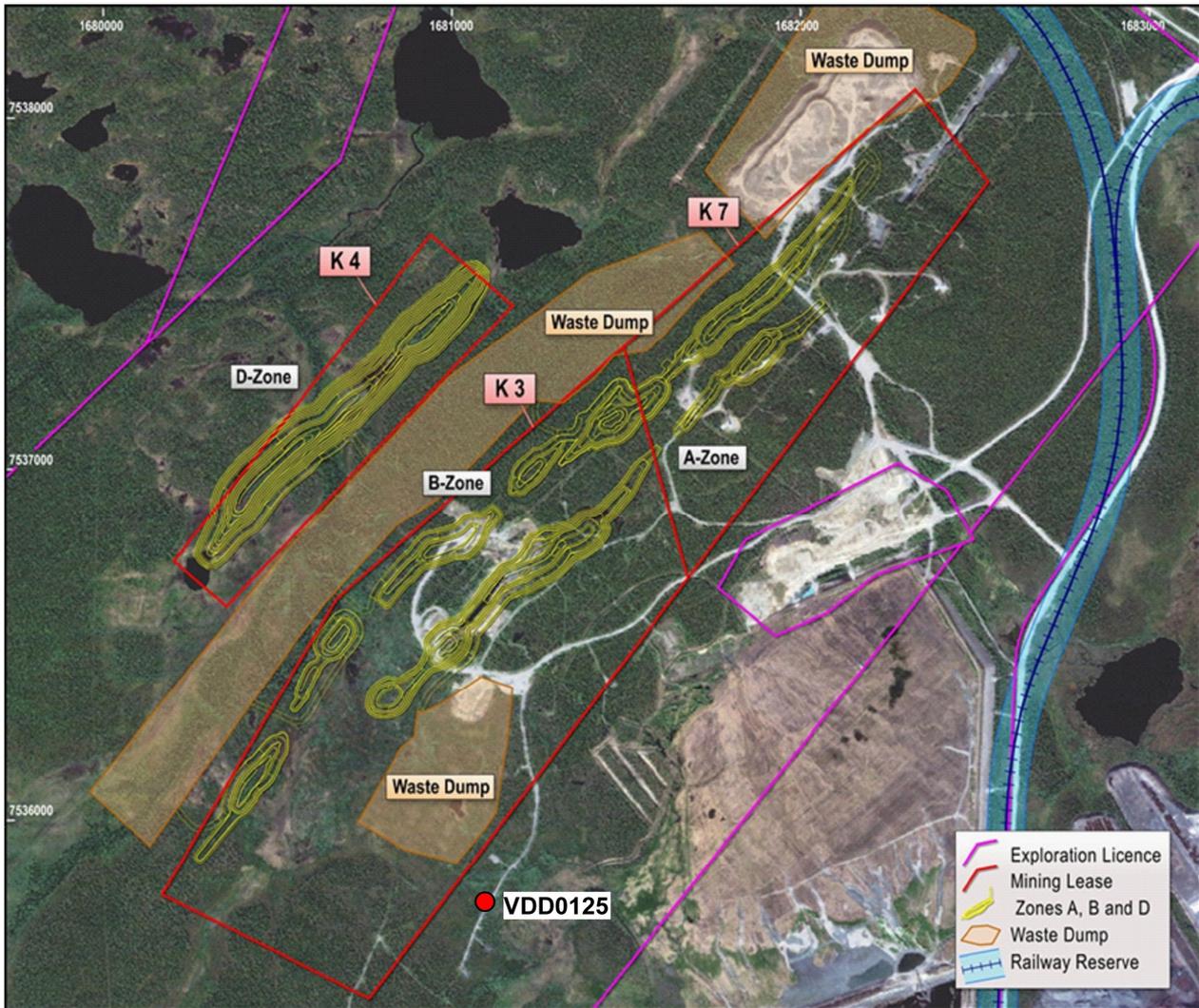
**For further information please visit [www.avalonminerals.com.au](http://www.avalonminerals.com.au) or contact:**

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**Figure 1 - Project Location**



Figure Two - Location of Drill Hole VDD0125



**Figure Three - Typical Copper Mineralisation Intersected in Drill Hole VDD0125**



#### **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.