

19 MARCH 2013

ASX ANNOUNCEMENT



AVALON RESUMES DRILLING AT A ZONE PROSPECT

Highlights

- Drilling has resumed at the A Zone Prospect on the Viscaria Copper Project in Sweden;
- Drilling was temporarily paused to complete a Down Hole EM survey;
- Currently drill testing two high-priority conductive anomalies;
- The most conductive of the two targets is situated down plunge of the excellent mineralised intersections previously announced in VDD0135B and VDD0131:
 - VDD0135B: high grade copper zone of 8.3m at 2.0% Cu & 0.5g/t Au and a second mineralised zone of 6m at 1.4% Cu & 0.1g/t Au;
 - VDD0131: high grade copper zone of 3.55m at 1.6% Cu, within a larger mineralisation zone of 5.5m at 1.2% Cu.
- Historic drill holes which are interpreted to have also intersected this plunging mineralisation related to the EM conductor include:
 - D-3437: high grade copper zone of 8m at 2.3% Cu, within 19m at 1.7% Cu from 326m;
 - D-6535: high grade copper zone of 3.8m at 2.1% Cu.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that drilling has resumed at the A Zone Prospect on the Viscaria Copper Project ('Viscaria'), in northern Sweden (Figure 1).

Drilling at the A Zone Prospect was temporarily paused in order for a Down Hole Electromagnetic (DHEM) Survey to be completed to help target where the mineralisation, encountered in VDD0131 and VDD0135B, extends down plunge. The DHEM Survey results have now been interpreted and a significant EM conductor, down plunge of VDD0131 and VDD0135B, has been identified.

The results of the DHEM survey were also constrained by the results of some strongly mineralised historic drill holes in this area: D-3437 intersected a high grade copper zone of 8m at 2.3% Cu, within 19m at 1.7% Cu from 326m; and D-6535 intersected a high grade copper zone of 3.8m at 2.1% Cu. This conductive EM anomaly is currently being drilled.

ASX: AVI

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The DHEM results also identified a second significant EM conductor above drill hole VDD0131 (Figure 2). This second conductive anomaly could represent an additional, parallel mineralisation zone to the west of the main A Zone mineralisation zone. Historic drilling has not tested this area. This is a significant result as the discovery of a second parallel mineralisation zone could strongly improve the economics of mining. This second conductive anomaly is also currently being drill tested.

The Company’s Managing Director, Mr Jeremy Read, said, “The results of the down hole EM survey are extremely encouraging. If drilling in this recently identified parallel zone intersects another thick zone of high grade copper mineralisation, it would significantly enhance the economics of mining the A Zone.”

The details of the geochemical assay data for VDD0131 and VDD0135B are shown in Table 1.

Table 1: Drill hole details and assays results

Hole	Prospect	Easting (RT90, m)	Northing (RT90, m)	Azi. (°)	Dip (°)	From (down hole m)	To (down hole m)	Interval Width (down hole m)	% Cu	g/t Au	End of Hole (m)
VDD00135B	A Zone	1,682,134	7,537,238	312	-57	294.00	321.00	27.00	1.2	0.2	486
						Including					
						295.00	303.30	8.30	2.0	0.5	
						also including					
						313.00	319.00	6.00	1.4	0.1	
						And					
432.00	435.00	3.00	0.6	-							
VDD00131	A Zone	1,682,154	7,537,110	314	-54.3	411.00	416.50	5.50	1.2	N/A	546
						Including					
						412.00	415.50	3.55	1.6	N/A	

Table 2: Currently Defined Mineral Resources on the Viscaria Project

Resource Name	Classification	Tonnes (t)	Cu Grade (%)	Cu Metal (t)
A Zone*	Measured	14,439,000	1.66	239,000
	Indicated	4,690,000	1.22	57,000
	Inferred	2,480,000	1.03	26,000
	Subtotal	21,609,000	1.49	322,000
B Zone*	Measured	123,000	1.33	2,000
	Indicated	4,118,000	0.72	30,000
	Inferred	15,410,000	0.77	118,000
	Subtotal	19,650,000	0.76	150,000
D Zone Cu Resource	Indicated**	3,500,000	0.94	32,900
	Inferred**	1,870,000	0.80	14,960
	Subtotal	5,370,000	0.89	47,860
Overall Cu	Total	46,629,000	1.01	519,860

Resource Name	Classification	Tonnes (t)	Fe Grade (%)	Fe Mass Recovery (%)	Fe Metal (t)
D Zone Fe Resource	Indicated***	9,470,000	25.90	31.3	2,964,110
	Inferred***	5,320,000	25.60	30.8	1,638,560
Overall Fe	Total	14,790,000	25.80	31.1	4,602,670

* 2011 Mineral Resources for A Zone and B Zone are reported above a cut-off grade of 0.4% Cu.

** 2012 Copper Mineral Resource for D Zone above a cut-off grade of 0.4% Cu.

*** 2012 Iron Mineral Resource for D Zone above a cut-off grade of 15% Fe Mass Recovery.

ABOUT AVALON

Avalon is an ASX listed mineral exploration company with high quality assets in Sweden, one of the leading metal producing countries in the European Union.

Avalon's flagship asset is the Viscaria Copper-Iron Project located 1,200km north of Stockholm where the Company has delineated a global resource of 66.2 million tonnes of mineralisation, containing 51,000 tonnes of copper and 2.4 million tonnes of iron.

The Viscaria Project is surrounded by established infrastructure, lying immediately adjacent to LKAB's Kiruna Iron Ore operation and in close proximity to high-capacity rail and ports.

ABOUT SWEDEN

Sweden has a 1,000 year mining history, is a leading producer of base metals (copper, zinc, lead) and precious metals (gold and silver) and is the largest producer of iron ore in the European Union.

There are excellent discovery opportunities, with much of the country underexplored by modern standards. Furthermore, Sweden possesses a world-class geological database and favourable minerals legislation, is politically and economically stable and has mining know-how, highly trained personnel and excellent infrastructure.

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

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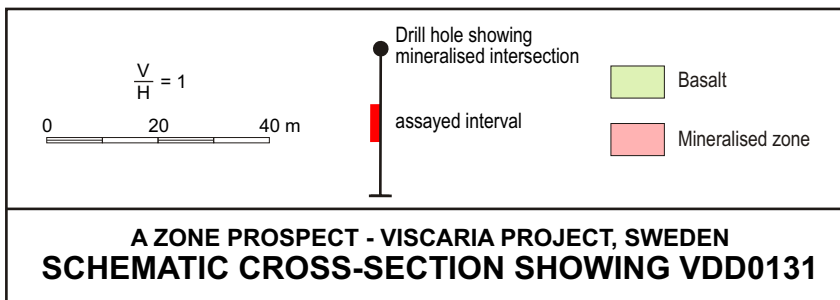
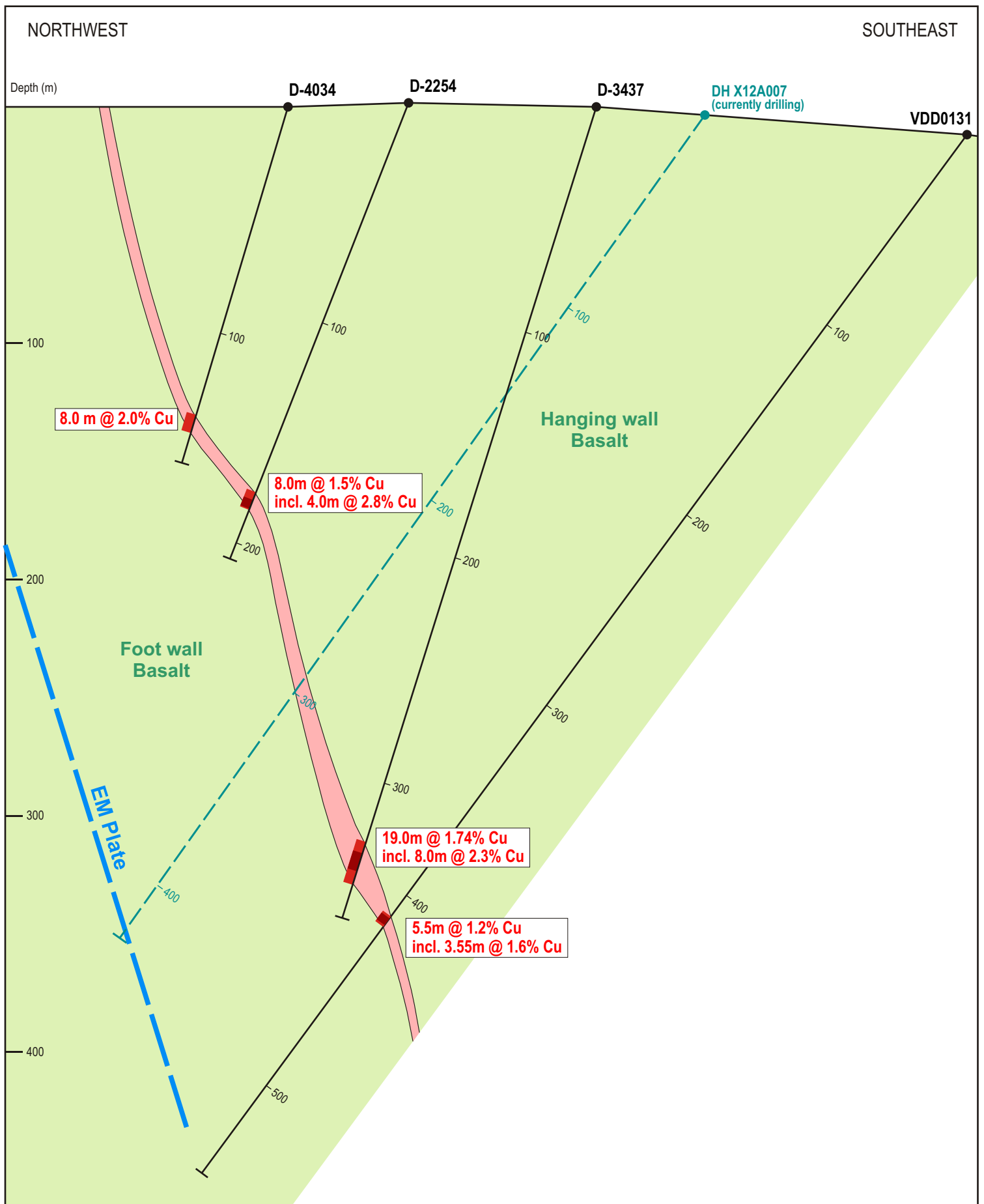
Competent Persons Statement

The information in this report that relates to 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 the A Zone Prospect 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.

Figure 1 - Project Location





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Prepared: QH	Date: 15.03.2013
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FIGURE 2