



HIGH GRADE COPPER FROM DEEP DRILLING AT VISCARIA COPPER-IRON PROJECT, SWEDEN

HIGHLIGHTS

- **Deep drilling from D Zone exploration and resource development program has returned further significant results, including:**
 - **23m @ 1.3% Cu and 38% Fe from 75m**
 - **32m @ 0.8% Cu and 29% Fe from 96m**
 - **17m @ 1.0% Cu and 38% Fe from 209m**
- **Extends zone of higher grade copper mineralisation at D Zone at depth**
- **Further confirmation magnetite mineralisation can be upgraded to high-quality +70% Fe product with low impurities, with latest results from DTR test work including:**
 - **39m @ 71.4% Fe and 0.5% SiO₂ with 40% weight recovery from 57m**
 - **27m @ 71.4% Fe and 0.5% SiO₂, with 41% weight recovery from 102m**
- **A Zone resource development drilling returns strong VMS copper results, including:**
 - **24m @ 1.8% Cu from 40m**
- **Phase 1 of Viscaria drilling program now complete**

International minerals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon" or "the Company") is pleased to announce that exploration and resource development drilling at its 100%-owned **Viscaria Copper-Iron Project** in Northern Sweden has delivered further significant results from the A Zone, B Zone and D Zone, with drilling at the D Zone continuing to confirm the existence of higher grade and wider than expected copper and iron mineralisation at depth.

Best results from the latest round of drilling at D Zone include:

VPP0028	30m @ 0.7% Cu and 6% Fe from 9m
VDD0094	23m @ 1.3% Cu and 38% Fe from 75m
VDD0096	29m @ 0.6% Cu and 35% Fe from 160m
VDD0097	32m @ 0.8% Cu and 29% Fe from 96m
VDD0111	17m @ 1.0% Cu and 38% Fe from 209m and 8m @ 1.0% Cu and 38% Fe from 242m

The copper and iron ore mineralisation at D Zone overlaps, presenting an attractive exploration and mining target. Metallurgical test work has demonstrated that the two metals can be easily separated with conventional processing.

Drilling results are summarised in Table 1 and head assay results and location of drill intersections are shown in Figure 1.

In addition, latest Davis Tube Recovery (DTR) results have provided further confirmation that the magnetite mineralisation within the D Zone resource can be effectively upgraded to achieve a high quality iron concentrate.

Latest DTR test work results include:

VDD0088 39m @ 40% weight recovery (Wt Rec), 71.4% Fe and 0.5% SiO₂ from 57m
VDD0090 17m @ 38% Wt Rec, 70.9% Fe and 0.6% SiO₂ from 94m
VDD0093 18m @ 47% Wt Rec, 71.4% Fe and 0.4% SiO₂ from 95m
VRC0097 27m @ 41% Wt Rec, 71.4% Fe and 0.5% SiO₂ from 102m

DTR results are summarised in Table 2 and their locations are illustrated in Figure 2.

The deeper intersections in holes VDD0096 and particularly VDD0111 indicate that the mineralisation continues up to 100 metres below the current pit design at D Zone.

Avalon has observed visually similar mineralisation and widths in the other deep holes (VDD0112-VDD0114), which are also located underneath the pit design. Assay results for these holes are yet to be received, however the visual similarities of the drill core provides initial confidence that the higher grade copper mineralisation will be maintained as the Company extends the dimensions of the resource model.

Managing Director of Avalon Minerals, Mr Andrew Munckton, said widths of 15 to 25 metres of +1.0% copper and attendant 30% Fe mineralisation offer an attractive underground mining target worthy of further evaluation in the Company's next round of drilling at Viscaria.

"We intend to investigate these deeper, down plunge extensions below the current open pit design once all the results have been returned from this recently completed first phase of work. The next phase of drilling will be designed to test the potential of the mineralisation up to 200 metres below the current pit design to a depth of approximately 350 metres below surface.

"With regards to the magnetite mineralisation, consistent weight recoveries of between 30% and 50% and outstanding assay results for magnetite concentrate continue to be delivered from the D Zone iron mineralisation. Our aim here is to produce a concentrate in line with the nearby LKAB-owned Kiruna operation using simple magnetic separation after copper and sulphur has been removed by flotation. The DTR test work results to date confirm our ability to achieve this," Mr Munckton said.

Table 1: Drilling Intersections Viscaria D Zone

North	Hole ID	From (m)	To (m)	Interval (m)	Fe%	Cu%
19425	VPP0028	9	39	30	5.9	0.72
18950	VDD0094	61	98	37	31.3	0.97
	including	75	98	23	38.3	1.29
	VDD0097	96	133	37	26.1	0.74
	including	96	128	32	29.4	0.81
	VDD0111	208	252	44	22.5	0.67
	including	209	226	17	38.4	1.04
	and	243	251	8	38.6	1.03
18900	VDD0096	112	122	10	7.6	0.60
	and	160	189	29	34.8	0.60
	including	181	189	8	34.1	1.71

NB: Assays are by XRF and ICP. Intersections are calculated using a 0.4% Cu or 20% Fe cut off grade.

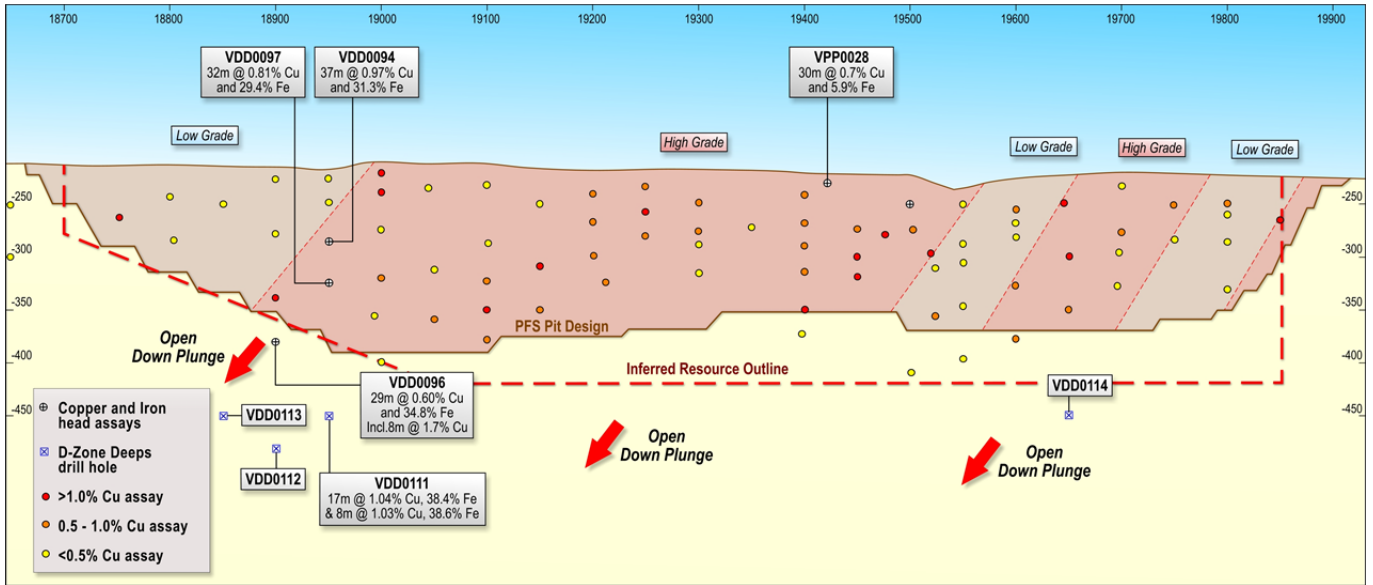


Figure 1 – D Zone Drilling Overview

Table 2 – DTR Results Viscaria D Zone

North	Drill Hole	From (m)	To (m)	Interval (m)	Wt Rec %	Fe %	SiO ₂ %	Al ₂ O ₃ %	Cu %	P %	S %
19050	VDD0087	97	107	10	38	71.2	0.62	0.06	0.020	0.01	0.02
19650	VDD0088	57	96	39	40	71.4	0.53	0.03	0.016	0.007	0.03
19100	VDD0090	94	111	17	38	70.9	0.58	0.07	0.014	0.012	0.03
19050	VDD0091	127	148	21	32	70.7	0.68	0.02	0.006	0.009	0.02
19150	VDD0093	95	113	18	47	71.4	0.43	0.01	0.021	0.011	0.03
19150	VDD0095	128	141	13	41	71.2	0.39	0.02	0.013	0.005	0.02
18950	VDD0097	102	129	27	41	71.4	0.45	0.03	0.010	0.007	0.02
B Zone	VRC0056	27	34	7	11	68.7	2.13	0.60	0.069	0.002	0.37
B Zone	VRC0062	45	49	4	15	65.5	4.12	1.28	0.071	0.006	0.38

NB: DTR results are for Davis Tube Recovery using a75micron screen. Approximate fineness of sample is P₈₀ of 45microns. Assays are by XRF. Assay results are prior to Copper and Sulphur flotation.

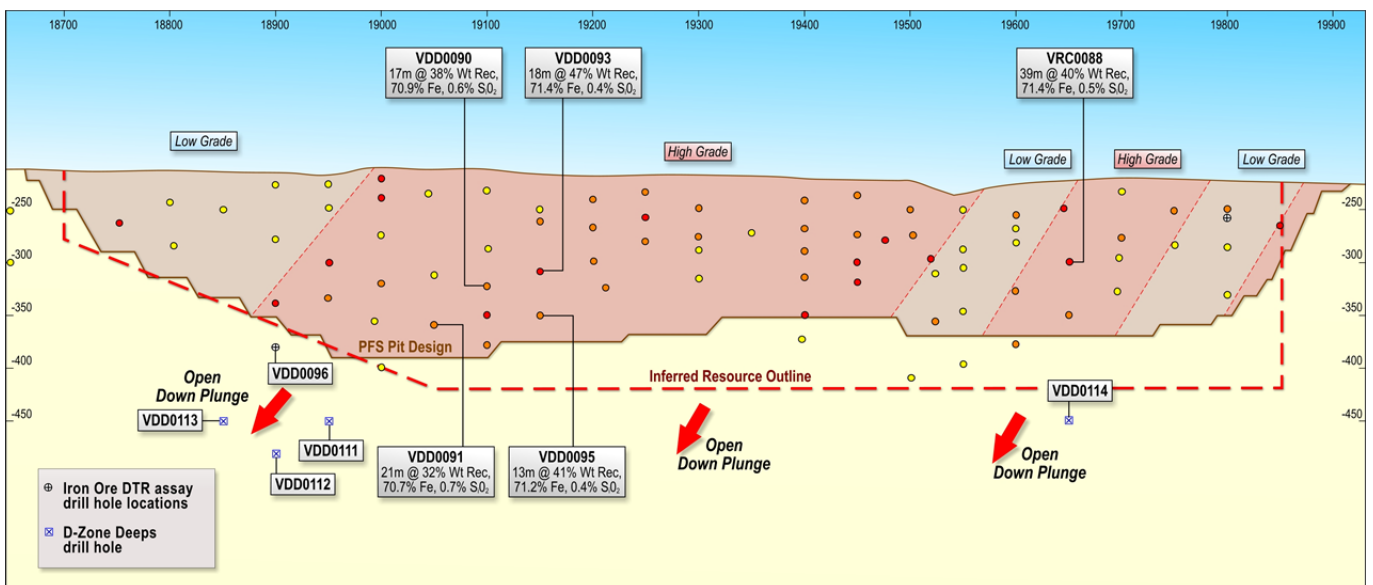


Figure 2 – D Zone DTR Drilling

B Zone

Recent drilling within B Zone has been designed to infill Inferred Resources within the current pit design.

Results have shown medium grade (0.4% to 1.2%) copper and sulphur mineralisation over the target horizon. The intersections encountered to date confirm the expected position and tenor of the mineralisation from previous drilling. Intersections are listed in Table 3.

Further infill drilling is planned once all results from the current round of drilling have been received.

Table 3 – Drilling Intersections Viscaria B Zone

North	Hole ID	From (m)	To (m)	Interval (m)	Fe %	Cu %
20250	VRC0045	46	51	5	15.5	0.43
20150	VRC0046	42	48	6	14.2	0.48
	and	54	62	8	14.2	0.48
19050	VRC047	31	48*	17	14.7	0.95
19000	VRC048	27	61	34	14.5	0.42
18950	VRC0049			NSI		
18750	VRC0053	36	47	11	14.8	0.42
18650	VRC0054			NSI		
18600	VRC0055	36	53	17	14.2	0.74
18550	VRC0056	26	50	24	17.5	0.69
18550	VRC0057	13	15	2	18.5	0.95
18450	VRC0058			NSI		
18350	VRC0059			NSI		
18350	VRC0060			NSI		
18300	VRC0061	62	78	16	14.6	0.68
18250	VRC0062	24	51	27	16.5	0.67
18150	VRC0064	10	19	9	14.7	1.19

NB: Assays are by ICP, * Denotes end of hole, NSI denotes No Significant Intersection. Intersections are calculated using a 0.2% Cu cut off grade.

A Zone

Recent drilling within A Zone has been designed to confirm results from previous drilling that indicated Volcanogenic Massive Sulphide (VMS) copper mineralisation outside the current resource model, with some historical holes intersecting significant widths of sulphide copper mineralisation. Holes were also designed to provide additional geotechnical information and upgrade Inferred Resources within the current pit design.

Drilling to date has returned a best intersection of **24 metres at 1.85% copper**, indicating there is still strong mineralisation outside the historically-mined lodes at A Zone.

Results have also shown low grade (0.2% to 0.6%) copper and sulphur mineralisation over the inferred resource horizons, in line with the lower grades encountered in historical drilling

Further infill and follow up drilling is planned once all results from the current round of drilling have been received.

Table 4 – Drilling Intersections Viscaria A Zone

North	Hole ID	From (m)	To (m)	Interval (m)	Fe %	Cu %
18750	VRC0065	36	60*	24		0.23
18700	VRC0066	38	80*	42	11.7	1.22
	including	40	64	24	16.2	1.85
	VRC0067	41	58	17	10.9	0.33

NB: Assays are by ICP, * Denotes end of hole. Intersections are calculated using a 0.2% Cu cut off grade.

Phase 1 drilling complete

Avalon’s Phase 1 drilling program at the Viscaria Project ended on Sunday 24 April to coincide with the onset of the melt period in Northern Sweden (normally May and early June each year), during which time drill rig and vehicle movements are restricted at site due to the logistics of working in and around swampy and water sodden areas.

During the drilling program, Avalon elected to undertake a higher proportion of diamond drilling than had initially been anticipated, which will provide the Company with a greater level of confidence in the resource models. This slowed the expected rate of drilling, meaning that further drilling must be completed before the D Zone and B Zone resources can be upgraded to Measured and Indicated status.

The remainder of the drilling will therefore be completed as part of a Phase 2 drilling campaign once ground conditions improve.

The amount of drilling completed at each location in the Phase 1 program is outlined in Table 4 below. Drilling at D South Zone is complete.

“Avalon is now awaiting the completion of the outstanding assay, geology and geotechnical results from all three zones before planning the next phase of the drilling program,” Mr Munckton commented.

Table 4 – Phase 1 Drilling Progress Summary

	Planned Holes	Completed Holes	%	Planned Metres	Completed Metres	%
A Zone	15	8	53	1,125	668	59
B Zone	49	50	102	3,546	3,024	85
D Zone	96	57	59	12,125	7,486	62
D Zone South	18	15	83	1,800	1,521	84
TOTAL	178	130	73	18,596	12,699	68

Competent Person’s Statement

The information in this report that relates to Mineral Resources and exploration targets is based upon information reviewed by Mr Andrew Munckton BSc (Mining Geology) who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Munckton 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 Munckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC – Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

– ENDS –

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