

28 AUGUST 2014

ASX ANNOUNCEMENT



VISCARIA COPPER-IRON PROJECT UPDATED SCOPING STUDY REINFORCES ROBUST PROJECT DEVELOPMENT OPTIONS

ASX: AVI

REGISTERED OFFICE

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Highlights

- Updated Scoping Study of Viscaria Project, completed by independent mining consultants HDR Salva, delivers a robust copper-iron project proposition with demonstrable upside;
- The study considers only that portion of Mineral Resources that occur within the optimised open pit shells;
- Assumes the production of both a copper concentrate and a premium quality, 69% iron magnetite concentrate;
- An estimated Net Present Value (NPV, 10% real, pre-tax discount rate) of \$248M, with pre-production Project Capital Cost estimated to be \$199M;
- An annual copper production rate range of 14,300 to 22,800 tonnes of copper in concentrate over the 10.4 years of production;
- An annual magnetite concentrate production rate range of 0.4 – 1.3 million DMT over the 8.4 years of magnetite concentrate production;
- Forecast C1 copper cash costs, net of magnetite credits, in the range of \$0.44 to \$1.36/lb Copper using \$120/t and \$80/t price for 69% iron magnetite concentrate respectively;
- Of the Mineral Resource considered in the Scoping Study, 16% is Measured, 51% is Indicated and 33% is Inferred classification, according to JORC 2012 guidelines;
- Future potential for underground development identified, demonstrated through positive cash margin at D Zone;
- Updated Scoping Study has identified several opportunities to potentially add value that will be further evaluated during further studies. These include:
 - Potential underground development of A Zone, B Zone and Discovery Zone Mineral Resources beneath the floor of the open pit shells (in addition to D Zone);
 - Consideration of by-product credits, such as gold in the Discovery Zone;
 - Consideration of the viability and value of an oxide copper circuit; and
 - Resource additions at depth and along strike for all deposits.

Cautionary Statement

The Scoping Study referred to in this announcement is based on lower-level technical and economic assessments and is insufficient to support estimation of Ore Reserves, or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The Scoping Study is preliminary in nature as its conclusions are drawn on Measured Resource (16%), Indicated Resource (51%) and Inferred Resource (33%) classification, according to JORC 2012 guidelines.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Further, the Company cautions that there is no certainty that the forecast financial information derived from production targets will be realised. All material assumptions underpinning the production targets and forecast financial information derived from the production targets are set out in this announcement.

The estimated mineral resources underpinning the Scoping Study production targets have been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules.

Avalon Minerals Ltd (**'Avalon' or 'Company'**) (**ASX: AVI**) is pleased to announce the results of an update to the Viscaria Copper-Iron Project Scoping Study previously announced on 9 July 2013 (Figure 1 and 2). Avalon commissioned HDR Salva Pty Ltd ('HDR Salva'), recognised internationally as specialists in mining project evaluations and independent to Avalon, to conduct the update. The update incorporates the recently announced significant upgrade to the Discovery Zone Mineral Resource and JORC 2012 revisions for the A Zone, B Zone and D Zone Mineral Resources, as well as revisions to assumed capital costs and commodity prices.

The Company's Managing Director, Mr Malcolm Norris, said "the results of this updated Scoping Study are very pleasing and continue to reinforce the quality of the Viscaria Copper-Iron Project. These results, together with recently announced positive metallurgical results which demonstrate the likelihood of producing premium products, continue to strengthen and de-risk the project. The Viscaria Project is one of a select few moderate sized copper projects which demonstrate robust results across the commodity price cycle, but which only require moderate amounts of capital expenditure to put into production.

Avalon Minerals is advancing technical components of the Pre-Feasibility Study and is focussed on engaging with all stakeholders to develop an appropriate project plan and permitting path.

Avalon Minerals is also developing a disciplined exploration program to assess several high quality exploration targets within the belt that hosts the Viscaria Project mineralisation. These targets will be advanced and drill targets defined during 2014."

Mineral Resources and Open Pit Optimisations

The Updated Scoping Study reassessed the viability and potential value of an Open Pit Mining Scenario exploiting a portion of the currently defined Mineral Resources on the Viscaria Project. The Viscaria Project is based upon updated JORC 2012 Mineral Resources previously announced to the ASX (see Table 1 and 2). As the Discovery Zone Mineral Resource has materially changed since the July 2013 Scoping Study, HDR Salva completed a re-optimisation of the Discovery Zone open pit mining potential using an updated resource model (as announced on the 09/04/2014) and the revised pit optimisation parameters and revenue assumptions as outlined in Table 3. However, as the A Zone, B Zone and D Zone Mineral Resources have not materially changed since the July 2013 Scoping Study, HDR Salva did not update these pit shell optimisations but instead reassessed the pit shell and cut-off selection, resulting in some minor adjustments to the optimal pit shells selected. The tonnage and grade of the Mineral Resources captured with each of the optimised open pit shells is shown in Table 4. 3D representations of the optimised open pit shells generated along the near-surface trends of the A Zone, B Zone and D Zone Mineral Resources are shown in Figure 3 and the Discovery Zone Mineral Resource in Figure 4.

Table 1: Currently Defined Mineral Resource for Copper reported on the Viscaria Project above a 0.4% Cu cut-off.

Resource Name	Classification	Tonnes (t)	Cu Grade (%)	Cu Metal (t)
A Zone	Measured	14,439,000	1.7	240,000
	Indicated	4,690,000	1.2	57,200
	Inferred	2,480,000	1.0	25,500
	Subtotal	21,609,000	1.5	322,700
B Zone	Measured	123,000	1.3	1,600
	Indicated	4,118,000	0.7	29,700
	Inferred	15,410,000	0.8	118,700
	Subtotal	19,651,000	0.8	149,000
D Zone Cu Resource	Measured	1,000,000	1.25	12,000
	Indicated	4,200,000	1.02	43,000
	Inferred	8,500,000	0.96	81,000
	Subtotal	13,600,000	1.00	136,000
Discovery Zone Cu Resource	Indicated	2,800,000	0.89	25,000
	Inferred	6,100,000	0.75	46,000
	Subtotal	9,000,000	0.80	71,000
Overall Cu	Total	63,860,000	1.05	680,000

Table 2: Currently Defined Mineral Resource for Iron reported on the Viscaria Project above a 15% Mass Recovery cut-off.

Resource Name	Classification	Tonnes (Million Tonnes)	Fe Grade (%)	Mass Recovery (%)	Estimated recoverable iron (Million Tonnes)
D Zone Fe Resource	Measured	2.0	28.7	35.1	0.5
	Indicated	9.7	27.2	33.1	2.2
	Inferred	13.9	25.7	31.0	3.0
	Subtotal	25.6	26.5	32.1	5.7
Discovery Zone Fe Resource	Indicated	3.0	40.6	53.2	1.1
	Inferred	6.7	37.7	49.0	2.3
	Subtotal	9.7	38.5	50.3	3.4
Overall Fe	Total	35.3	29.8	37.1	9.1

Note:

- The A Zone and B Zone JORC 2012 Mineral Resources were announced to the ASX on 1 July 2014.
- The D Zone JORC 2012 Mineral Resource was announced to the ASX on 22 May 2014.
- The Discovery Zone JORC 2012 Mineral Resource was announced to the ASX on 9 April 2014.
- All Copper Mineral Resource estimates are reported above a block cut-off Grade of 0.4% Cu.
- All Iron Mineral Resource estimates are reported above a block cut-off of 15% Mass Recovery.
- Estimated recoverable iron is based on Davis Tube Recovery test work at a 75 micron grind size. Estimated recoverable iron is: tonnes x mass recovery % x Fe % in concentrate (69% Fe).
- Total D Zone Measured, Indicated and Inferred Mineral Resource reported for the Copper above a cut-off grade of 0.4% Cu and Iron above 15% Mass Recovery are broadly spatially coincident. However, they are modelled and reported separately to avoid mixing geological domains.
- Total Discovery Zone Indicated and Inferred Mineral Resource reported for Copper-Gold above 0.4% Cu cut-off and for Iron above 15% Mass Recovery are broadly spatially coincident. However, they are modelled and reported separately to avoid mixing geological domains.
- Any discrepancies in the sums and weighted averages are introduced by rounding.

Table 3: Pit Optimisation Parameters and Revenue Assumptions

Parameter	Unit	Value	Comments
Overall pit slope angle	Degrees	60	
Copper Price	US\$/t	US\$6,614	US\$3.00/lb Cu
Fe Concentrate Price	US\$/t	US\$100	69% Fe Iron Ore Concentrate
Mining Cost (ore)	US\$/t	US\$4.00	
Mining Cost (waste)	US\$/t	US\$3.00	
Mining Recovery	%	95%	
Mining Dilution	%	5%	
Metallurgical Recovery	% Cu	85%	
	% Fe	variable	Mass recovery = %Fe x 1.4 - 5
Concentrate Grade	% Cu	25%	
	% Fe	69%	
Processing Costs	US\$/t ore	US\$9.39	
Admin Costs	US\$/t ore	US\$3.08	
Payable Copper	% Cu contained	96.5%	
Copper Concentrate Treatment Charge (TC)	cents/lb Cu	90	
Copper Concentrate Refining Charge (RC)	cents/lb Cu	9	
Royalties	%	1.0/1.5	Viscaria/ Discovery



Figure 3: 3D representation of the pit optimisation shells for A Zone, B Zone and D Zone.

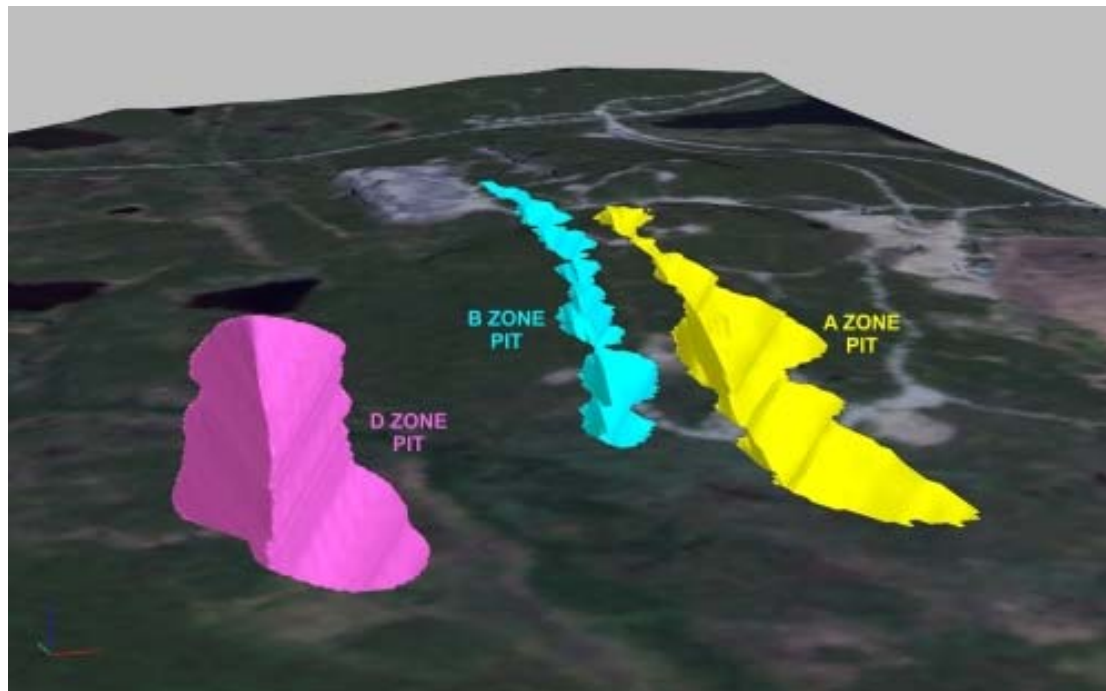


Figure 4: 3D representation of the pit optimisation shell for Discovery Zone.

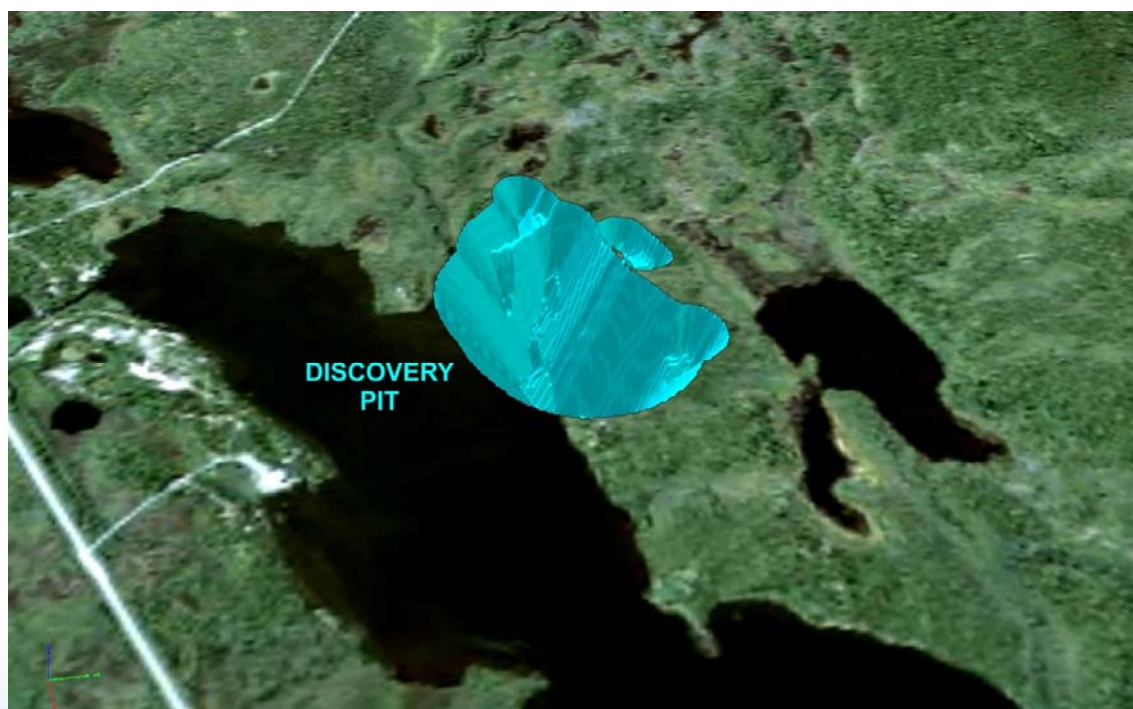


Table 4: Breakdown of Mineral Resources and Waste Rock within each Optimised Open Pit Shell.

Source	Tonnes (Mt)	Grade		Waste Tonnes (Mt)	Strip Ratio	Measured Resource Included	Indicated Resource Included	Inferred Resource Included
		%Cu	%Fe					
A Zone	4.0	1.25	-	37	9.3	72%	24%	4%
B Zone	3.2	0.67	-	8	2.5	2%	78%	20%
D Zone	15.3	0.52	25	64	4.2	14%	61%	25%
Discovery Zone	9.4	0.66	39	43	4.6	0%	38%	62%
Total Project	31.9	0.67	23	152	4.8	16%	51%	33%

Production Target

A number of mining scenarios have been evaluated using the Mineral Resources within the open pit shells (Table 4) with the Production Target Profile shown in Figure 5 and Table 5 selected as the most optimal. This Production Target has only been estimated at a high-level, with all sources scheduled at their average grade and waste mining at average stripping ratios. Maximum pit production rates have been limited to an average of three benches per year. Waste has been scheduled on a pro-rata basis and with a lead-time of six months until any ore is mined. It must also be noted that this Production Target contains some Inferred Mineral Resources. There is a low level of confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

No stockpiling or selective treatment of ore has been assumed with all ore treated in the same period it is mined. No magnetite production is envisaged from the A Zone and B Zone pits, with a copper concentrate only produced in the final two years of operation.

Project start-up has been assumed to commence late in Year 2, with pre-stripping of waste for the D Zone pit commencing 6 months earlier. No ramp-up to full production has been allowed for as this is not considered material at this level of study. In practice, it would be expected that some ore would be mined and stockpiled during the pre-strip operation, with commissioning and ramp-up over a period of 3 months.

Figure 5: Scoping Study Mine Production Target Profile by Open Pit

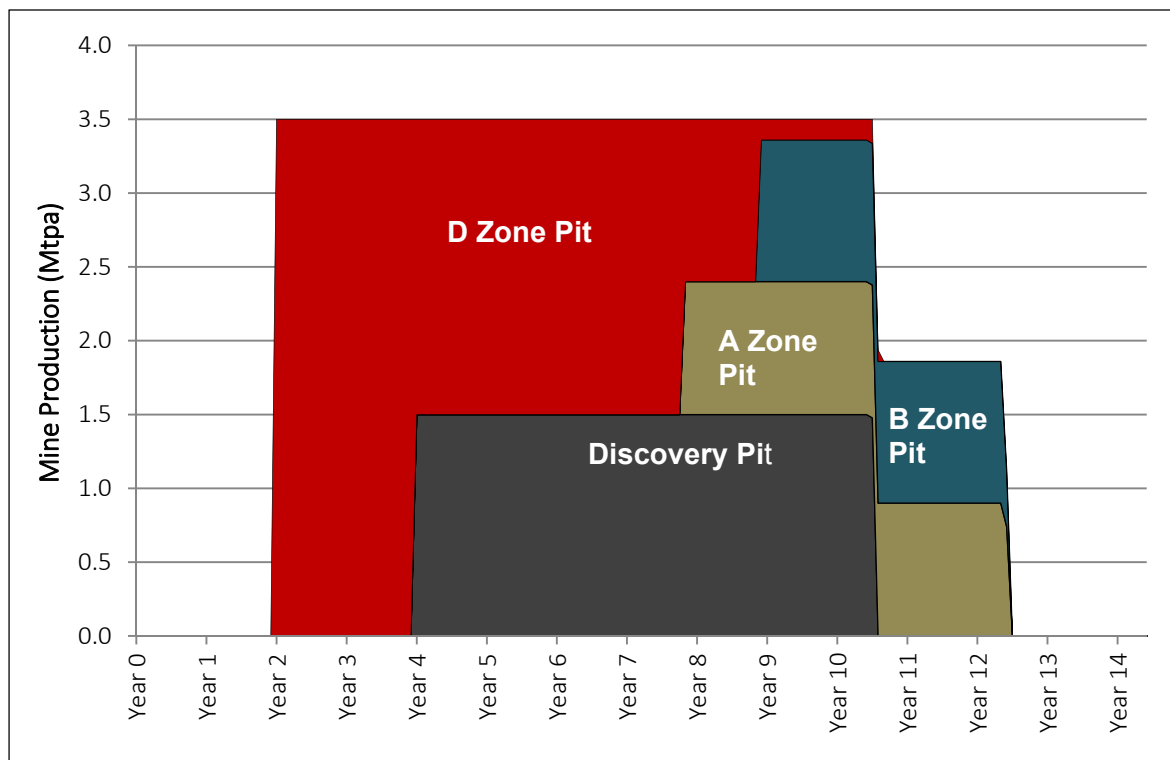


Table 5: Production Target Summary

Year	Tonnes Mined (Mt)	Cu %	Fe %	Copper Conc. (kDMT)	Contained Copper (kt)	Magnetite Conc. (kDMT)	Contained Iron (kt)
Year 0							
Year 1							
Year 2	3.5	0.50	23.5	59.0	14.7	976	673
Year 3	3.5	0.50	23.5	59.0	14.7	976	673
Year 4	3.5	0.55	29.4	65.6	16.4	1266	874
Year 5	3.5	0.55	29.4	65.6	16.4	1266	874
Year 6	3.5	0.55	29.4	65.6	16.4	1266	874
Year 7	3.5	0.58	28.4	69.1	17.3	1217	840
Year 8	3.5	0.73	22.8	87.1	21.8	944	651
Year 9	3.5	0.77	16.9	91.3	22.8	655	452
Year 10	2.8	0.80	12.3	77.1	19.3	381	263
Year 11	1.9	0.90		57.0	14.3		
Year 12	0.9	0.91		26.9	6.7		
Total	33.6	0.63	22	723	181	8,933	6,173

Capital & Operating Cost Estimates

Project Development Assumptions

HDR Salva has used the following project development assumptions:

- Contract mining operation with all mining equipment supplied by the contractor;
- New process plant constructed at Viscaria with a capacity to treat 3.5mtpa;
- Trucking of ore from Discovery to Viscaria for processing;
- Copper concentrates railed/trucked to a local smelter; and
- Magnetite concentrate to be purchased by the customer at the mine gate.

Capital Cost

The total capital cost estimate for the initial development and ramp-up of the facilities at the Viscaria Project including mining, logistics and associated infrastructure is estimated to be under US\$200M, with a total Life-of-Mine expenditure in the order of US \$270M (Table 6). These estimates are to a concept study level of accuracy only (nominally $\pm 35\%$). While preparing these estimates, HDR Salva has relied on industry benchmarks, its internal database and expertise, as well as internal studies on the Viscaria Project and the previous estimates from earlier studies. Estimates of major capital cost elements are based on escalated historical Pre-Feasibility Study results and can be considered preliminary estimates.

Table 6: Capital Cost Estimates

Item	Cost including contingency of 10% (US\$M)	Comments
Processing Plant	170	Cross referenced against similar projects in region
Pit D site establishment	3	Includes provision of site services and access roads
Pre-Strip	21	Based on a mining cost of \$3/t waste
Tailings Storage Facility	5	Provisional allowance only
Pre-Production Total	199	
Pit A site establishment	2	Includes provision for site services and access roads
Pit B site establishment	2	Includes provision for site services and access roads
Discovery Zone Site establishment	15	Includes provision for site services, access roads, surface water berm, etc.
Replacement Capital	33	A provision of \$1/t has been made to cover replacement capital (excludes mining activities— included in mining contractor operating cost).
Closure Costs	20	
Life of Mine Total	271	

Operating Cost

The operating cost estimates for the Viscaria Project have been developed on the basis of industry benchmark costs for open pit hard rock mining operations adjusted for the local conditions and actual operating costs for similar sized mines located in similar geographic areas. Table 7 below shows the estimated operating costs for the Viscaria Project

Table 7: Operating Cost Estimates

Parameter	Unit	Value (US\$)	Comment
Mining Cost(ore)	US \$/t	4.0	
Mining Cost(waste)	US \$/t	3.0	
Processing Costs	US \$/tore	9.46	
Admin Costs	US \$/tore	3.08	
Copper Concentrate Freight	US \$/DMT conc	15.75	Assumes local smelter
Magnetite Concentrate handling	US \$/DMT conc	1.50	To mine gate

Project Economic Assessment Results

Table 8 below summarises the key project economic assessment results of this Updated Scoping Study using the revenue assumptions outlined in Table 3, the capital costs outlined in Table 6 and the operating costs estimates outlined in Table 7.

Table 8: Summary of Economic Assessment

D Zone, A Zone, B Zone and Discovery Zone Open Pit Mining Scenario		
Production Rate	3.5 Mtpa	
Mine Life	10.4 years	
Pre-Production CAPEX	US \$199M	Includes 10% contingency and US \$ 21M pre-strip
Life-of-Mine CAPEX	US \$271M	Includes US\$20 M closure costs
C1 Copper Cash operating costs net of iron credits	\$0.90/lb of Cu produced	Range of \$0.44/lb to \$1.36/lb of Cu produced if \$120/t and \$80/t for 69% Fe magnetite concentrate used respectively.
NPV _{10%REAL} Pre-Tax	US \$248M	US \$3.00/lb Cu and US\$100/t for 69% Fe magnetite concentrate
IRR	40%	US \$3.00/lb Cu and US\$100/t for 69% Fe magnetite concentrate

Sensitivity of Project Economic Assessment Results

In order to understand the sensitivity of the Viscaria Project NPV to changes in the revenue assumptions, several other economic assessments were completed. Outlined in Table 9 is the economic assessment results at differing prices of copper and iron. In addition, Figure 6 displays the economic assessment results if any of the key revenue assumptions were either 10% higher or lower than estimated. Also, the breakdown of the project value minus the various capital and operating cost assumptions is shown in Figure 7.

Table 9: NPV Sensitivity – Commodity Price Assumptions (NPV_{10% REAL, Pre Tax})

Cu Price (US \$/lb)	Magnetite Price (US \$/t concentrate)		
	80	100	120
2.75	\$98	\$200	\$301
3	\$147	\$248	\$349
3.25	\$195	\$297	\$398
3.5	\$244	\$345	\$447

Figure 6: NPV sensitivity with respect to a 10% change in key revenue assumptions.

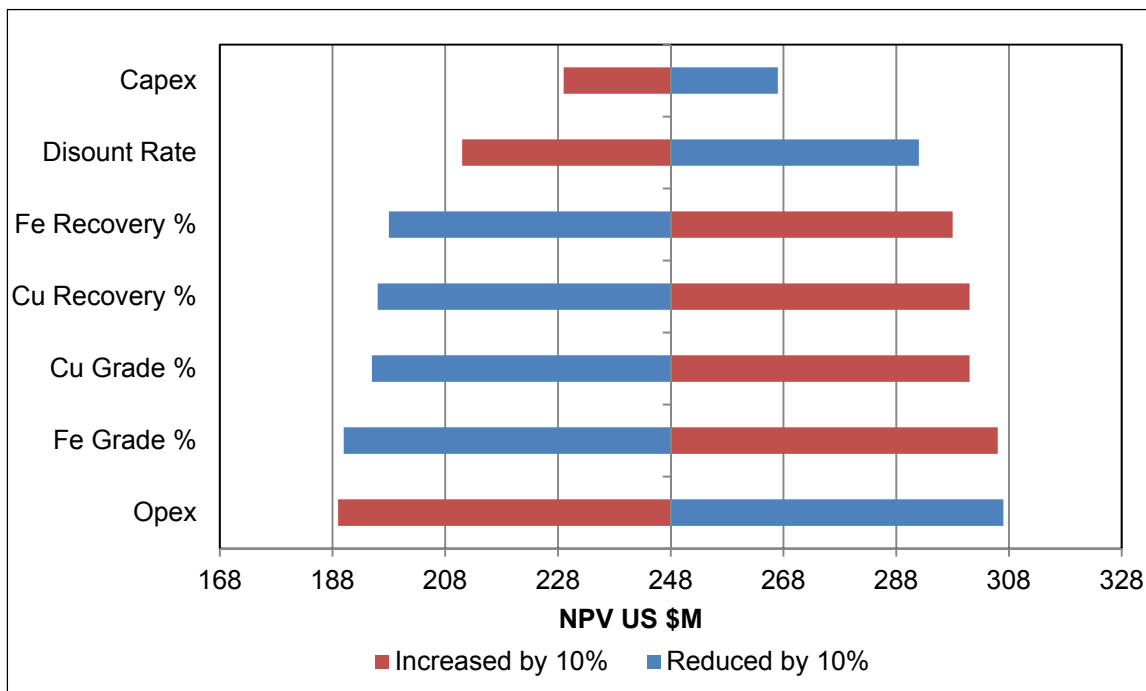
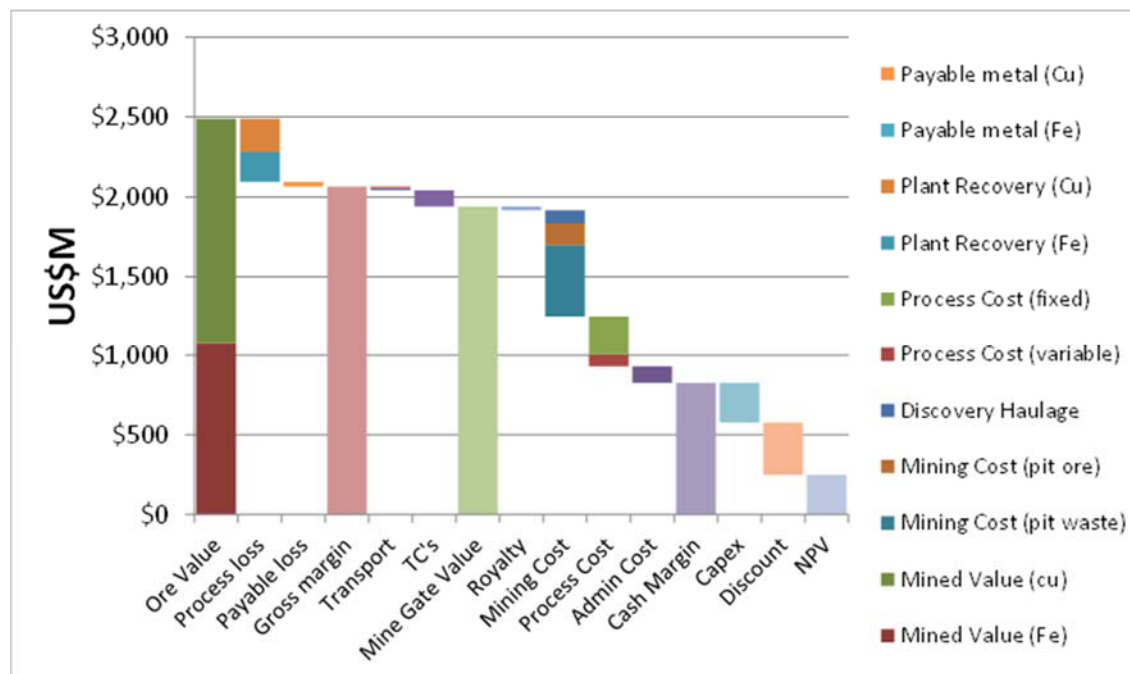


Figure 7: Project Value Breakdown



Comparison with Previous Scoping Study

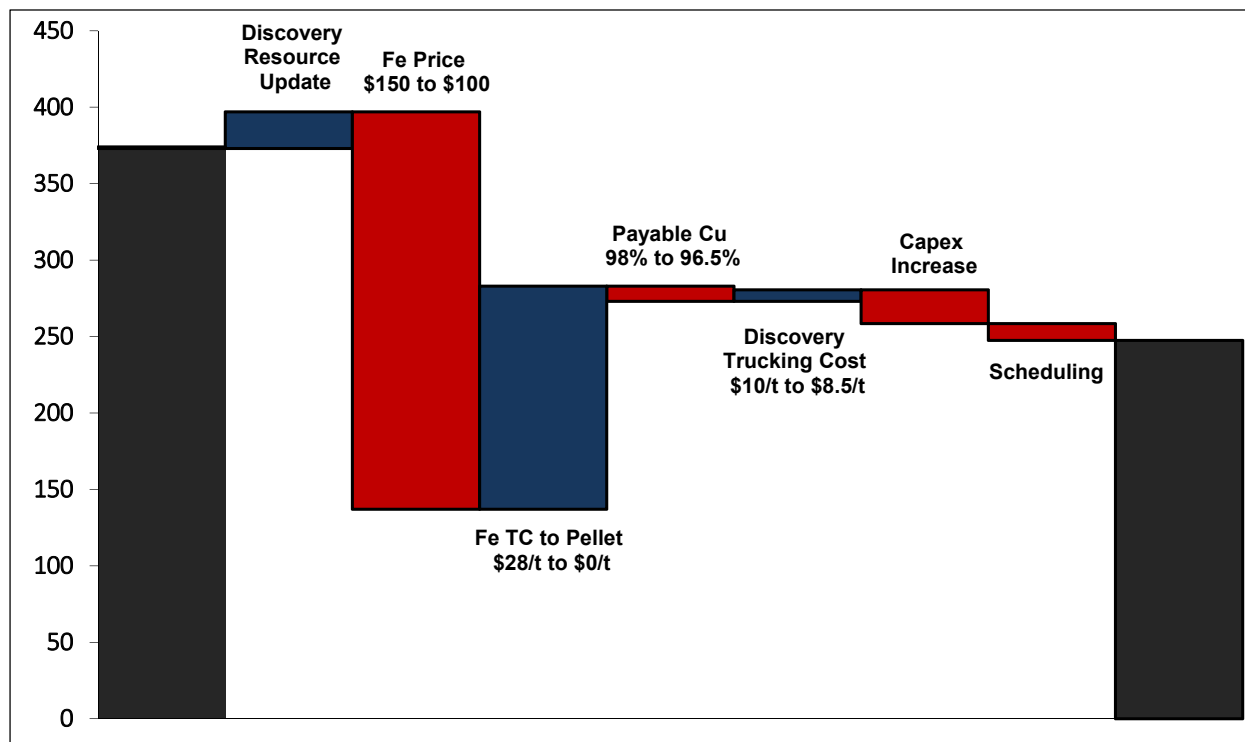
The main differences between this Updated Scoping Study and the previous Scoping Study as announced in July 2013 are:

- A significant upgrade to the Discovery Zone Mineral Resource;
- The A Zone, B Zone, D Zone and Discovery Zone Mineral Resources are now JORC 2012 compliant;
- The capital costs have been increased to include 10% contingency;
- The capital costs have been increased to include US\$20M closure costs;
- Payable copper contained in the concentrate was decreased to 96.5% from 98%;
- Trucking costs for ore from the Discovery Zone Open Pit to the process plant were decreased to \$8.5/tonne of ore from \$10/tonne based on industry comparables;
- Magnetite pricing methodology was changed to a direct price for the magnetite concentrate product assumed to be produced at Viscaria, rather than incorporating the iron ore pellet price and then assuming a treatment charge for pelletising.

The individual and accumulative effects of each of these assumption differences to the value of the project is displayed in Figure 8.



Figure 8: Project Value comparison with July 2013 Scoping Study Result (US \$M)



Potential Value Opportunities and Risks

Mine design

All of the scenarios have included some Inferred Mineral Resource estimates. Ongoing exploration drilling and subsequent re-estimation may result in changes to the economically minable portions of the resource. This may result in an increase or decrease in the tonnage and/or grade estimates.

When undertaking final designs from an optimised pit shell, practical mining considerations may require additional waste to be mined and/or ore to be left behind. In the absence of geotechnical studies into pit wall stability, pit angles have been assumed (60 degrees). Any change in pit wall angles is likely to materially impact on the strip ratio and pit economics.

The D-Zone pit has been optimised as a standalone pit on the assumption that there will be no underground mining. A preliminary assessment has shown that part of the remaining resource below the pit may be economic to mine by underground methods. If ongoing work substantiates this, then a combined open pit and underground optimisation is recommended. This is likely to result in a smaller pit with additional material mined from underground.

D Zone Underground Mining Potential

A preliminary assessment was completed on the portion of the D Zone Mineral Resource under the open pit shell that could be extracted by underground mining methods. Wireframes were constructed around high grade areas based on a cut-off value of US\$70 Net Smelter Return (NSR) to simulate underground stopes with a minimum mining width of 4.0m. These stopes contained a total of 4.7 million tonnes @ 0.92% Cu and 25% Fe, which was composed of 15% Indicated Mineral Resources and 85% Inferred Mineral

Resources. It must be noted that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's expectation of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this Production Target will be met.

Additional CAPEX for the underground development has been estimated at US\$30M and includes the ramp development (two declines 560m in length), access cross cuts, mine establishment, pumping, ventilation and egress. The average NSR is US\$82/ tonne of ore at a copper recovery of 90%, a copper price of US\$3.25/lb and a magnetite concentrate price of US\$120/tonne. The operating costs have been estimated using US\$65/tonne of mined material and \$4500/m for underground development for a total OPEX of US\$64M. Accounting for both the CAPEX and OPEX, this gives a net cash margin of US\$35M.

The value of the underground mining potential at D Zone has not been included in the NPV calculation as it does not materially impact the NPV calculation. This is due to the fact that underground mining cannot begin until the D Zone open pit has finished and will require some higher value ore (from lower cost open pits) to be displaced in order to maintain mill throughput. However, it is very likely that the D Zone underground would be mined near the end of the open pit mine life and therefore remains an upside of US\$35M net cash margin to the project.

Scheduling and stockpiling

At this level of mining study, the production scheduling undertaken has been set at a fixed rate and average grades with no allowance for production ramp-up or build-up of stockpiles ahead of the process plant. Open pit waste material is scheduled at a constant rate six months in advance of ore production. In reality, there would be a ramp-up period as the process plant is commissioned, operators trained and recoveries and throughput optimised. A three-month ramp-up period would be typical for an operation of this scale.

An operating mine would normally optimise the mining schedule by targeting higher grade ore early in the mine life in order to increase revenue in the early years, with the stockpiling of lower grade ore as required. Optimising the ore mining sequence would be expected to add further value.

Processing

In this Scoping Study it has been assumed that all ore types will be treated through the same process plant configuration with an average ore blend. All material has been assumed to pass through the comminution and copper flotation stages of the plant but only the D Zone and Discovery Zone mineralisation would then pass through the magnetic separation section to recover the magnetite. There may be opportunity to add further value by optimising the plant by batch processing different ore types, with the plant configured specifically for each ore type rather than a blend. In addition to maximising payable metal recovery, there may be savings in plant operating and capital costs.

In this economic evaluation a fixed recovery for copper has been applied. In practice, the recovery will improve with head grade and applying a fixed recovery will tend to overstate recovery for low-grade ore and understate recovery for high-grade ore.

Satellite deposits

There may be opportunity to process ore from other deposits within trucking distance of the proposed plant. This may result from Avalon's ongoing exploration efforts in the area and/or negotiation with third parties to toll treat ore, or purchase/joint venture, separately owned resource assets. Value adding options would be to extend the operating life of the project and/or increase the processing capacity to achieve cost savings due to economies of scale.

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

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Competent Persons Statement

The information in this report that relates to mining project evaluations is based upon information compiled by, or under the supervision of Manish Garg B.Eng. (Hons.), Master of Applied Finance, MAusIMM, MAICD; Tim Horsley B.Sc. (Hons) (Mining Engineering), MAusIMM; and Trevor Ellice B.Sc. (Hons), M.Sc. (Geology), MAusIMM. Mr. Garg, Mr. Horsley, and Mr. Ellice have sufficient technical and techno-economic assessment experience, which is relevant to the activity that they are undertaking, to qualify as an Experts as defined in the 2005 Edition of the "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports" (VALMIN Code).

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 and Discovery Zone Mineral Resources are based on the information compiled by Trevor Ellice who is a Member of the Institute of Mining and Metallurgy and is a full time employee of Salva Resources Pty Ltd ("HDR | Salva"). HDR | Salva is an independent mining consultancy engaged by Avalon Minerals Limited to perform geological consulting on a fee for service basis. Mr Ellice 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 Ellice 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 exploration results is based upon information reviewed by Dr Quinton Hills who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Hills 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 Hills consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

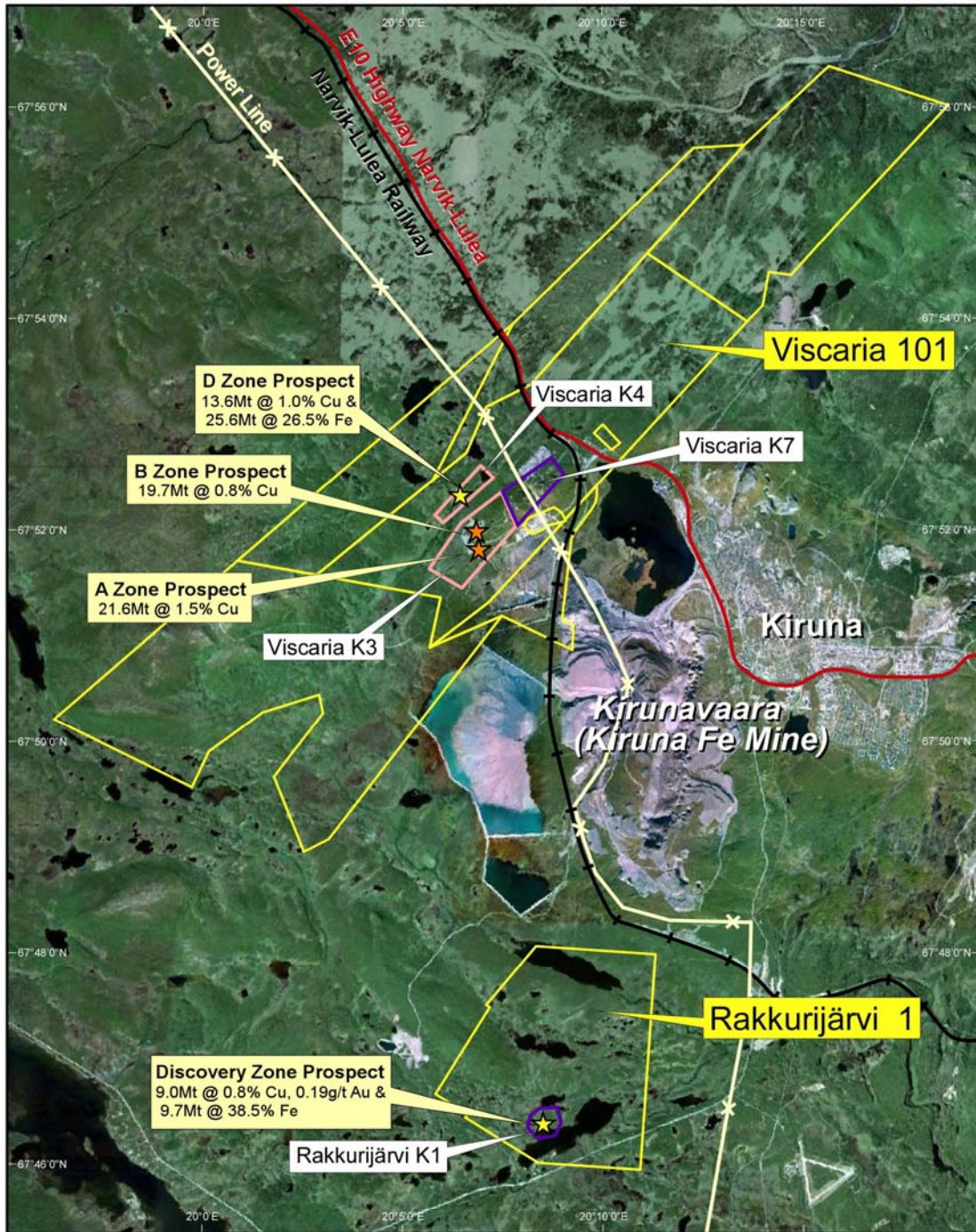


Figure 1 – Project Location





Figure 2 – Location of Mineral Resources on the Viscaria Copper-Iron Project



★ Copper-Magnetite resource

★ Copper resource

0 1 2 3 km

Transverse Mercator Projection

Viscaria Project

□ Exploration Permit

□ Exploitation Concession

□ Exploitation Concession Application



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**VISCARIA PROJECT, SWEDEN
LOCATION OF VISCARIA PROJECT**

Prepared: QH	Date: 11.10.2012
Revised: 20.08.2014	Drwg: AV-001