

## Very Encouraging 68.5m Copper-Iron Intersection, Double Initial Estimate, Recorded at Viscaria Project, Sweden

### Highlights

- Assay results from the second drill hole (VDD0128) of a four drill program have been completed at the Viscaria Project in northern Sweden;
- Drill hole VDD0128 recorded a very encouraging 68.5m intersection of 0.6% Cu and 28.2% Fe (1.0% CuEq) at the D Zone Prospect;
- Within the thick copper-iron intersection two high grade copper intersections occur as follows;
  - 8.1m of 1.5% Cu and 39.2% Fe (2.1% CuEq) from 189.9m (down hole) including **5.1m @ 2.1% Cu and 42.0% Fe (2.8% CuEq)**
  - 8.0m of 1.5% Cu and 33.0% Fe (2.0% CuEq) from 216.0m (down hole) including **6.4m @ 1.8% Cu and 34.5% Fe (2.3% CuEq)**
- The D Zone mineralisation now has the potential to use underground as well as open pit mining methods;
- Drill hole VDD0128 was drilled outside of the currently defined Mineral Resource envelope at the D Zone prospect and the thick interval of mineralisation indicates that it is probable the current Mineral Resource for D Zone can be expanded;
- The current Mineral Resource for D Zone comprises 11.9Mt at 0.6% Cu and 24% Fe (1.0% CuEq). The Mineral Resource is reported above a 15% mass recovery for magnetite and a 0.0% copper grade cut-off and is classified as having 4.46Mt @ 0.49% Cu, 23.52% Fe Inferred, 6.1Mt @ 0.6% Cu, 24.82% Fe Indicated and 1.379Mt @ 0.48% Cu, 23.13% Fe Measured according to the guidelines of the JORC Code (2004);
- Drill hole VDD0129 is currently being drilled beneath drill hole VDD0128, in order to further extend the thick zone of copper-iron and high-grade copper mineralisation down dip;
- D Zone drill hole program reduced from five to four drill holes following additional drill hole extensions on copper mineralisation intersections.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the geochemical assay results from the second hole (VDD0128), of a four-hole drill program, have been completed at the Viscaria Project in northern Sweden (Figures One and Two).

The drill program comprises approximately 2,000m of drilling, with the objective of testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources.

Avalon's Managing Director, Jeremy Read said, "drill hole VDD0128 at the D Zone prospect has intersected a very thick, 68m, sequence of copper and iron mineralisation grading over 1% copper equivalent, which is an extremely pleasing result."

"Most importantly within the thick intersection of copper and iron mineralisation, occurs two high grade copper intersections of 5.1m grading 2.8% copper equivalent and 6.4m of 2.3% copper equivalent."

"The overall thick copper-magnetite intersection suggests that there is scope to increase the tonnes of mineralisation which should be extractable using open pit methods, while the two high grade copper intersections indicate that parts of the D Zone mineralisation has potential to be extracted using underground methods."

"The indication that the D Zone mineralisation also has underground as well as open pit potential, in addition to the A Zone mineralisation, adds a new dimension to the project" Mr Read said.

It was initially planned to complete a five hole drill program, but as some holes were extended due to intersecting copper mineralisation, only four holes will now be drilled. Drilling is currently occurring at the D Zone prospect. Hole VDD0129 is being drilled underneath hole VDD0128 in order to intersect the thick copper-iron mineralisation and the two high-grade copper intersections, approximately, 50m down plunge of the intersection in VDD0128 to the southwest. It is anticipated that hole VDD0129 will be completed on or around 15 June.

### **Details of Drill Hole VDD0128**

Drill hole VDD0128 intersected copper-iron mineralisation over a broad 68.5m (down hole depth) interval from a depth of 177.0m, hosted in an interlayered sequence of tuffaceous, volcanic sediments and dolerites. The chalcopyrite (copper sulphide mineralisation) is characterised by disseminations, stringers and veins and is associated with skarn-like alteration. The magnetite (iron oxide mineralization) is characterised by fine to coarse grained disseminations that increase in abundance to massive magnetite in some zones.

The first high grade copper-mineralised interval extends 8.1m down hole from 189.9m and returned an intersection of 1.5% Cu and 39.2% Fe, which is 2.1% CuEq\*. Within this interval occurs an even higher grade copper mineralisation intersection of 5.1m @ 2.1% Cu and 42% Fe, which is 2.8% CuEq\*.

A second high grade copper interval extends 8.0m down hole from 216.0m and returned an intersection of 1.5% Cu and 34.5% Fe, which is 2.0% Cu Eq\*. Within this interval occurs an even higher grade copper mineralisation intersection of 6.4m @ 1.8% Cu and 34.5% Fe, which is 2.3% CuEq\*.

The survey details of drill hole VDD0128 are given in Table One, with the drill hole location shown in Figure Two. An example of the copper-iron mineralisation typical of that intersected in hole VDD0128 is shown in Figure Three.

**Table One**

Hole	Easting (RT90)	Northing (RT90)	RL (m)	Azimuth (degrees)	Inclination (degrees)	From (down hole m)	To (down hole m)	Intersection Width (down hole m)	End of hole(m)
VDD0128	1,680,854	7,537,470	510.8	134.0	-55.0	177.0	245.5	68.5	250.7
						Including			
						189.9	198.0	8.1	
						And			
						216.0	224.0	8.0	

### Copper Equivalent Formula

$$*\% \text{ CuEq} = \% \text{ Cu} + ((\% \text{ Fe} \times \text{Fe price US\$/tonne} \times \text{Fe recovery}) / (\text{Cu price US\$/tonne} \times \text{Cu recovery}))$$

Cu price US\$/tonne = \$7,163.00 (US\$3.25/lb)

Cu Recovery = 90%

Fe price US\$/tonne = \$144.93 (calculated from US\$100 Net Price per tonne of magnetite concentrate containing 69% Fe)

Fe Recovery = 70%

**For further information please visit [www.avalonminerals.com.au](http://www.avalonminerals.com.au) or contact:**

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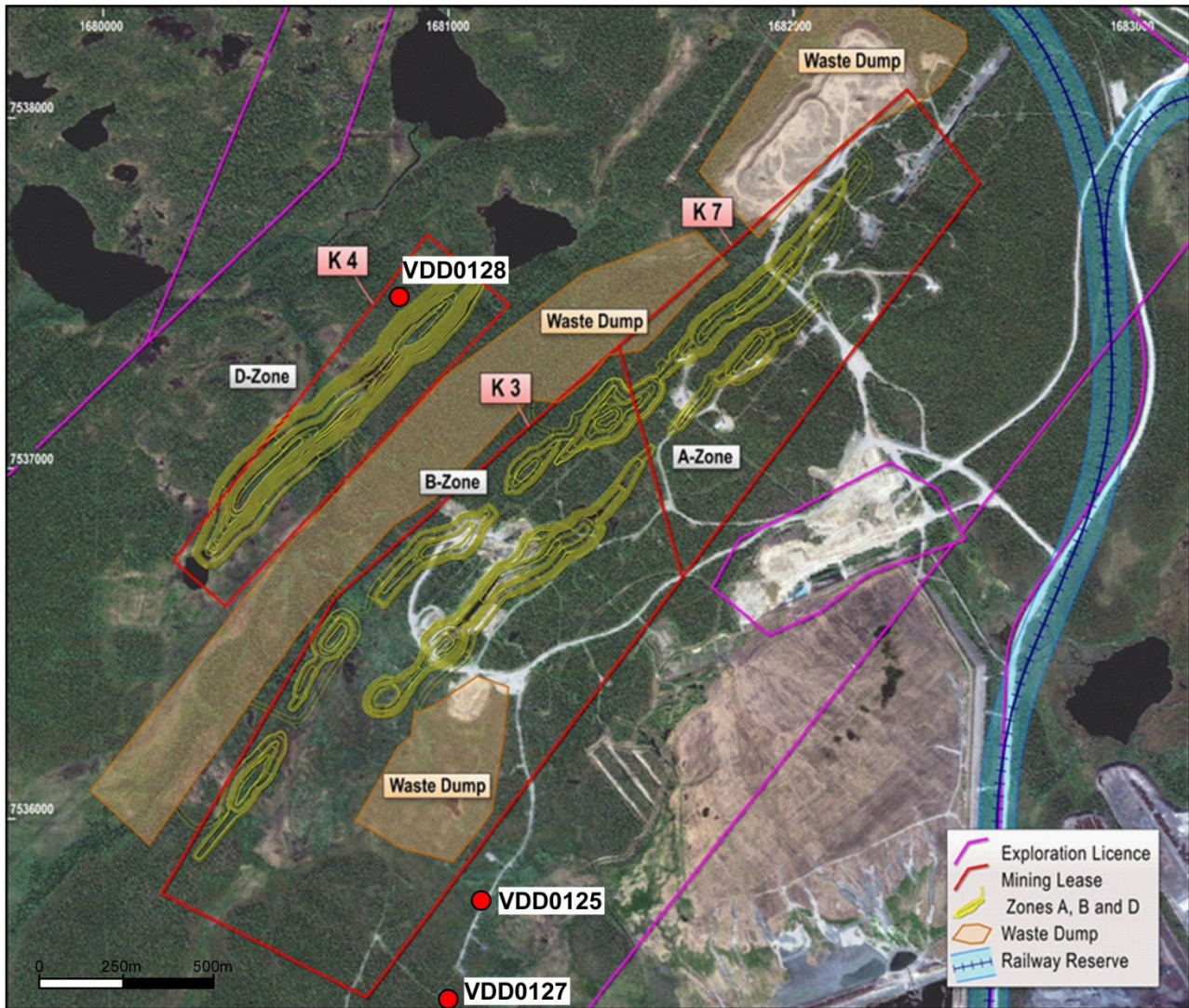


**Figure One - Project Location**





Figure Two - Location of Drill Holes VDD0125, VDD0127, and VDD0128





**Figure Three - Typical Copper Mineralisation Intersected in Drill Hole VDD0128**



#### **Competent Person's 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 A, B and D Zones 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.