

## High Grade Intersection of 3.4% Copper, results in Third Successful Extension Hole for Avalon

### Highlights

- The third drill hole of the Viscaria Copper Project drill program, drill hole VDD0127 intersected a highly encouraging, high grade copper intersection of:
  - 6.5 metres @ 3.4% copper from 767.5m (down hole width);
- The high grade intersection was contained within a thick intersection of copper mineralisation that recorded 42 metres @ 0.9% copper from 747.0m (down hole width);
- All three drill holes drilled to date during this current drill program have intersected high grade copper mineralisation with the two previously announced drill holes returning 7.8m @ 1.9% Cu (VDD0125 - A Zone Prospect) and 5.1m @ 2.1% Cu (VDD0128 - D Zone Prospect);
- Drill hole VDD0127 was drilled outside of the currently defined Mineral Resource envelope at the A Zone prospect and therefore indicates that it is probable that the current A Zone Mineral Resource can be extended. The current Mineral Resource for A Zone comprises 21.6Mt at 1.5% Cu and is classified as having 14.4Mt @ 1.7% Cu Measured, 4.7Mt @ 1.2% Cu Indicated and 2.5Mt @ 1% Cu Inferred according to the guidelines of the JORC Code (2004);
- The success of drill holes VDD0125, VDD0127 and VDD0128 has shown that high grade shoots of copper mineralisation, within broad zones of copper, extend to significant depth and Avalon has been able to successfully target these high grade shoots of copper;
- Avalon intends to undertake a major copper drill program later in 2012, with the objective to obtain a significant increase in the Mineral Resources on the Viscaria Project;
- Assay results for drill hole VDD0129 are expected to be available in approximately 4 weeks.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the geochemical assays for the third hole, of a four hole drill program at the Viscaria Project in northern Sweden, have been received (Figures One and Two). The drill program comprises approximately 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, “drill hole VDD0127 at the A Zone prospect has intersected a high grade copper intersection of **6.5 metres @ 3.4% copper from 767.5m**. This is an excellent result and shows again that we can predict where the high grade shoots of copper mineralisation are located.”

“All three drill holes completed to date have intersected mineralised intervals from 15m to 55m down hole thickness and within those broad intervals, zones of high-grade copper of 2% copper and above, also occur.”

“The results from these three drill holes have greatly increased our confidence in being able to follow the higher grade zones of copper mineralisation at depth and encourages Avalon to undertake a major drill program later this year with the objective of achieving a major increase to the Mineral Resources on the Viscaria Project, through the addition of high grade tonnes of copper mineralisation.”

The four 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 30m to 50m beneath the high grade shoots of D Zone, at the 200-300m depth interval. Drilling of the final hole is currently in progress at D Zone and it is anticipated that drilling will be completed by late June 2012.

Geochemical assay data for hole VDD0129 is expected to be available in approximately four weeks time.

#### Details of Drill Hole VDD0127

Drill hole VDD0127 intersected copper mineralisation over 42 metres down-hole, near the contact between basalts and tuffaceous sediments.

The best copper mineralised intervals extend from 767.5m to 773.0m and 783m to 786.0m down-hole as follows:

- **6.5 metres @ 3.4% copper from 767.6m (down-hole width)**
- **3.0 metres @ 1.2% copper from 783m (down-hole width)**

The survey details of drill hole VDD0127 are given in Table One with the drill hole location shown in Figure Two. Massive copper sulphide mineralisation intersected in hole VDD0127 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)
VDD00127	1,680,995	7,535,479	533	314	-65	747	789	42.0	846

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

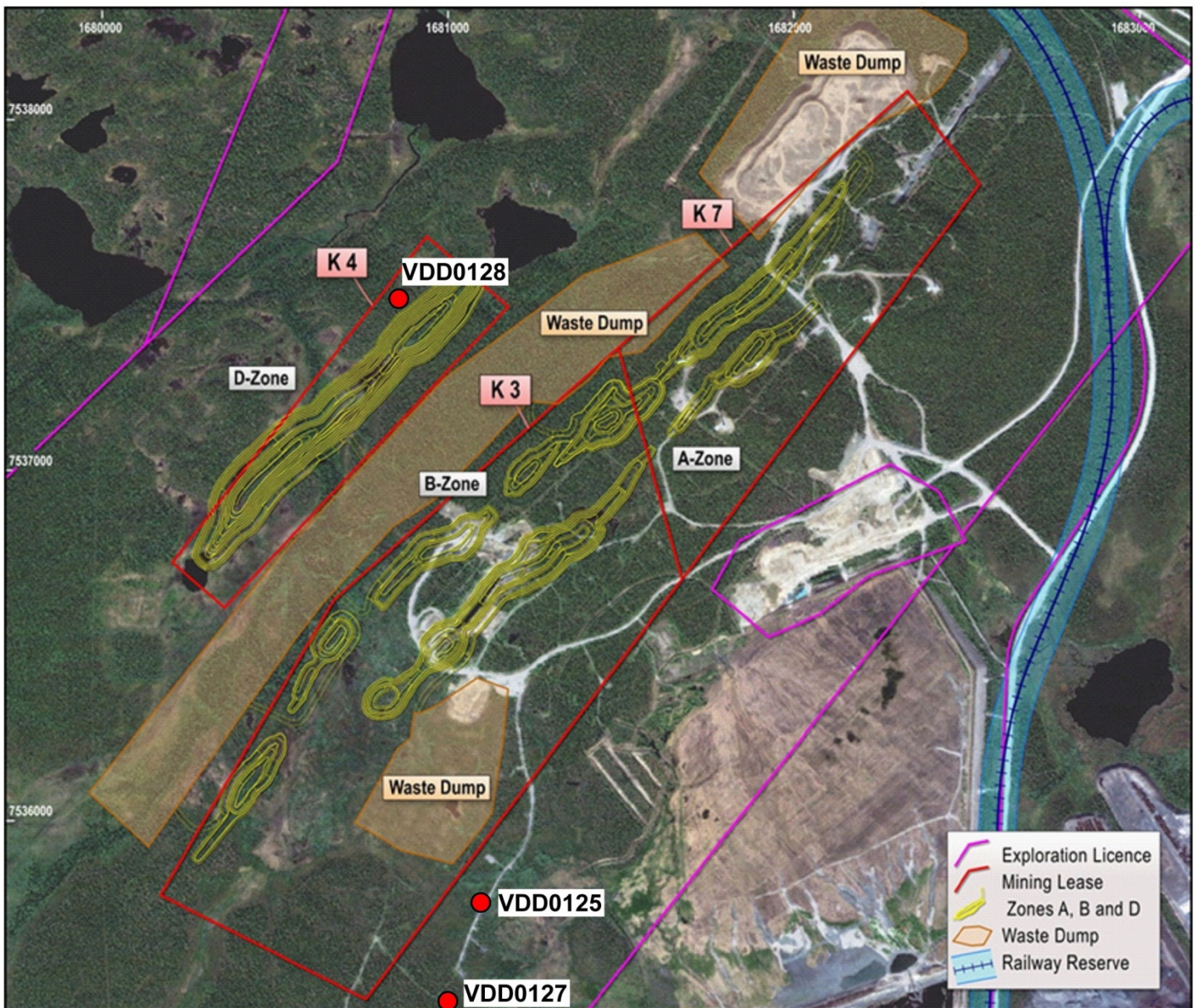
Mr Jeremy Read - Managing Director  
Avalon Minerals Limited  
Tel: 07 3368 9888  
Em: [jeremy.read@avalonminerals.com.au](mailto:jeremy.read@avalonminerals.com.au)  
[www.twitter.com/avalonminerals](http://www.twitter.com/avalonminerals)

Mr James Harris  
Professional Public Relations  
Tel: 08 9388 0944  
Mob: 0400 296 547  
Em: [james.harris@papr.com.au](mailto:james.harris@papr.com.au)

**Figure One - Project Location**



Figure Two - Location of Drill Hole VDD0127, as well as previously announced VDD0125 and VDD0128



**Figure Three - Massive Sulphide Mineralisation Intersected in Drill Hole VDD0127  
(yellow sulphide = chalcopyrite; brown sulphide = pyrrhotite)**



#### **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.