



AVALON

MINERALS LTD

LITHIUM, GOLD & COPPER IN SCANDINAVIA

Mining 2016 Resources Convention
Brisbane, Australia



August 2016

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This Presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this Presentation, other than statements of historical facts, that address future activities and events or developments that Avalon expects, are forward looking statements.

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CORPORATE

TICKER	ASX:AVI Frankfurt:AL9
SHARE PRICE*	A\$0.046
SHARES ON ISSUE	520.4 million
MARKET CAP	A\$24M
CASH#	A\$2.3M
52 WEEK TRADING	A\$0.012 - \$0.057

As at 22.08.16 - 30 day VWAP *

As at 22.08.16 - unaudited #

Top 10 shareholders hold 55% of shares on issue

Board and management hold 3.3% and have participated in recent placements

European and UK shareholders total 43%

SUBSTANTIAL SHAREHOLDERS

NAME	%
Valbonne II	12.4%
Marilei International	8.2%
Potezna Gromadka	7.1%
Tan Sri Abu Sahid Bin Mohamed	6.5%

KEY POINTS

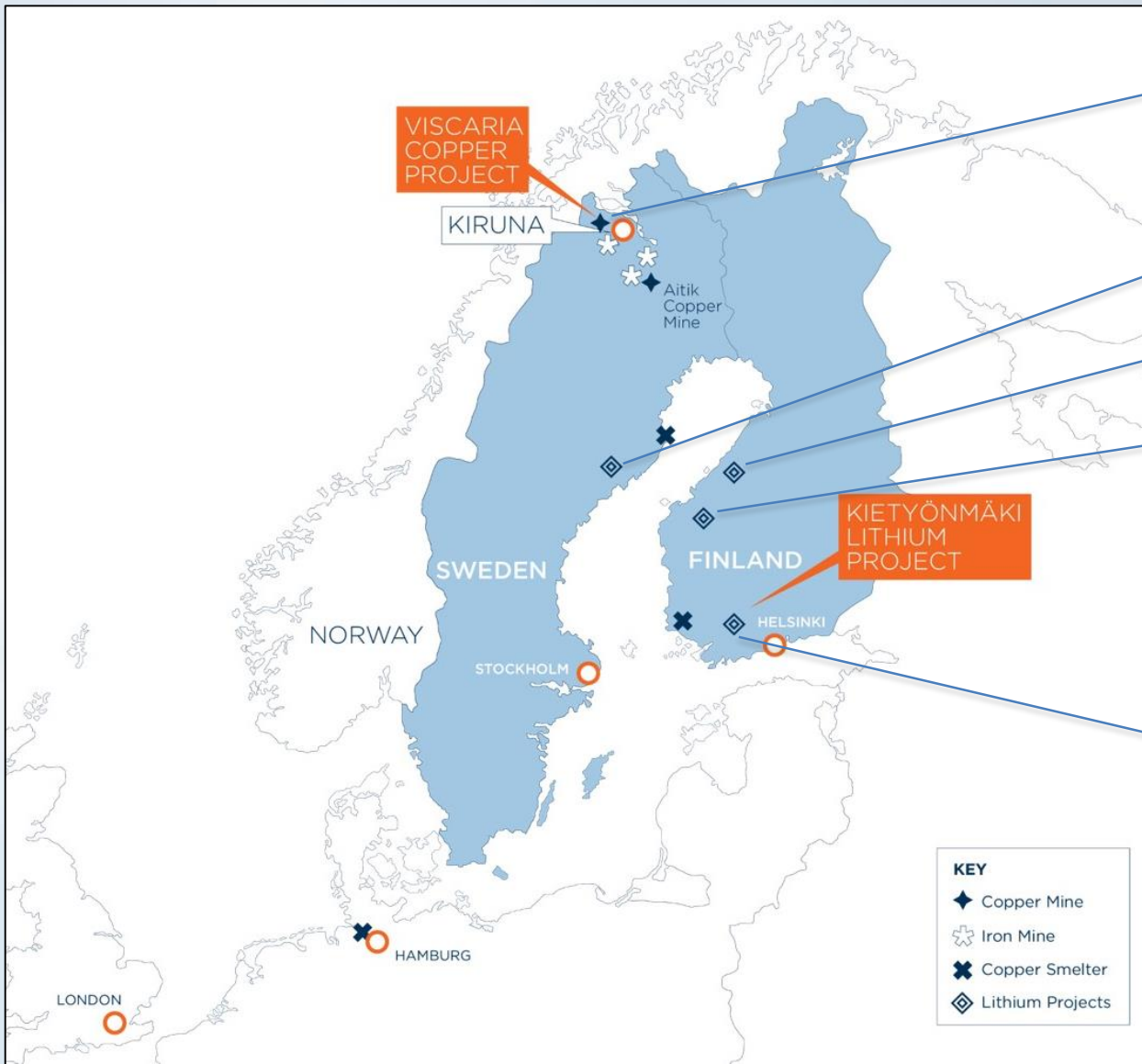
- ❑ **Portfolio of lithium, gold and copper projects in Sweden and Finland**
- ❑ Geographic focus in countries with a long history of mining and outstanding infrastructure
- ❑ Can explore, develop and mine all year round – no weather restrictions

- ❑ **Kietyönmäki Lithium Project** - a higher than average grade deposit
 - Historical diamond drilling returned 18m at 1.8% Li₂O, including 9m at 2.6% Li₂O
 - Drilling in progress

- ❑ **Viscaria Copper Project** – an advanced stage copper development opportunity with significant upside potential
 - Mineral Resource estimate 52.4Mt at 1.2% Cu
 - Mining Inventory 18Mt at 1.2% Cu (supporting a mine life of 9 years at 2Mtpa)
 - Scoping Study completed

- ❑ **Satulinmäki Gold Project** – high grade, only drilled to 70m below surface
 - Includes 25m at 3.17g/t and narrower high grade intersections of 3m at 9.3g/t and 4m at 10.3g/t

GEOGRAPHIC FOCUS, MINING COUNTRIES



Viscaria Copper Project – Scoping Study completed; significant exploration upside

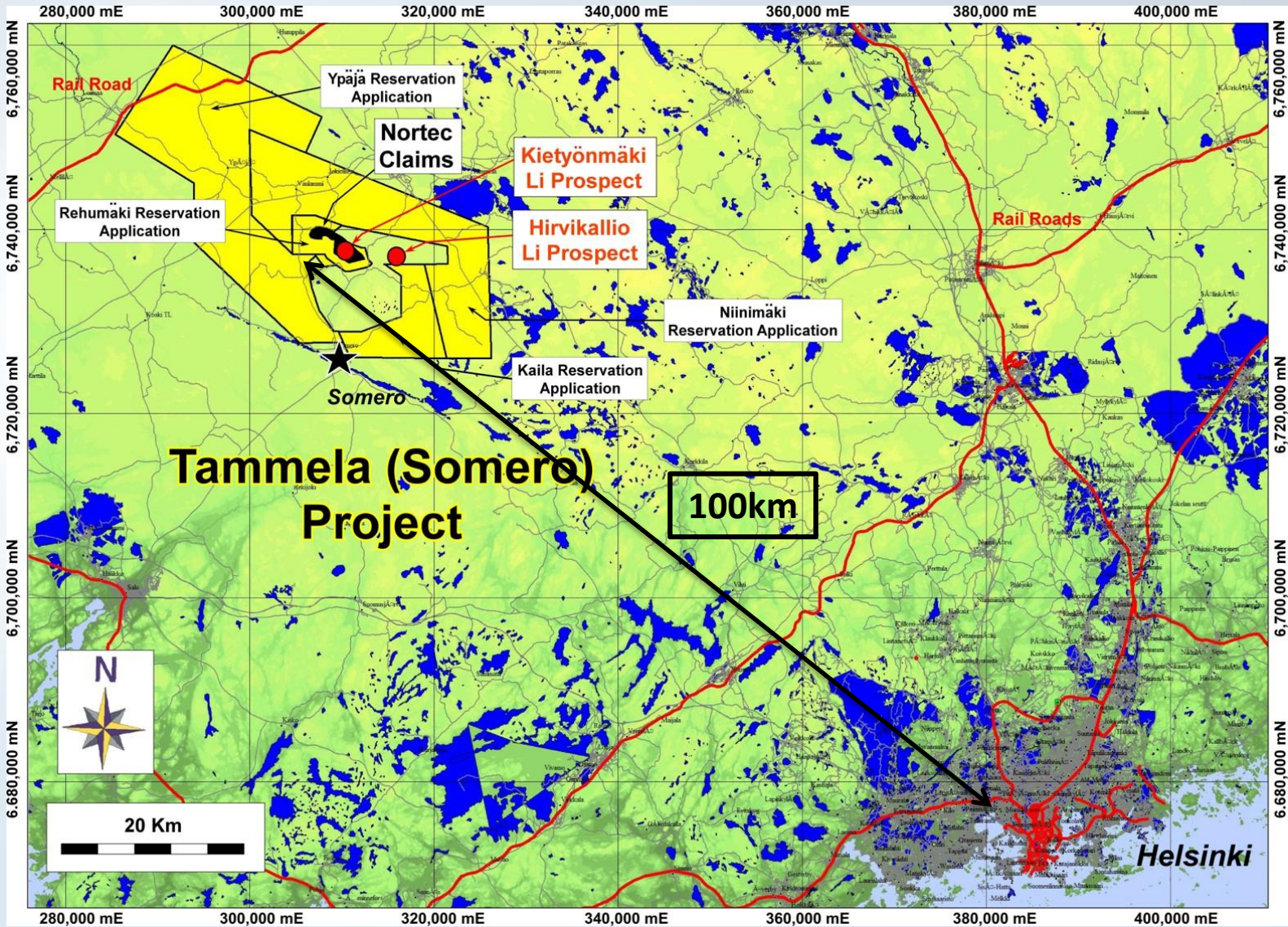
Ladum Lithium Project

Kaustinen Lithium Project

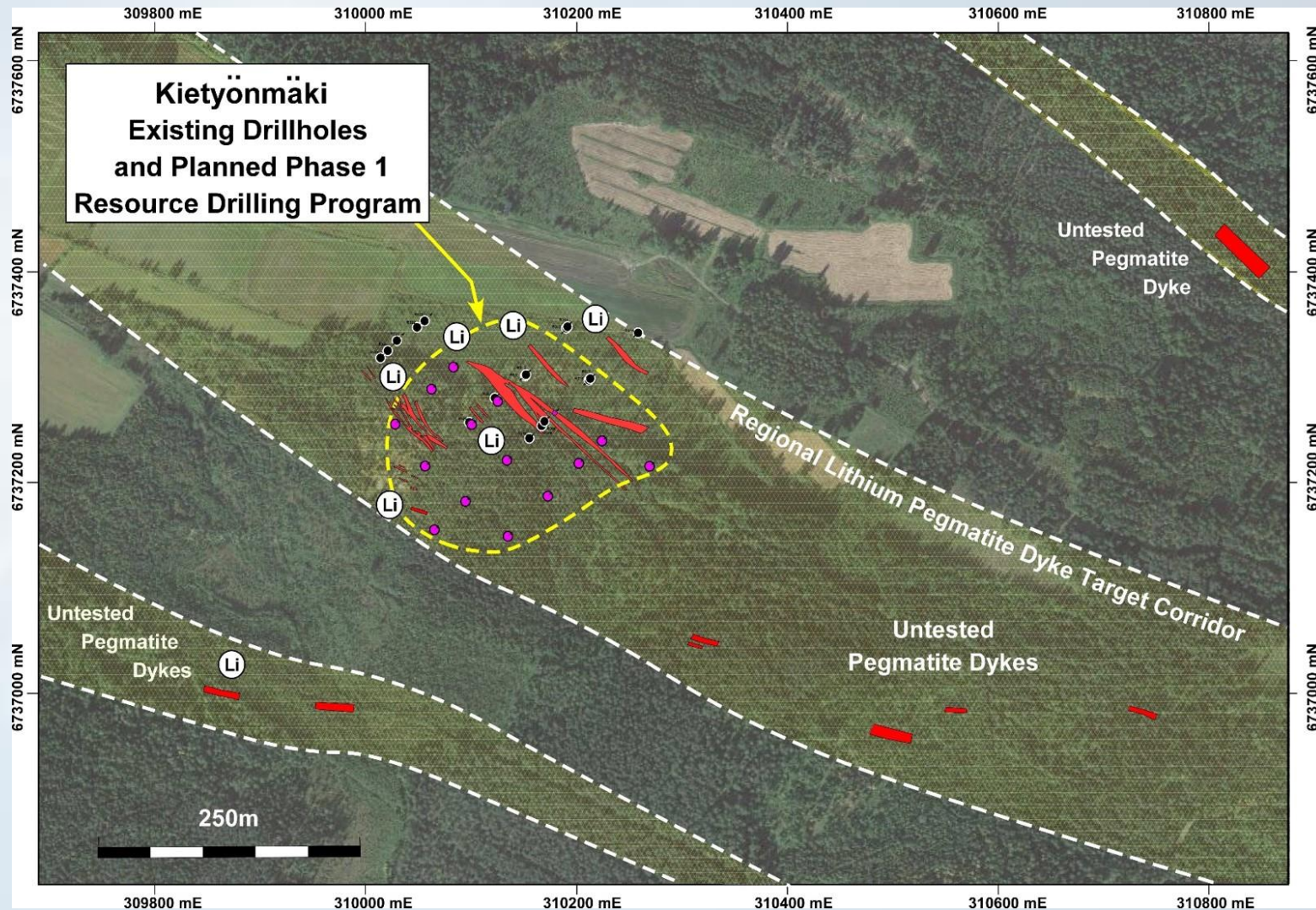
Seinäjoki Lithium Project

Kietyönmäki Lithium Project (JV) – Resource estimate drilling underway;
Satulinmäki Gold Project (JV)

TAMMELA LITHIUM & GOLD PROJECT



TAMMELA LITHIUM PROJECT KIETYÖNMÄKI DEPOSIT



Lithium pegmatite dyke swarm with significant upside to the currently drilled Main Dyke

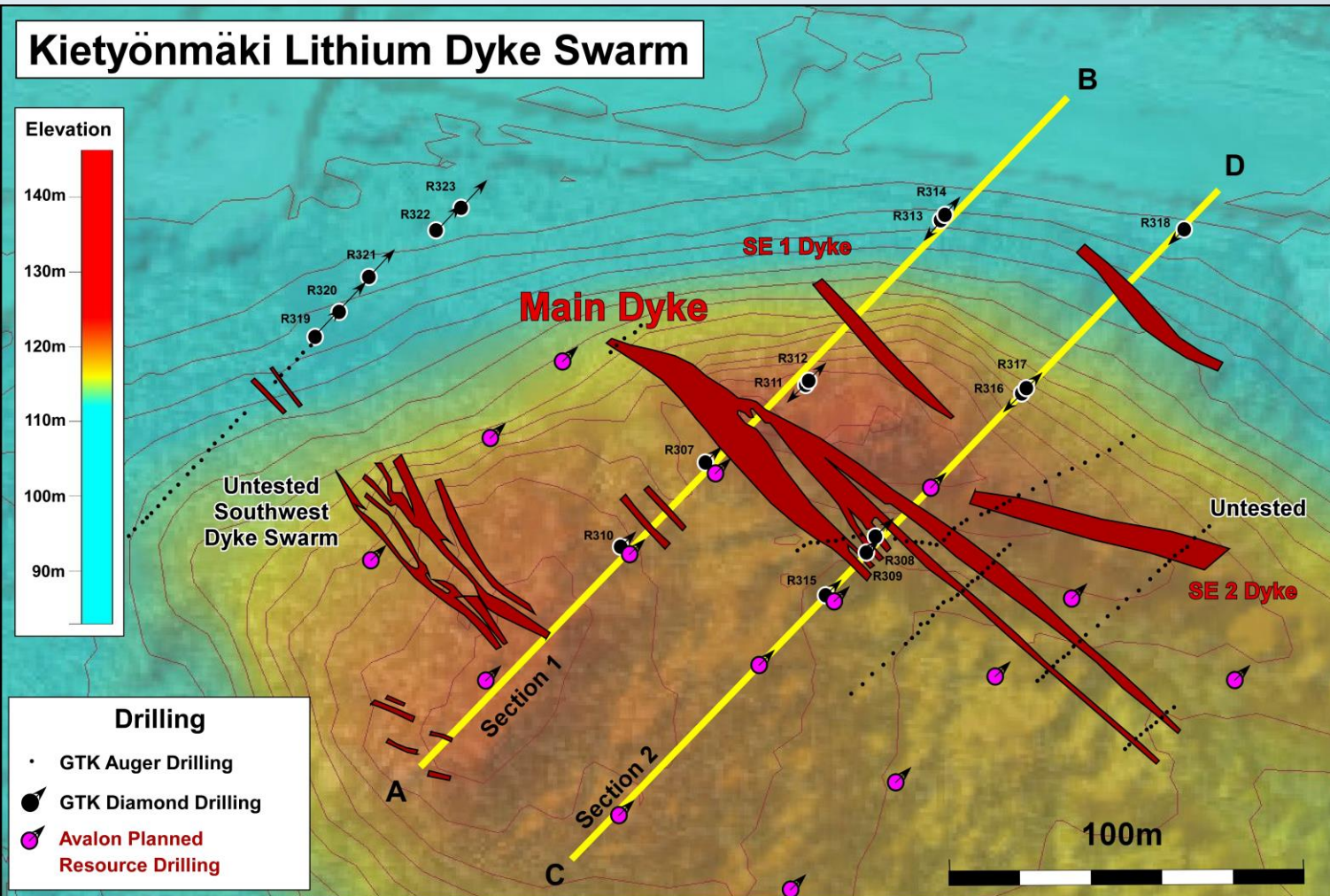
TAMMELA LITHIUM PROJECT KIETYÖNMÄKI DEPOSIT



TAMMELA LITHIUM PROJECT KIETYÖNMÄKI DEPOSIT



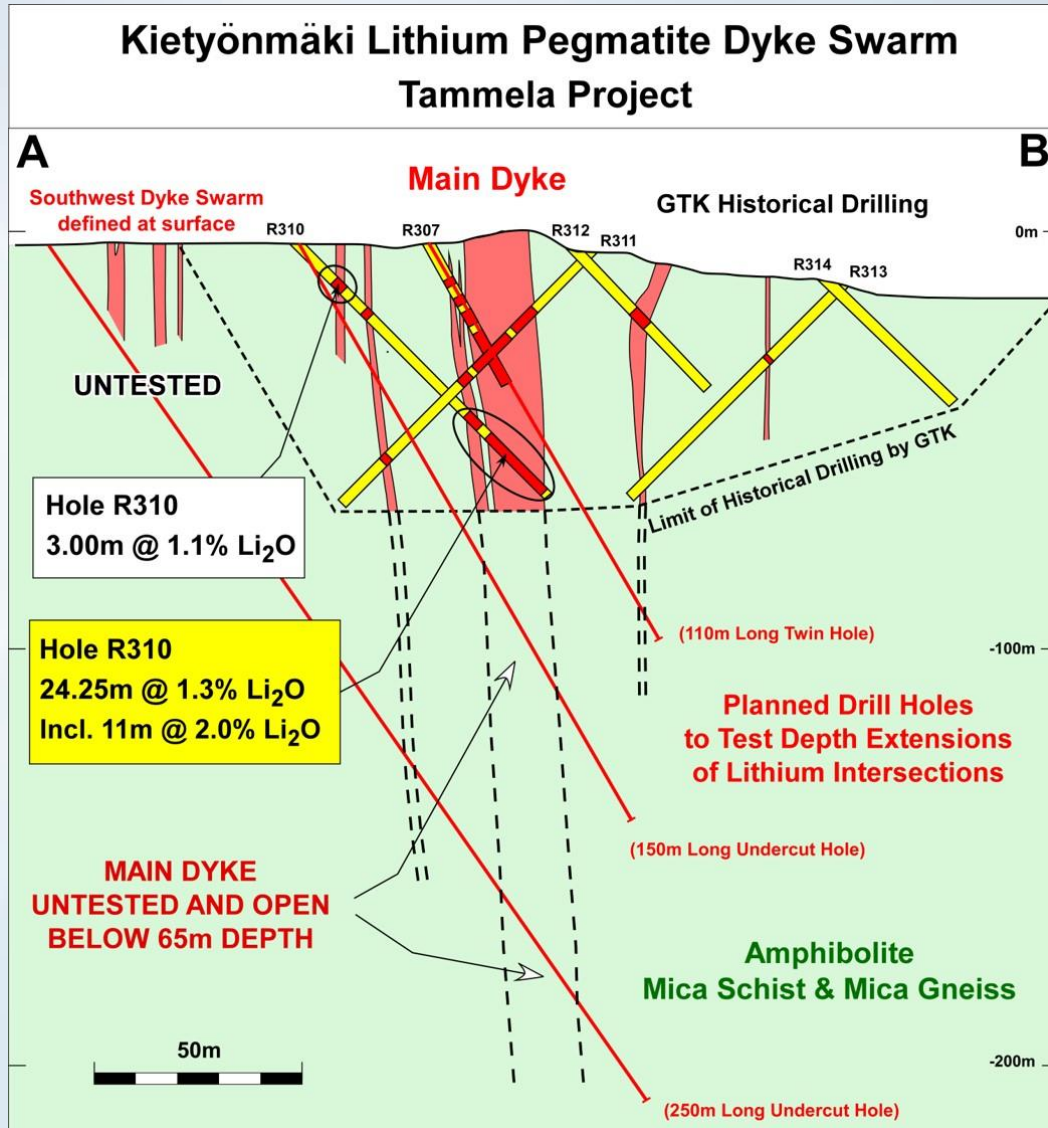
TAMMELA LITHIUM PROJECT KIETYÖNMÄKI DEPOSIT



Resource drilling underway – proposed drill holes shown here in pink

- 15 holes,
- 3,000 meters,
- 2 months work

TAMMELA LITHIUM PROJECT KIETYÖNMÄKI DEPOSIT

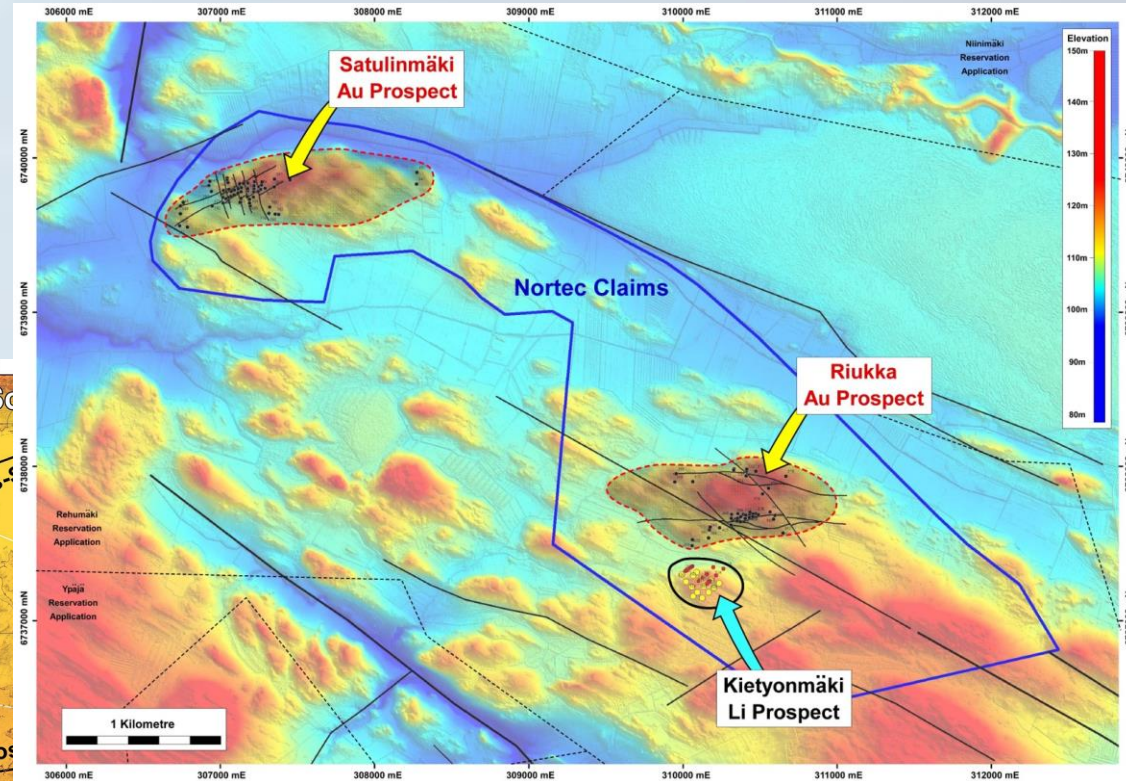
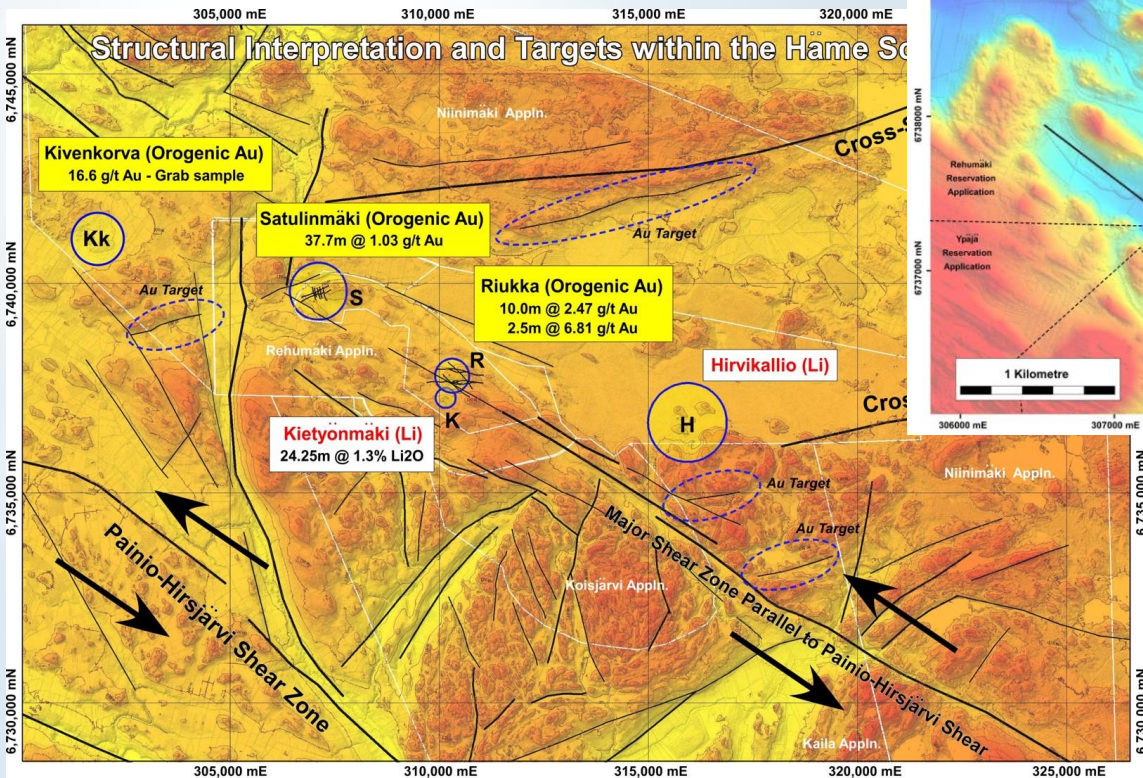


GTK assay results

Hole ID	From (m)	To (m)	Interval (m)	Li ₂ O %
R307	14.1	37.1	23.0	1.53
R310	11.7	14.7	3.0	1.23
R310	65.0	83.0	18.0	1.79
including	68.0	77.0	9.0	2.60
including	70.0	73.0	3.0	4.35
R311	20.3	41.9	21.6	1.42
R308	3.7	11.3	7.6	1.37
R309	3.0	10.5	7.5	1.49
R315	24.1	36.8	12.7	1.10
R316	86.0	99.0	13.0	1.66
including	86.0	95.0	9.0	1.88
and	98.0	99.0	1.0	3.9
R317	41.4	45.3	3.9	1.28

TAMMELA GOLD OPPORTUNITY SATULINMÄKI & RIUKKA PROSPECTS

Gold opportunities are compelling and will be advanced during 2016 with an expected Q4 drilling schedule

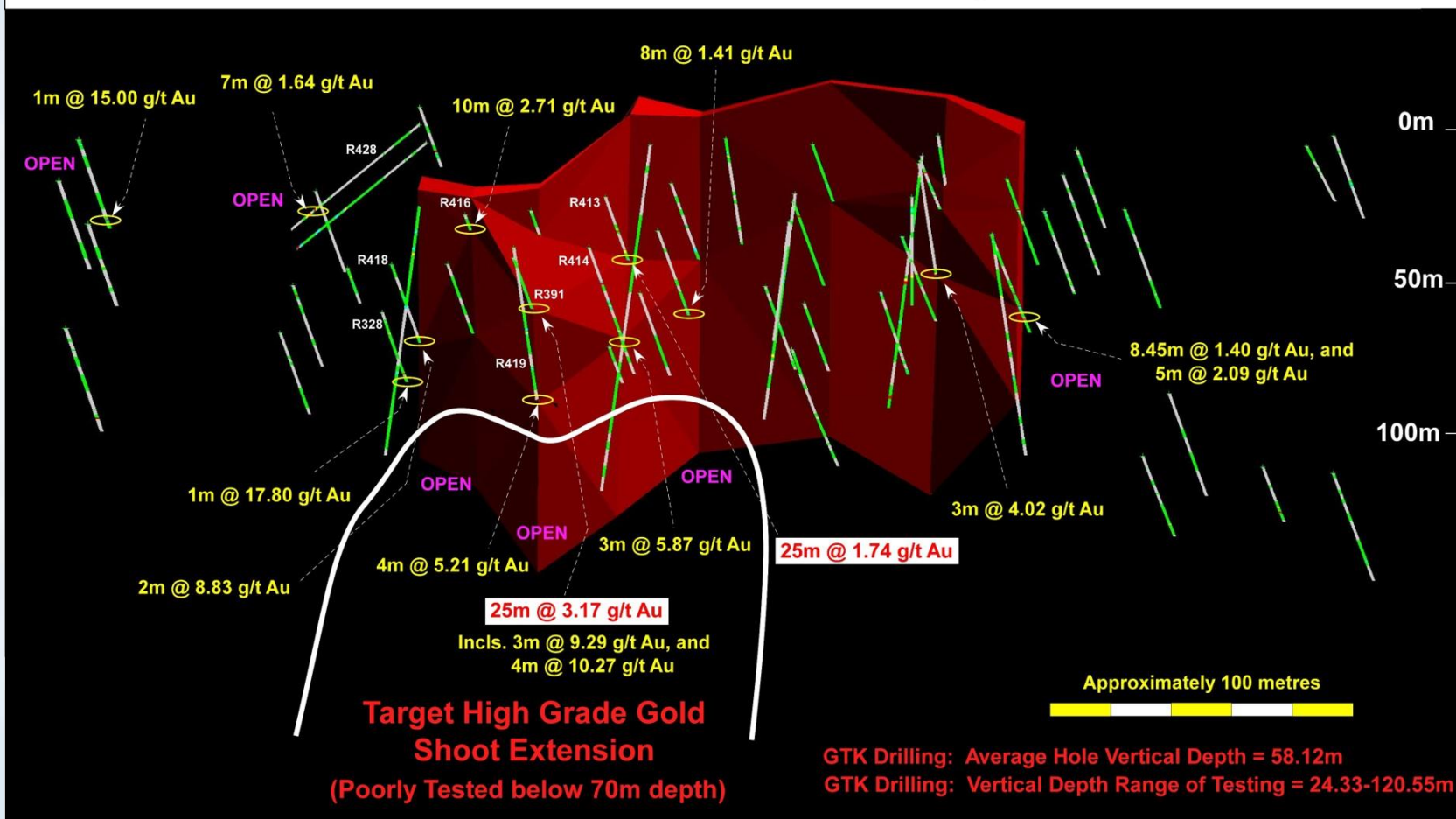


SATULINMÄKI PROSPECT



SATULINMÄKI PROSPECT

Satulinnmäki Au Wireframe - View looking North-Northwest



Drilling is planned

- to test the depth extension 'Target Zone'
- expected to be undertaken during Q4, 2016

GTK Drilling: Average Hole Vertical Depth = 58.12m
 GTK Drilling: Vertical Depth Range of Testing = 24.33-120.55m



VISCARIA COPPER PROJECT



PROJECT SITE



KIRUNA TOWN



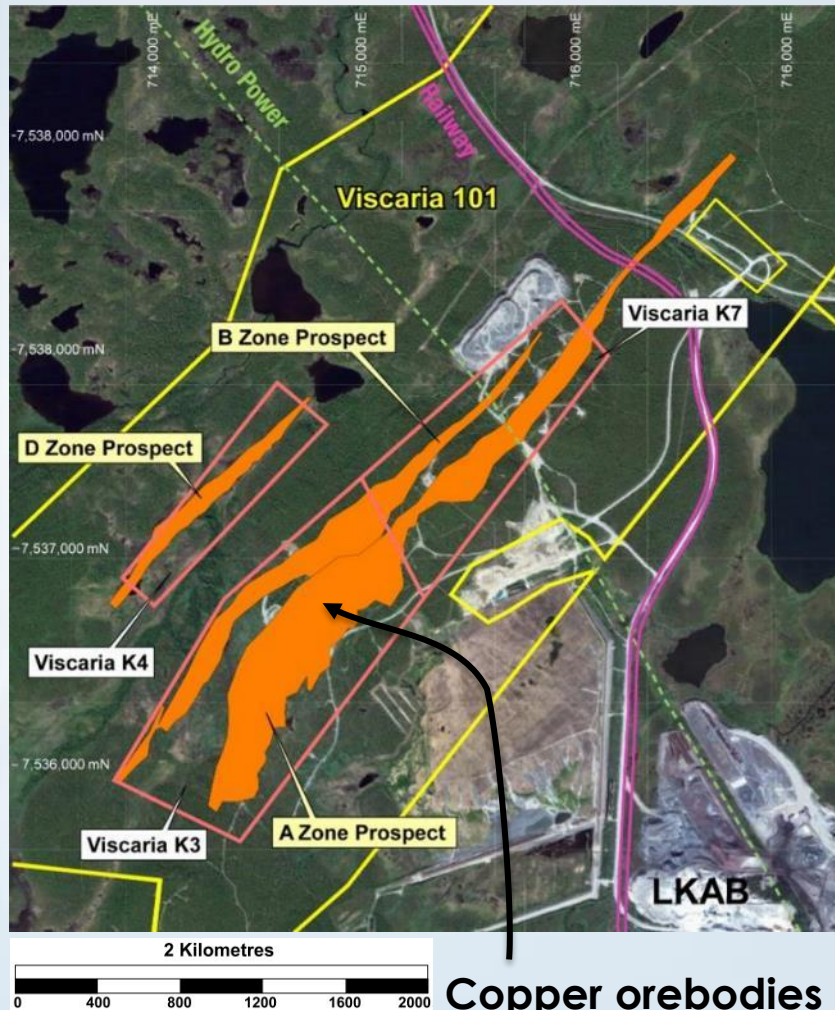
PUBLIC ACCESS ELECTRIC RAIL



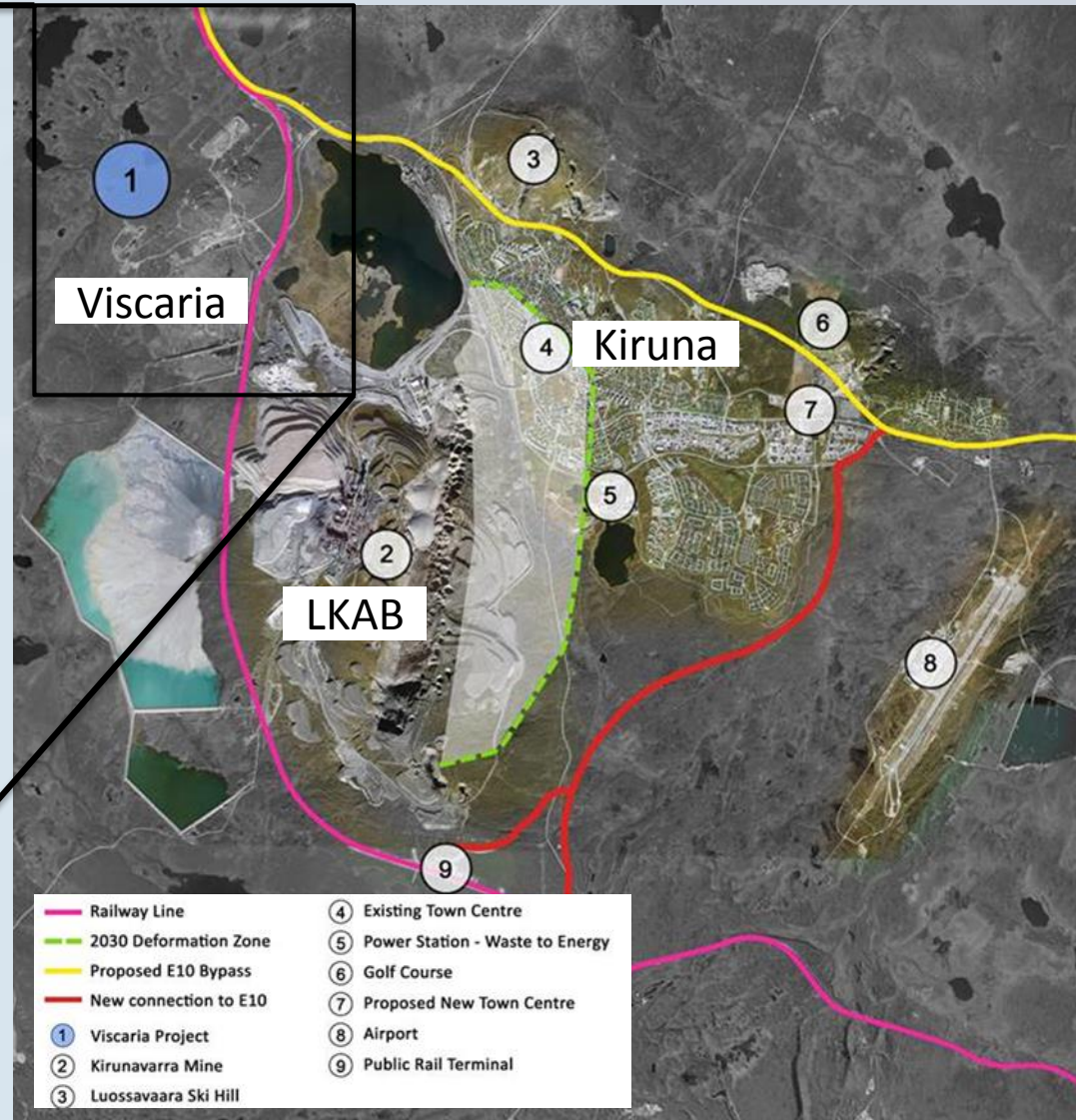
LOW COST HYDRO POWER



KIRUNA AND VISCARIA LOCATION MAP



Copper orebodies shown in orange



VISCARIA COPPER: MINERAL RESOURCE ESTIMATE AND MINING INVENTORY

Mineral Resource Estimate	Tonnes (Mt)	Grade (% Cu)
Total 65% Measured and Indicated	52.4	1.2
Mining Inventory	Tonnes (Mt) 2016	Grade (% Cu) 2016
Combined A & B Zone Open Pit [^]	8.0	0.9
D Zone Open Pit [@]	1.6	0.9
D Zone Underground ^{@^}	5.0	1.5
Exploration target [^]	3.0-4.0	1.3-1.8
Total	18.0	1.2

@ 2015 Scoping Study Mining Inventory

[^] 2016 updated Mining Inventory (includes Exploration Target)

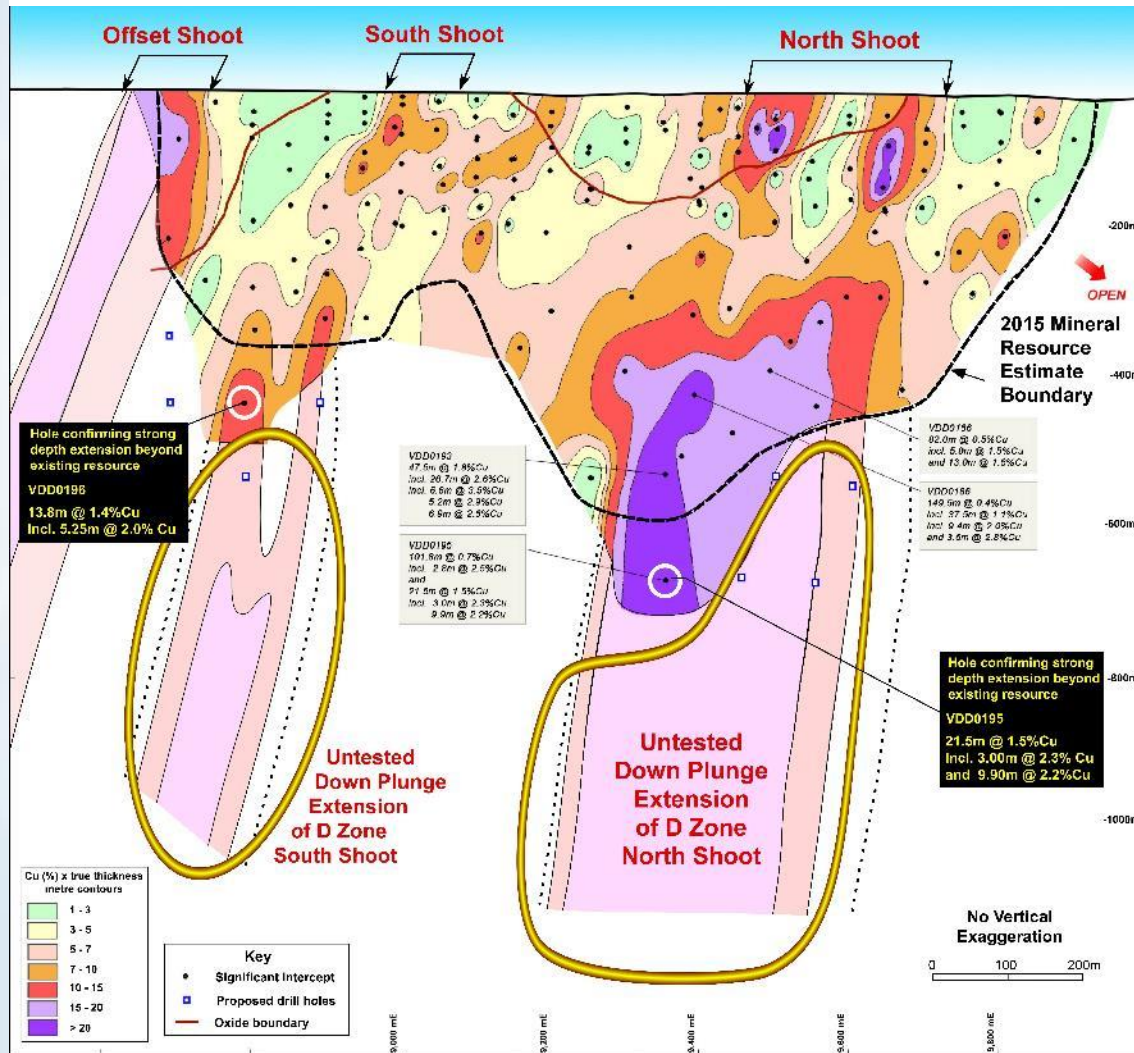
VISCARIA COPPER: UPDATES TO 2015 SCOPING STUDY

The 2015 Scoping Study confirmed the project description to begin ESIA process (Refer ASX Announcement 14 December 2015)

	Target Case A
Process plant size	2.0Mtpa scenario
Strip ratio (LOM)	6.0
Process	Crush, grind and copper flotation plant
Recovery rates	90.2%
Copper Production	
LOM	200kt
Average per annum	21kt
Development capital	
Site Infrastructure	US\$115m
Underground	US\$15m
Cash operating cost	
LOM C1	Targeting <US\$2.00/lb
LOM AISC	
Copper price	US\$3.00
NPV pre-tax (7%)	Targeting >US\$150 mill
IRR pre-tax (%)	Targeting >28%
Payback period	<4 years
Capital intensity	~US\$5,750

D ZONE: EXTREMELY CONFIDENT IT WILL BE LARGER

Clear message from 2015 – orebody is getting better as we go deeper

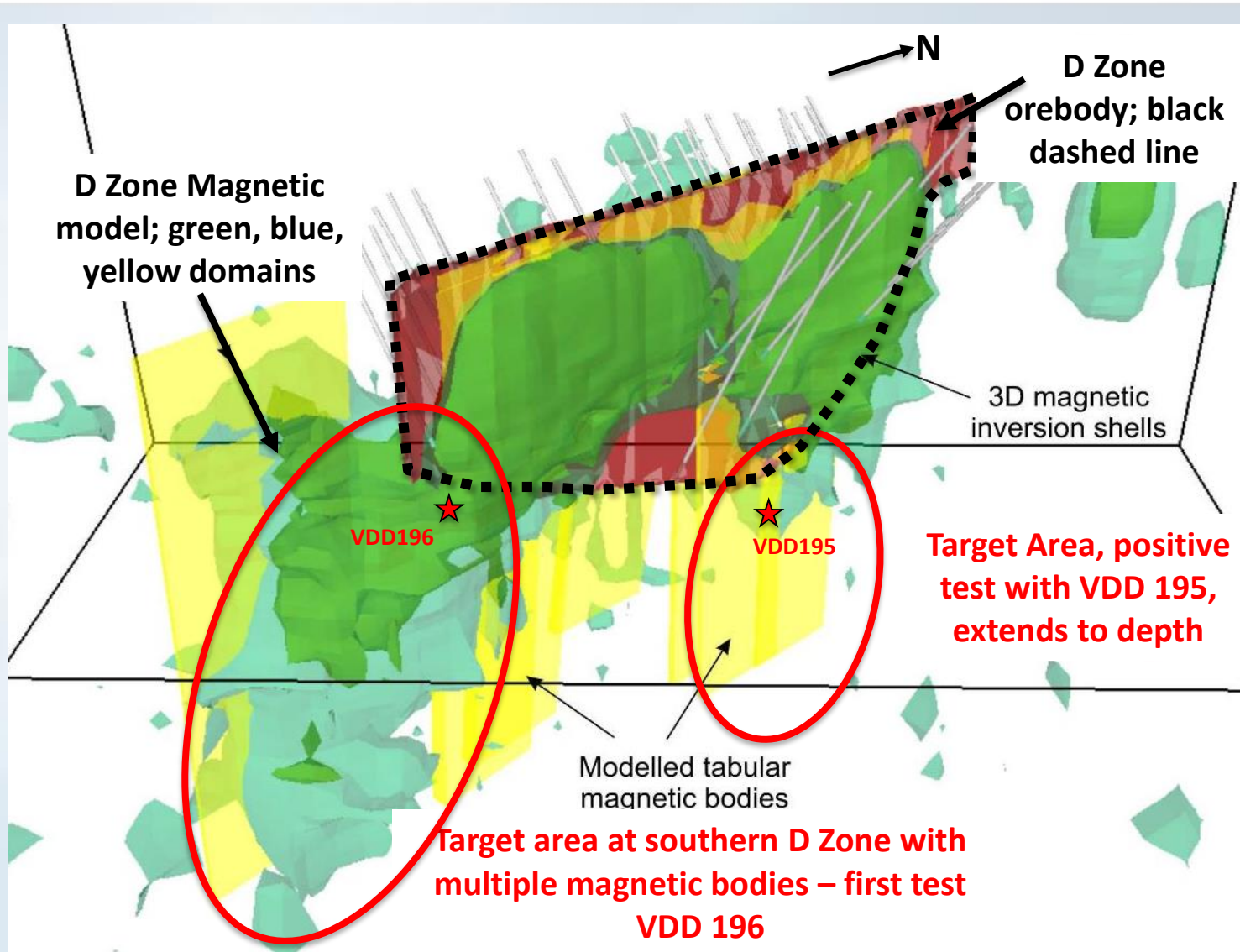


The northern target zone has the potential to deliver 3-5Mt of mineralised rock, at grades comparable to those seen in VDD 195 (21.5m @ 1.5% Cu)

Similarly the southern target zone has the potential to deliver 1-3Mt of mineralised rock, at grades comparable to VDD 196 (13.8m @ 1.4% Cu)

... and geophysical modelling of the host magnetite indicates that even more extensive target zones exist

D ZONE: EXTREMELY CONFIDENT IT WILL BE LARGER

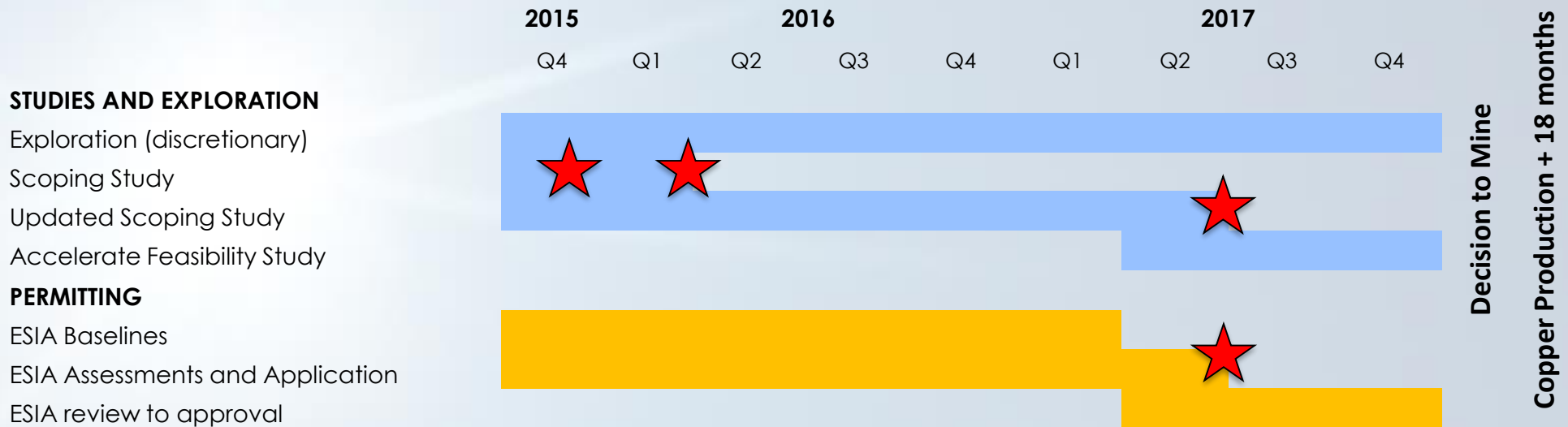


D Zone copper host is 50-70% magnetite – simple process to model host to deliver orebody geometry

3-D and plate modelling of magnetic data demonstrates very clearly that the orebody is larger than currently drilled

And we have demonstrated in our 2015 results that we know where to drill

VISCARIA - TIMETABLE



TARGET TIME FRAMES

- ✓ Scoping Study Copper Project - December 2015
- Updated Scoping Study – post next drilling phase
- Decision to Build and construction start targeted for 2018
- Copper production 2019 – correspond with forecast increase in copper price

KEY POINTS

- ❑ **Lithium, gold and copper in Scandinavia**
 - ❑ Long history of mining and outstanding infrastructure
 - ❑ No weather restrictions

- ❑ **Kietyönmäki Lithium Project**
 - Higher than average grade deposit
 - Drilling in progress

- ❑ **Viscaria Copper Project**
 - Advanced stage copper development opportunity with significant upside potential
 - Scoping Study completed

- ❑ **Satulinmäki Gold Project**
 - High grade, only drilled to 70m below surface
 - 25m at 3.17g/t including 3m at 9.3g/t and 4m at 10.3g/t

INVESTMENT PROPOSITION

- ❑ High quality team
- ❑ Advanced stage projects supported by outstanding infrastructure
- ❑ Low sovereign risk
- ❑ Geographic focus, commodity spread
- ❑ Strong shareholder base
- ❑ Low market capitalisation

COMPETENT PERSONS STATEMENT

Competent Persons Statement

The information in this report that relates to exploration targets and results is based upon information reviewed by Mr Malcolm Norris who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Norris 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the A Zone and B Zone Mineral Resources are based on the information compiled by Dr Bielin Shi who is a Member of the Institute of Mining and Metallurgy and is a full time employee of CSA Global Pty Ltd (CSA). CSA are an independent mining consultancy who have been engaged by Avalon Minerals Limited to perform geological consulting on a fee for service basis. Dr Bielin Shi has sufficient experience that is relevant to the style of mineralisation being considered and to the activity being undertaken to qualify as a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Shi consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the D Zone Mineral Resource estimate is based on the information compiled by Chris Grove who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Measured Group Pty Ltd. Measured Group is an independent mining consultancy who have been engaged by Avalon Minerals Limited to perform geological consulting on a fee for service basis. Mr Grove has sufficient experience that is relevant to the style of mineralisation being considered and to the activity being undertaken to qualify as a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Grove consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

APPENDICES

A HIGH QUALITY LEADERSHIP TEAM



Chairman
Graham Ascough

Resources executive. Broad global experience with large companies and building juniors
Current Musgrave, PNX Metals, Mithril; Previous Falconbridge-Noranda

CEO and Managing Director
Malcolm Norris

Geologist and Business Development. Track record of discovery and growth
Previously SolGold, Intrepid, WMC Resources

General Manager
Studies and Technical Services
Ray Robinson

Mining Engineer. Has delivered many feasibility studies
Previously PanAust, Intrepid

CFO & Company Secretary
Gavin Leicht

Finance professional with significant experience in copper
Previously PanAust, Rio Tinto

General Manager - Geology
Dr. Bruce Rohrlach

Geologist who has played a key role in several significant discoveries and feasibility studies
Previously SolGold, Intrepid, WMC Resources

VISCARIA COPPER: MINERAL RESOURCE ESTIMATES AND MINING INVENTORY

Mineral Resource	Tonnes (Mt)		Grade (% Cu)	
A Zone [#]	21.6		1.5	
B Zone [#]	19.7		0.8	
D Zone Open Pit [*]	3.1		0.8	
D Zone Underground [*]	8.0		1.4	
Total	52.4		1.2	
65% Measured and Indicated overall 89% M+Ind for A Zone 93% M+Ind for D Zone				
Mining Inventory	Tonnes (Mt) 2015	Tonnes (Mt) 2016	Grade (% Cu) 2015	Grade (% Cu) 2016
A Zone Open Pit [@]	2.6		1.3	
B Zone Open Pit [@]	2.0		0.7	
Combined A & B Zone Open Pit [^]		8.0		0.9
D Zone Open Pit [@]	1.6	1.6	0.9	0.9
D Zone Underground ^{@^}	3.8	5.0	1.5	1.5
Exploration target [^]		3.0-4.0		1.3-1.8
Total	10.0	18.0	1.2	1.2

* 2015 JORC Mineral Resource estimate

2014 JORC Mineral Resource estimate, based on initial work completed in Nov 2011; 0.4% COG all considered to be open-pittable

@ 2015 Scoping Study Mining Inventory

^ 2016 updated Mining Inventory (includes Exploration Target)

VISCARIA COPPER: UPDATES TO 2015 SCOPING STUDY

The 2015 Scoping Study confirmed the project description to begin ESIA process (Refer ASX Announcement 14 December 2015)

	2015 Scoping Study	Target Case A and Expanded Case	
Process plant size	1.2Mtpa scenario	2.0Mtpa scenario	3.0Mtpa scenario
Strip ratio (LOM)	5.8	6.0	8.4
Process	Crush, grind and copper flotation plant		
Recovery rates	90.2%	90.2%	90.2%
Copper Production			
LOM	107kt	200kt	260kt
Average per annum	12kt	21kt	30kt
Mine life	Minimum eight years, open	Minimum nine years, open	Minimum nine years
Development capital			
Site Infrastructure	US\$87m (A\$119m)	US\$115m	US\$145m
Underground	US\$15m (A\$20m)	US\$15m	US\$15m
Sustaining capital (LOM)			
Site Infrastructure	US\$10.6m (A\$14m)	US\$14m	US\$18m
Underground	US\$20.0m (A\$27m)	US\$35m	US\$35m
Cash operating cost		Targeting <US\$2.00/lb	
LOM C1	US\$1.86/lb (A\$2.54/lb)		
LOM AISC	US\$2.10/lb (A\$2.87/lb)		
Copper price	US\$3.25/lb (A\$4.45/lb)	US\$3.00	US\$3.00
Exchange rate			
AUD : USD	0.73	0.73	0.73
NPV pre-tax (7%)	US\$74m (A\$102m)	Targeting >US\$150 mill	
IRR pre-tax (%)	22%	Targeting >28%	
Payback period	3.7 years	<4 years	<4 years
Capital intensity	US\$7,335/t cu p.a.	~US\$5,750	~US\$5,100