

4 JUNE 2013

ASX ANNOUNCEMENT



COPPER-GOLD MINERALISATION INTERSECTED OVER 200m OF STRIKE AT TJÄRRO PROSPECT

HIGHLIGHTS

- Drilling at the Tjärro Prospect, located approximately 20kms to the northeast of the Viscaria Project, has located a trend of copper mineralisation over at least 200m of strike, with the mineralisation open both to the north and the south;
- Drill hole TD005 intersected 2.85m @ 0.7% Cu and 0.5g/t Au, within a larger mineralisation zone of 11.45m @ 0.4% Cu and 0.2g/t Au;
- TD005 is approximately 200m along strike from historic drilling that intersected:
 - 15m of 1.3% Cu from 80m, including 8m @ 1.7% Cu;
 - 17m @ 1% Cu, including 7m @ 1.4% Cu;
 - 34.45m @ 0.6% Cu & 0.4g/t Au, including 3.6m @ 1.6% Cu & 1.2g/t Au;
- Avalon will undertake further exploration at Tjärro during the winter field season, to determine the extent of the mineralised trend and how the grade of the copper mineralisation varies along strike and with depth;
- This is the first exploration drilling outside the Viscaria area that Avalon has conducted to date on its 720km² of regional tenements in Northern Sweden.

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce the first assay results from the Tjärro Prospect ('Tjärro'), which is considered one of the most prospective copper-gold regional prospects within Avalon's 720sqkm exploration tenement package. Tjärro is situated approximately 20kms to the northeast of Avalon's flagship Viscaria Project in northern Sweden (Figure 1).

Drill hole TD005 intersected 11.85m @ 0.4% copper and 0.2g/t gold from 91.15m, including 2.85m @ 0.7% copper and 0.5g/t gold (Figure 2 and Table 1). This hole was drilled approximately 200 metres along strike of historic drilling results including: 15m @ 1.3% Cu from 80m, including 8m @ 1.7% Cu; 17m @ 1% Cu, including 7m @ 1.4% Cu; and 34.45m @ 0.6% Cu & 0.4g/t Au from 85.15m, including 3.6m @ 1.6% Cu & 1.2g/t Au. The results from drill hole TD005 and the historical drilling indicate that the Tjärro prospect contains copper and gold mineralisation over hundreds of metres of strike and at shallow depths.

The Company's Managing Director, Mr Jeremy Read, said, "The results from Avalon's drilling, when combined with the historical drilling, indicates that the copper-gold mineralisation at the Tjärro prospect exists over at least 200m of strike and at shallow depths."

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"We plan to conduct some ground geophysical surveys at Tjärro to determine the full extent of the trend of copper-gold mineralisation and to see if the geophysical data gives us any indications as to how the strength of the copper-gold mineralisation varies along strike and also with depth."

"It is early days for our exploration at Tjärro, however once we have more information we can target further drilling and determine the full potential of the copper-gold mineralisation at Tjärro," said Mr Read.

Exploration at the Tjärro Prospect

Drill hole TD005 was drilled on a geological target, being the southern extension of copper-gold mineralisation, which was intersected by regional drilling programs in 1978 and 1996. The historical drilling intersected two intervals of copper mineralisation as follows:

- 15m of 1.3% Cu from 80m, including 8m @ 1.7% Cu;
- 17m @ 1% Cu, including 7m @ 1.4% Cu.

Avalon's drill hole TD005 targeted the southern extension of the historical mineralisation and intersected similar copper-gold mineralisation hosted in an intermediate volcanoclastic unit. TD005 intersected an 11.85m intersection grading 0.4% Cu and 0.2g/t Au, confirming that the copper-gold mineralisation at Tjärro extends for at least 200m of strike length, striking north-south.

Avalon is planning on conducting ground geophysical surveys, in order to determine the full strike extent of the copper-gold mineralisation at Tjärro. It is anticipated that the geophysical data will be able to give indications as to where the copper-gold mineralisation is strongest and how the mineralisation varies along strike and at depth. Further drilling will be targeted provided the geophysical data generates additional targets.

Table 1: Drill hole details and assays results.

Hole	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)	
TD005	1,696,825	7,555,457	270	-50	91.15	103.00	11.85	0.4	0.2	198.1	
					including:						
					91.15	94.00	2.85	0.7	0.5		

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 49.2 million tonnes of copper mineralisation at 1.1% Cu, containing 544,000 tonnes of copper and 18.9 million tonnes of iron mineralisation at 26.9% Fe, containing 6.2 million tonnes of iron.

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

ABOUT SWEDEN

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

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.

Sweden has recently been ranked by the Fraser Institute as the second best country (behind Finland) for developing mineral projects.

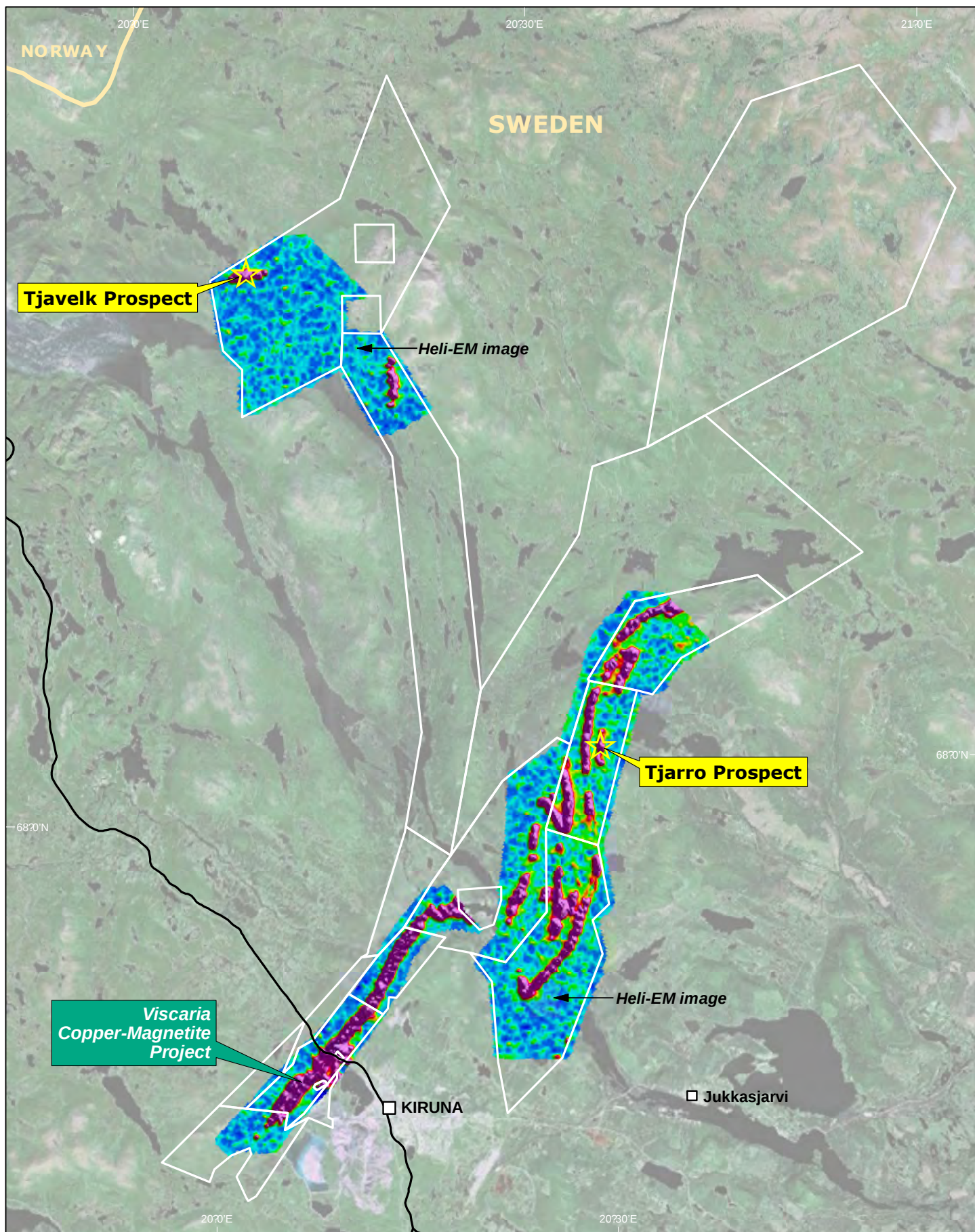
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Competent Persons Statement

The information in this report that relates to exploration results 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.



05 10 km

Transverse Mercator Projection.
RT90 gon vast 2.5 Datum.

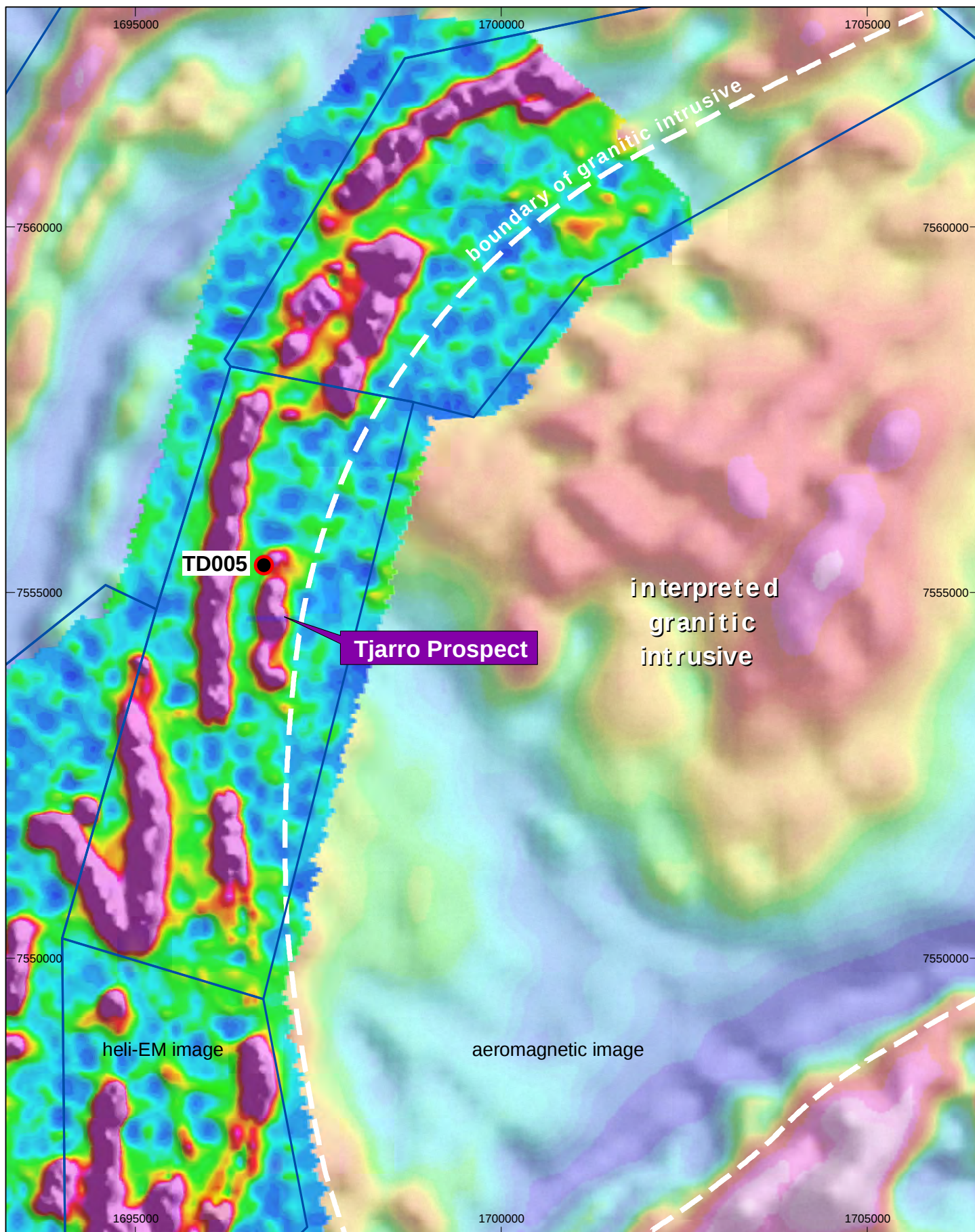
-  Regional prospect
-  Exploration Tenure
-  International boundary
-  Railway

NORTHERN SWEDEN LOCATION OF REGIONAL PROSPECTS



Prepared: QH	Date: 29.01.2013
Revised:	Drwg: AV-011

FIGURE 1



01 23 km

Transverse Mercator Projection.
RT90 gon vast 2.5 Datum.



Completed Drill Hole



Exploration Tenure



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TJARRO PROSPECT, SWEDEN HELI-EM & AEROMAGNETICS

FIGURE 2