14 November 2016

ASX ANNOUNCEMENT

AVALON MINERALS LTD

MULTIPLE GOLD BEARING STRUCTURES DRILLED AT SATULINMÄKI PROSPECT, FINLAND

HOLE SMDD007 DELIVERS 147m AT 0.8g/t GOLD WITH CONTAINED HIGH GRADE INTERVALS

Highlights

- **Assay results have been received and compiled from all seven diamond drill holes completed in the Satulinmäki scout drilling program**
- **Highlights include:**
  - **7.0m at 1.2g/t gold from 9m in SMDD001**
  - **10.0m at 1.1 g/t gold from 33m in SMDD001**
  - **1.0m at 15.2g/t gold from 57m in SMDD001**
  - **42.0m at 0.9 g/t gold from 112m in SMDD002**
  - **2.0m at 2.1 g/t gold from 237m in SMDD003**
  - **13.4m at 2.0 g/t gold from 15.6m in SMDD004**
  - **0.8m at 3.5 g/t from 170.5m in SMDD004**
  - **2.0m at 10.5 g/t gold from 7m in SMDD005**
  - **147.0m at 0.8 g/t gold from 73m in SMDD007,**
    - **Including 23.5m at 3.3g/t from 143m**
      - **including 9.0m at 7.3 g/t from 147m**
  - **Multiple intervals of gold mineralisation in other holes drilled by Avalon and GTK (see full tabulation of GTK and Avalon drilling at end of announcement)**
- **Results define a significant near-surface gold system.**
- **The gold system is open in all directions, and highly anomalous results have been identified in historical drilling over an area of 700m x 500m.**
- **A 3-D Induced Polarisation ("IP") program is scheduled to commence in December and follow-up drilling planned for January.**

ASX: AVI

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Avalon Minerals Ltd **(ASX: AVI) ('Avalon'**) is pleased to report compiled assays from the recently completed scout diamond drilling program at the Satulinmäki Prospect, southern Finland.

Avalon completed seven diamond drill holes for 1,401.6m. The deepest hole, SMDD003, explored to only 200m below surface and was in anomalous gold levels at that depth.

Historical diamond drilling by the Geological Survey of Finland (GTK) was undertaken from 2001 to2005 and comprised 60 holes for 4727m. The GTK drilling did not explore below 70m. Detailed review of results has highlighted multiple intervals above 1 g/t, and other highly anomalous intervals in areas of very limited drilling. Additionally, not all intervals were sampled by GTK and Avalon has commenced an assaying program to test these other structures.

Within the main system, gold mineralisation has been identified as narrow high grade zones within quartz veins and breccias, and as wide low grade intervals within veined and altered rock. Figures 1 and 2 below illustrate the currently interpreted structures and assay results at two different elevations. Figure 2 shows very clearly the sparsity of drilling below 55m depth, and hence the opportunity to expand the gold mineralised area with further drilling.

The gold system currently extends over an area of 350m x 400m and has only limited drilling below a depth of 80m. It is open in all directions. There is clear evidence of likely extensions to the northeast and southwest, and an historic working from the 1980's was found in the southeast corner which has seen only one historic drill hole as follow-up.

The area shown in figure 1 & 2 represents only a portion of the Satulinmäki Prospect, with the broader Satulinmäki Prospect and the zone between Satulinmäki and Riukka (Figures 3 & 4) requiring exploration.

Malcolm Norris, Avalon's CEO commented: "*It is early days at Satulinmäki but we are very encouraged by the multiple vein structures and the localised high grade intervals. We appear to have a combination of thin north-east trending veins, and thicker steeply plunging cigar shaped zones. The prospect is open in all directions and we will undertake a 3-D IP geophysical program to map associated sulphides and complete field mapping with a focus on structural analysis to assist in determining the extent. We have also re-processed GTK ground magnetics data to contribute to structural interpretation.*"

Intersections from Avalon diamond drill holes SMDD001 to SMDD007 include:

Drill Hole Number	From (m)	To (m)	Interval (m)	Au (g/t)
SMDD001	9.0	16.0	7.0	1.2
	33.0	43.0	10.0	1.1
	57	58	1.0	15.2
SMDD002	10.0	11.0	1.0	1.7
	71.0	72.0	1.0	1.3
	85.0	86.8	1.8	1.6
	112.2	113	0.8	1.3
	121.4	163.3	41.9	0.9
includes				
	121.4	126.0	4.6	2.5
	121.4	122.3	0.9	7.6

		129.0	130.0	1.0	1.3	
		135.0	138.5	3.5	2.4	
		154.0	156.0	2.0	1.8	
		161.0	163.3	2.3	1.3	
SMDD003		18.0	19.0	1.0	1.2	
		76.0	77.0	1.0	1.3	
		117.7	118.4	0.7	1.1	
		233.0	234.0	1.0	1.3	
		237.0	239.0	2.0	2.1	
SMDD004		15.6	29.0	13.4	2.0	
	includes					
		27.1	28.1	1.0	19.5	
		122.0	123.0	1.0	1.0	
		170.5	171.3	0.8	3.5	
		175.0	177.0	2.0	1.1	
SMDD005		7.0	9.0	2.0	10.5	
		74.0	75.0	1.0	1.7	
		80.4	81.4	1.0	1.2	
		122.2	123.2	1.0	166	
		162.4	163.1	0.7	1.0	
SMDD006		13.0	14.0	1.0	2.6	
		23.9	25.9	2.0	1.0	
		41.1	44.1	3.0	1.1	
SMDD007		73.0	220.0	147.0	0.8	
	includes					
		73.0	78.9	5.9	1.2	
		143.0	166.5	23.5	3.3	
	includes					
		147.0	156.2	9.2	7.3	
		150.0	151.0	1.0	45.6	
		176.0	177.0	1.0	3.7	
		196.9	205.9	9.0	1.6	
		209.0	214.5	5.5	0.5	
		218.5	220.0	1.5	0.6	
		275.0	277.0	2.0	1.4	
		298.7	299.4	0.7	0.4	*EOH, open anomalism*

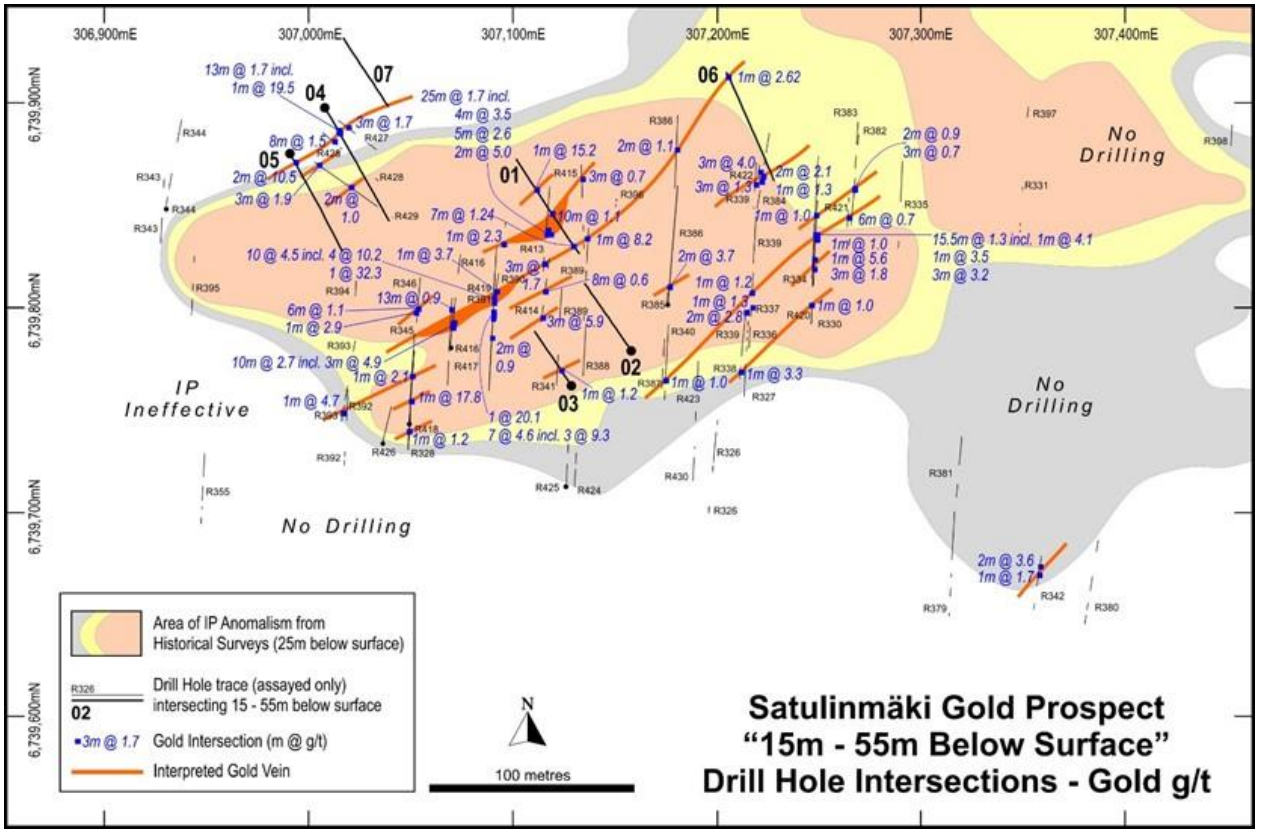

Figure 1: Plan map of assay results from Avalon and GTK drilling at 15m to 55m below surface

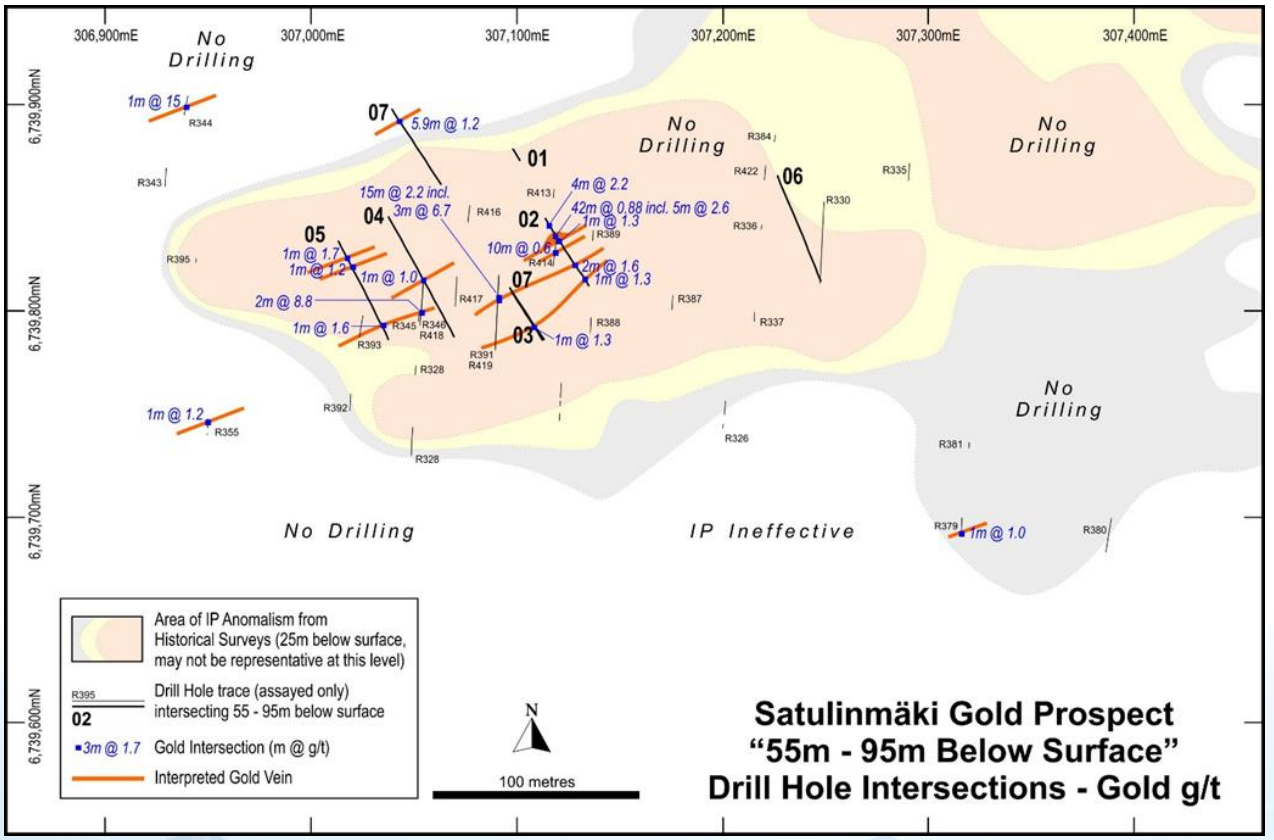

Figure 2: Plan map of assay results from Avalon and GTK drilling at 55m to 95m below surface. The area of IP anomalism is shown at 25m below surface and was ineffective below this depth.

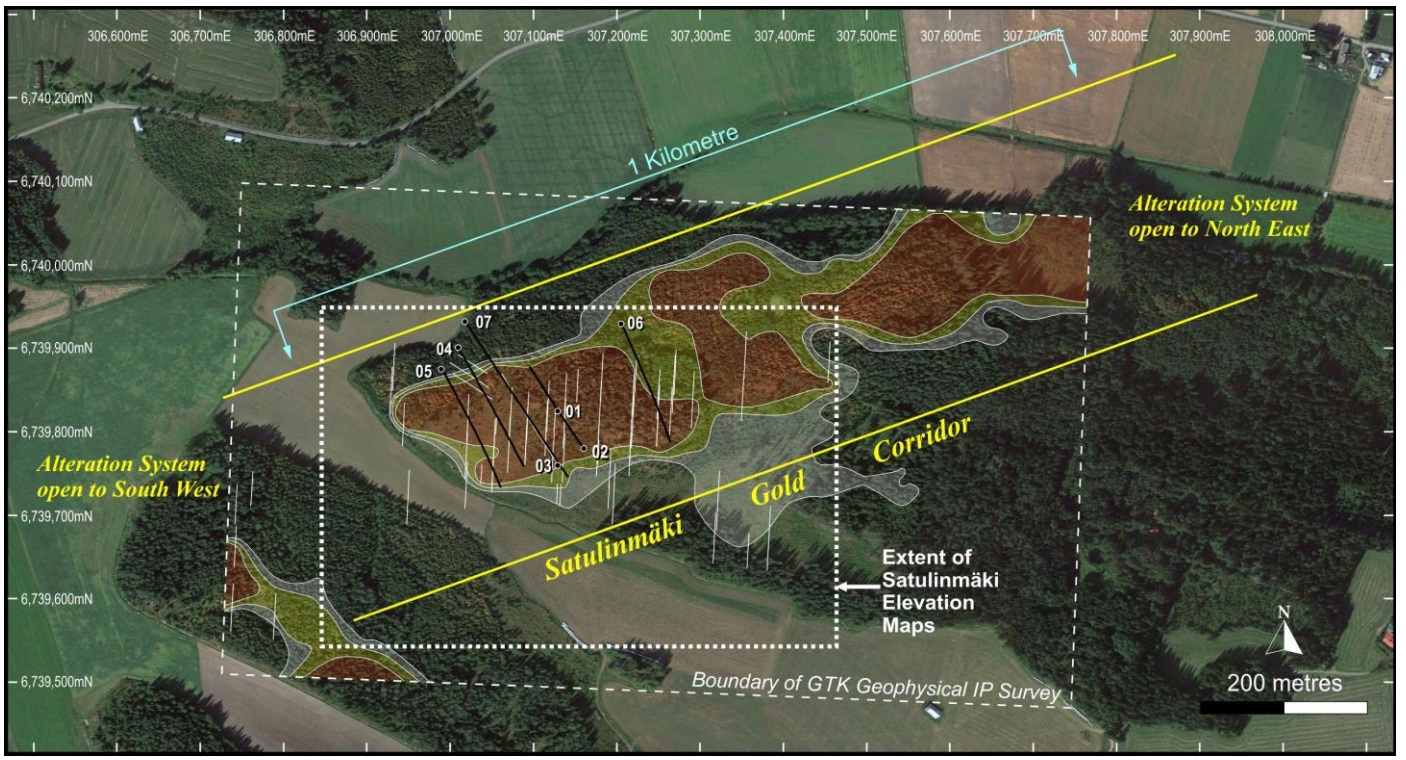

Figure 3: Plan view of Satulinmaki Prospect showing extent of drilling, existing IP survey, structural corridor and figures 1 & 2 as extent of Satulinmaki Elevation Maps.

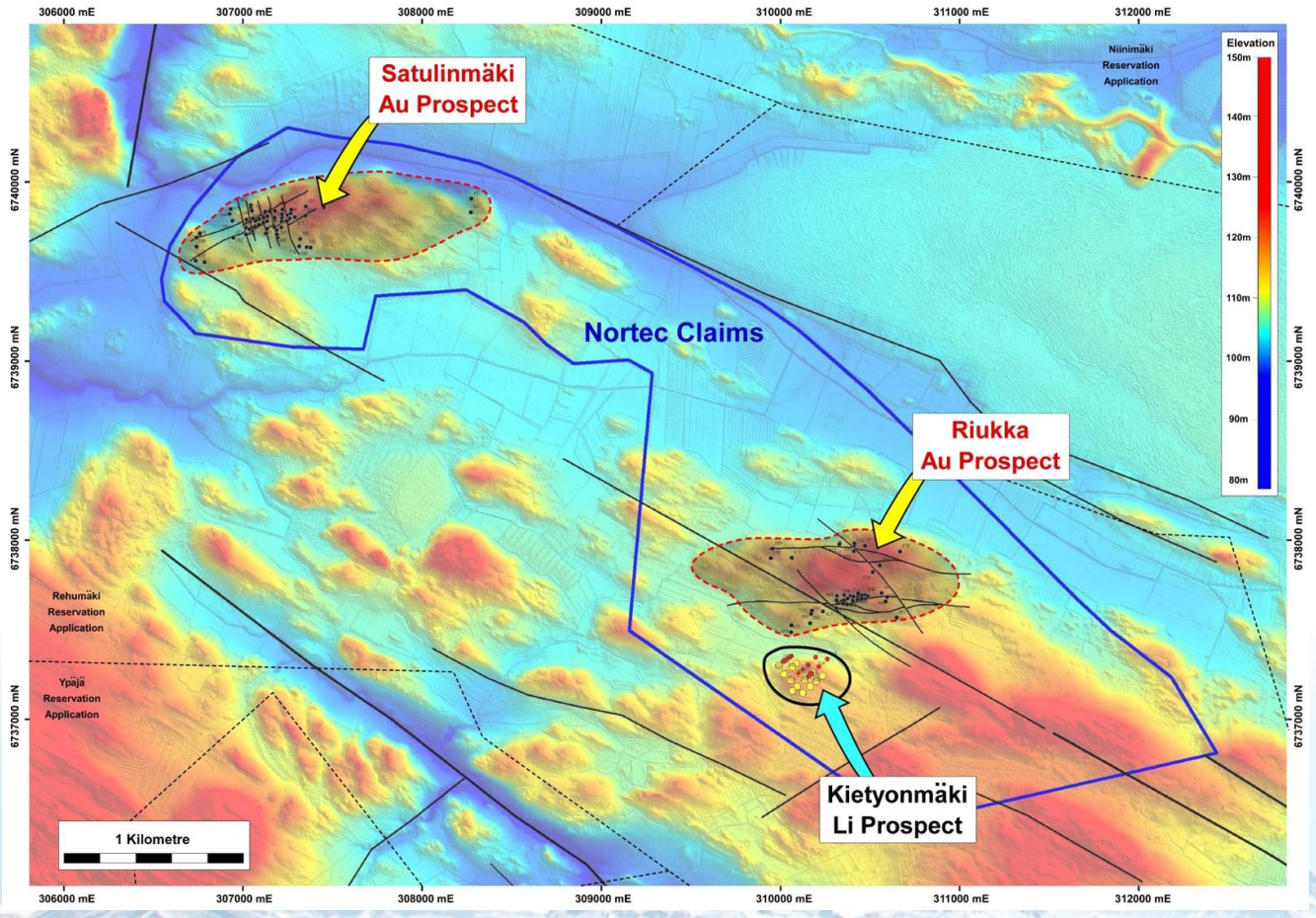

Figure 4: location of Satulinmäki and Riukka showing small areas tested by drilling to date.

Table listing current holes drilled at Satulinmäki by Avalon.

Hole ID	East (m)	North (m)	RL (m)	Magnetic Azimuth (deg.)	Dip (deg.)	Total Depth (m)
SMDD0001	307130	6739825	122	313.86	-48	92.9
SMDD0002	307160	6739780	116	313.86	-52	169.6
SMDD0003	307130	6739760	114	313.86	-60	242.7
SMDD0004	307010	6739900	113	138.86	-35	194.2
SMDD0005	306990	6739875	111	138.86	-40	206.3
SMDD0006	307205	6739930	120	143.86	-40	196.5
SMDD0007	307018	6739932	113	135.86	-46	299.4

About Avalon

Avalon has an advanced portfolio of exploration and development projects in Scandinavia. The portfolio comprises:

1. The Southern Finland Gold Project, which includes the Satulinmäki and Riukka gold prospects. These prospects have received shallow diamond drilling by the Geological Survey of Finland (GTK) and Avalon Minerals has now completed a 7-hole diamond drilling program. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391 at Satulinmäki. Intersection by Avalon include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki and Riukka gold prospects are part of an earn-in JV with Canadian company Nortec Minerals, where Avalon can earn up to an 80% interest (see ASX announcement dated 19th May 2016). Avalon has acquired a significant land position in its own right in the district.

2. The Viscaria Copper project in northern Sweden which has a completed Scoping Study and is moving towards PFS and permitting to allow for mine development. The project has a mineral resource estimate of 52.4 Mt at 1.2% Cu, and a Mining Inventory considered for the 2016 Scoping Study Update (see ASX announcement dated 5th April 2016) of 18Mt at 1.2% Cu. Considerable exploration upside exists and low technical risk extensional drill targets have been defined to increase the resource estimate.

3. The Kietyönmäki lithium pegmatite project in southern Finland where Avalon has completed a 6 hole drilling program and channel sampling over outcropping spodumene-bearing pegmatites. The project is part of the earn-in JV with Canadian company Nortec Minerals. Historical drilling by GTK in the mid 1980's identified a high grade lithium pegmatite deposit including diamond drill intersections of up to 18m at 1.8% Li_2O Drilling by Avalon has returned 24.2m at 1.44% Li2O (see ASX announcement dated 12th September 2016).

4. A portfolio of early stage lithium exploration projects in Sweden and Finland. These cover areas of documented lithium bearing pegmatite rocks and are being advanced to allow for drill testing in 2017.

Competent Persons Statement
The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach 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". Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Hole number	Intervals (m @ g/t Au)	From (down hole, m)
R328	1m @ 1.2	19
	1m @ 17.8	40.3
	1m @ 2.1	58.3
R330	1m @ 1.0	52
	1m @ 5.6	59.5
	15.5m @ 1.4	73
	incl	
	1m @ 4.1	73
	1.5m @ 3.5	80
	3m @ 3.2	85.45
R334	1m @ 1.1	2.1
	3m @ 1.8	30.2
	1m @ 1.1	43.1
R336	1m @ 1.2	38
R337	1m @ 1.3	29
R338	2m @ 2.8	43.6
	1m @ 3.3	85.5
	2m @ 2.8	11.3
	3m @ 1.3	52
R340	1m @ 1.1	57.8
R342	1m @ 1.7	41
	2m @ 3.6	46
R344	1m @ 15.0	72.5
R345	1m @ 2.9	0
	1m @ 1.7	20
R346	1m @ 1.3	1
	6m @ 1.1	5
R355	1.1m @ 1.2	81
R379	1m @ 1.0	71
R382	1m @ 1.0	31
	3m @ 0.7	49.5
R383	1m @ 1.0	4
R384	1m @ 1.3	30
	2m @ 2.1	35

Hole number	Intervals (m @ g/t Au)	From (down hole, m)
R385	2m @ 3.7	13
R386	2m @ 1.1	57
R389	8m @ 1.41	73
	incl	
	1m @ 8.2	75
R390	1m @ 3.7	24
	1m @ 2.3	57.5
R391	25m @ 3.17	50
	incl	
	7m @ 4.6	50
	incl	
	3m @ 9.3	54
	incl 1m @ 20.1	54
	10m @ 4.5	62
	incl	
	4m @ 10.3	66
	incl 1m @ 32.3	69
R393	1m @ 4.7	9.4
R396	1m @ 1.1	10
R413	3m @ 1.7	31
	25m @ 1.7	51.3
	incl	
	4m @ 3.5	51.3
	2m @ 5	62.3
	5m @ 2.6	70.3
R414	3m @ 5.9	33.9
	8m @ 0.6	52.35
	10m @ 0.6	81.75
R415	3m @ 0.7	75.45
R416	10m @ 2.7	15
	incl	
	3m @ 4.9	15
R417	13m @ 0.9	69

Hole number	Intervals (m @ g/t Au)	From (down hole, m)
R418	1m @ 1.8	8
	2m @ 8.8	78
R419	2m @ 0.9	49.3
	15m @ 2.2	90.3
	incl	
	3m @ 2.9	90.3
	3m @ 6.7	101.3
	2m @ 1.9	127.3
R420	1.2m @ 1	36
R421	6m @ 0.7	66.75
R422	3m @ 4.0	64
R424	1m @ 1.3	9
R426	1m @ 1.7	8.9
R427	3m @ 1.7	43
R428	8m @ 1.5	62
R429	2m @ 1.0	49.25
	3m @ 1.9	76.25
SMDD0001	7m @ 1.24	9
	10m @ 1.1	33
	1m @ 15.2	57
SMDD0002	1m @ 1.7	10
	1m @ 1.3	71
	2m @ 1.6	85
	1m @ 1.3	112.2
	41.9m @ 0.88	121.4
	incl	
	4.6m @ 2.5	121.4
	3.5m @ 2.4	135
	2m @ 1.8	154
	2.3m @ 1.3	161

Hole number	Intervals (m @ g/t Au)	From (down hole, m)
SMDD0003	1m @ 1.2	17.96
	1m @ 1.3	76
	0.7m @ 1.1	117.7
	1m @ 1.3	233
	2m @ 2.1	237
SMDD0004	13.4m @ 2.0	15.6
	incl	
	1m @ 19.5	27.1
	1m @ 1.0	122
	0.8m @ 3.5	170.51
	2m @ 1.1	175
SMDD0005	2m @ 10.5	6.95
	1m @ 1.7	74
	1m @ 1.2	80.41
	1m @ 1.6	122.2
	0.7m @ 1.0	162.42
SMDD006	1m @ 2.6	13
	2m @ 1.0	23.9
	3m @ 1.1	41.1
SMDD0007	147m @ 0.8	73
	incl	
	5.9m @ 1.2	73
	83m @ 1.2	137
	incl	
	23.5m @ 3.3	143
	incl 9.2m @ 7.3	147
	incl 1.0m @ 45.6	150
	1.0m @ 3.7	176
	9.0m @ 1.6	196.9
	5.5m @ 0.6	209
	1.5m @ 0.6	218.5
	2.0m @ 1.4	275
	0.7m @ 0.4	298.7 (to EOH)

Table 1: Assay results from GTK drilling – R prefix holes; and Avalon drilling SMDD prefix holes

APPENDIX 1
The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	• The results announced here are from the first phase of diamond drilling by Avalon (SMDD001-07) and historical diamond drill core samples drilled during the period 2001 to 2005 by the Geological Survey of Finland (GTK). Six of the 60 holes were subsequently selectively re-logged and re-sampled by Nortec Minerals Corp (see Nortec announcement March 1st, 2011). At Satulinmäki 60 drill holes were completed by GTK and Nortec's check sampling was from drill holes, R329, 330, 334, 340, 385 and 386.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Core recovery has been measured by Avalon and is almost 100% across all intervals. • No reports of core recovery from historical drilling have been sighted, but inspection of that drill core shows very good core recovery.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• SMDD001-007 diamond drill core samples were prepared using ALS procedure PREP-33D designed specifically for rocks containing high grade or coarse gold and/or silver. Samples were crushed to 90% less than 2mm, riffle split off 1 Kg (larger than normal), with the split pulverised to better than 95% passing 106 microns (a coarser pulverisation than normal, designed to counter the possibility of gold smearing). • Au was assayed by Fire Assay on a 50-gram aliquot. The aliquot was cupelled to yield a precious metal bead, which was then underwent acid digestion prior to analysis by atomic absorption spectroscopy against matrix-matched standards. • A total of 33 additional elements were analysed by ALS technique ME-ICP61 which involves HNO3-HClO4-HF-HCl digestion and HCl Leach (GEO-4ACID) with analysis by Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drill core.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core recovery was measured against drilled intervals and is of high quality. Data for historical drilling has not been sighted.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core recovery was measured against drilled intervals and is of high quality. Details of historical geological logs, and photographs of historical core suggest good core recovery.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No relationship between sample recovery and grade has been established.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill samples were logged for geotechnical measurements and lithology. No further studies were undertaken.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	• Drill samples were logged for lithology and hence this logging is qualitative. Geotechnical logging is quantitative. Core has been photographed.
	• *The total length and percentage of the relevant intersections logged.*	• Drill holes have been logged in full. All historical drill holes were logged in full from start to finish of the hole, based on historical reports. Nortec re-logged selected intervals. Avalon has also re-logged selected holes.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Half core was sampled and the other half retained in a secure core storage facility. • For the historical holes, half core was sampled and the remaining core is stored in GTK's core storage facility. The core was logged at GTK's Loppi core archive. After logging the core was cut in half by saw for those holes drilled between 2002 and 2005, and by hand splitter for holes drilled in 2001.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	• Core samples.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation was undertaken at the ALS Pitea laboratory and is considered appropriate for assessing a gold mineralised system. • For the historical holes, the whole half-core sample was ground by a swing mill at GTK's Kuopio or Rovaniemi laboratories. The analyses were undertaken at GTK's Espoo and Rovaniemi laboratories. Assays by Notec were submitted to ALS Chemex in Outokumpu for Ore grade Gold by fire assay with an AAS finish (FA-AAS).
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Avalon has used an industry standard QAQC programme involving Certified Reference Materials "standards" and blank samples, which were introduced in the assay batches. • Standards, blanks and duplicates were each submitted at an approximate rate

Criteria	JORC Code explanation	Commentary
		of 1 in 30 samples or one standard, blank and duplicate per hole if the hole has less than 20 samples. • The check assay results are reported along with the sample assay values in the preliminary and final analysis reports. • There is no record of specific QAQC processes during the historical drilling or on the check assays, although assays from both GTK and Nortec were consistent with one another hence providing confidence in the results.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• No record of these procedures.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Au was assayed by Fire Assay on a 50 gram aliquot. The aliquot was cupelled to yield a precious metal bead, which was then underwent acid digestion prior to analysis by atomic absorption spectroscopy against matrix-matched standards. • A total of 33 additional elements were analysed by ALS technique ME-ICP61 which involves HNO3-HClO4-HF-HCl digestion and HCl Leach (GEO-4ACID) with analysis by Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES). • The major method used by GTK was fire assay (plus ICP-AES) from a 50 gram subsample (method code 705P). Gold from the first drill cores (DH 326-DH331) was analysed by GFAAS from aqua regia leach Hg-coprecipitation and using 20g subsamples (method 522U). In addition, ICP-AES analyses by partial leaching (aqua regia digestion, method code 511P) were used for samples from holes D326-D347 and ICP-MS analyses from holes D379-D389. • Samples taken by Nortec were submitted to ALS Chemex in Outokumpu for Ore grade Gold by fire assay with an AAS finish (FA-AAS). Best intercepts were calculated using a cut-off grade of 0.4g/t Gold and a maximum internal waste of 2 metres.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• No handheld XRF measurements were taken on this hole.

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. • The check sampling results are monitored and performance issues are communicated to the laboratory if necessary. • Re-sampling by Nortec confirmed earlier assay results received by the Geological Survey of Finland (GTK).
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Verification of GTK results by subsequent sampling by Nortec.
	• *The use of twinned holes.*	• Twin holes have not been drilled in this area.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Nortec data and the Finnish Geological Survey (GTK) data have been sighted in reports.
	• *Discuss any adjustment to assay data.*	• Assay data was not adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Historical hole locations are shown on detailed maps from GTK 2006 report Kärkkäinen et. al. Hole collars have been sighted in the field and pick-ups of historical holes, and those drilled by Avalon, have been undertaken by a qualified surveyor.
	• *Specification of the grid system used.*	• The current projection used for map preparation in Finland is ETRS-TM35FIN, with Datum EUREF89
	• *Quality and adequacy of topographic control.*	• LIDAR data are available and have been used to apply topographic control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Drilling by Avalon is on 5 traverses between 30 and 100m apart. • The historical drilling was comprised of 60 drill holes on multiple traverses at approximately 10 and 40m apart.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Sufficient continuity in both geology and mineralisation has been established based on geological mapping and cross-section representation. • No JORC 2012 mineral resource has yet been estimated for the Satulinmäki Gold Project.
	• *Whether sample compositing has been applied.*	• No sample compositing was done.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Drilling orientations were considered appropriate for the interpreted structures controlling mineralisation.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The company does not believe that any sample bias had been introduced which could have a material effect.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• A secure sample management system has been established and documented and involves the drilling contractor, Avalon consultants, personnel from contracting group Palsatech, and the assay laboratories. • Nortec's sampling procedures indicate individual samples were given due attention.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits were completed.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The Satulinmäki gold occurrence is covered by approved exploration claims, under the Finnish Mining Act.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration claims are valid and are held by Nortec Minerals Corp. Avalon has a joint venture with Nortec to explore the claims.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The historic drilling at Satulinmäki was undertaken by the Finnish Geological Survey in 2001-2005, and was re-logged and re-sampled by Nortec Minerals Corp. in 2010.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Satulinmäki gold occurrence is interpreted to be an orogenic gold system hosted by a series of quartz veins.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *a. easting and northing of the drill hole collar* *b. elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *c. dip and azimuth of the hole* *d. down hole length and interception depth* *e. hole length.*	• See table in text of announcement. • Details of the historical drill holes discussed in this announcement are referenced to Nortec Minerals Corp reports at http://www.nortecminerals.com/index.php. • 60 drill holes were completed by GTK on multiple traverses. Holes were drilled at mainly -45 degree angles. The deepest hole was to 139.2m EOH at -60 degrees which tested to ~100m below surface.

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Information included above.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• The Weighted Averaging method is used to calculate drill hole intersections for the gold grade based on the assay results received, and the down hole width of the assayed interval.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Weighted averaging method used.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Metal Equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	• The orientations of the mineralised horizons are interpreted to be sub-vertical based on geological mapping and cross-sectional interpretation.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• See above – estimated true widths are approximately 60% of intersected widths based on cross section construction.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See main announcement for appropriate diagrams and tabulations.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Both recent and historical results are included in this announcement.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other significant geological data has been reviewed at this stage.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• A total of 7 diamond drill holes have been drilled at Satulinmäki for approximately 1,340m. • Follow-up drilling is expected and will be planned once all assay results are received, and interpretation of geophysics is complete. • Comprehensive data compilation is ongoing. The GTK have extensive open file data available. Field work is ongoing during 2016, with follow-up drilling expected in Q4 2016.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional exploration reservation areas have been applied for which cover the interpreted extensions of the prospective domains.