

17 December 2013

ASX ANNOUNCEMENT



VISCARIA COPPER-IRON PROJECT UPDATE

HIGHLIGHTS

- **Mining Exploitation Concession application, Viscaria K7 (northern A Zone) will now be progressed after successful re-zoning ;**
- **Hydrology survey of Viscaria Project area underway, a key component of the Environmental Impact Assessment (EIA);**
- **Re-assaying program for historic Discovery Zone drilling samples underway to further increase resource confidence;**
- **Studies underway to progress the Discovery Zone Mining Exploitation Concession application;**
- **Drilling and metallurgical testwork planned for first half 2014.**

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the re-zoning application for the area covered by Mining Exploitation Concession application, Viscaria K7 (northern A Zone; Figure 1) has been granted. The re-zoning of this area will now allow Avalon to progress the granting of this Mining Exploitation Concession with the Swedish Regulatory Authorities.

The Company's Business Manager Mr Ian Wallace, said "The successful re-zoning of Viscaria K7 is a vital step in the progression to grant the Mining Exploitation Concession application over a key part of the Viscaria Copper-Iron Project".

"This is very positive news, as the re-zoning of this area has delayed Avalon's Viscaria K7 Mining Exploitation Concession application from being progressed for some time." said Mr Wallace.

The Company has also commenced various studies to progress the Viscaria Copper-Iron Project. The results from the site-wide hydrological survey currently underway will be utilised in the Viscaria Project Environmental Impact Assessment (EIA) submission which is required ahead of project approvals.

Two other studies currently underway to progress the Viscaria Copper-Iron Project relate to the Discovery Zone. The first study involves re-assaying of historic drilling samples that were originally completed by Anglo American Exploration BV & Rio Tinto from 1999-2003 and Lundin Mining from 2004-2006. The aim of this re-assaying program is to increase the confidence of the Discovery Zone Mineral Resource, which should in turn allow Avalon to use this resource with higher confidence in scoping and feasibility studies going forward. It is also envisaged that by increasing the confidence of the historic drilling results, Avalon will have to complete less drilling on this prospect in the future, decreasing the cost to advance the Viscaria Copper-Iron Project.

Avalon has also initiated development planning and associated social and environmental impact studies for the Discovery Zone prospect to progress the Discovery Zone Mining Exploitation Concession application, Rakkurijarvi K1. Avalon will complete these studies in conjunction with independent consultants Golder Associates AB.

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In addition to the studies currently underway, Avalon also plans to conduct a program of drilling and metallurgical testwork in the first half of 2014. The aim of this program is to increase the metallurgical knowledge of the Viscaria Project Mineral Resources, so that a higher confidence, detailed process flow sheet can be developed as part of a Definitive Feasibility Study.

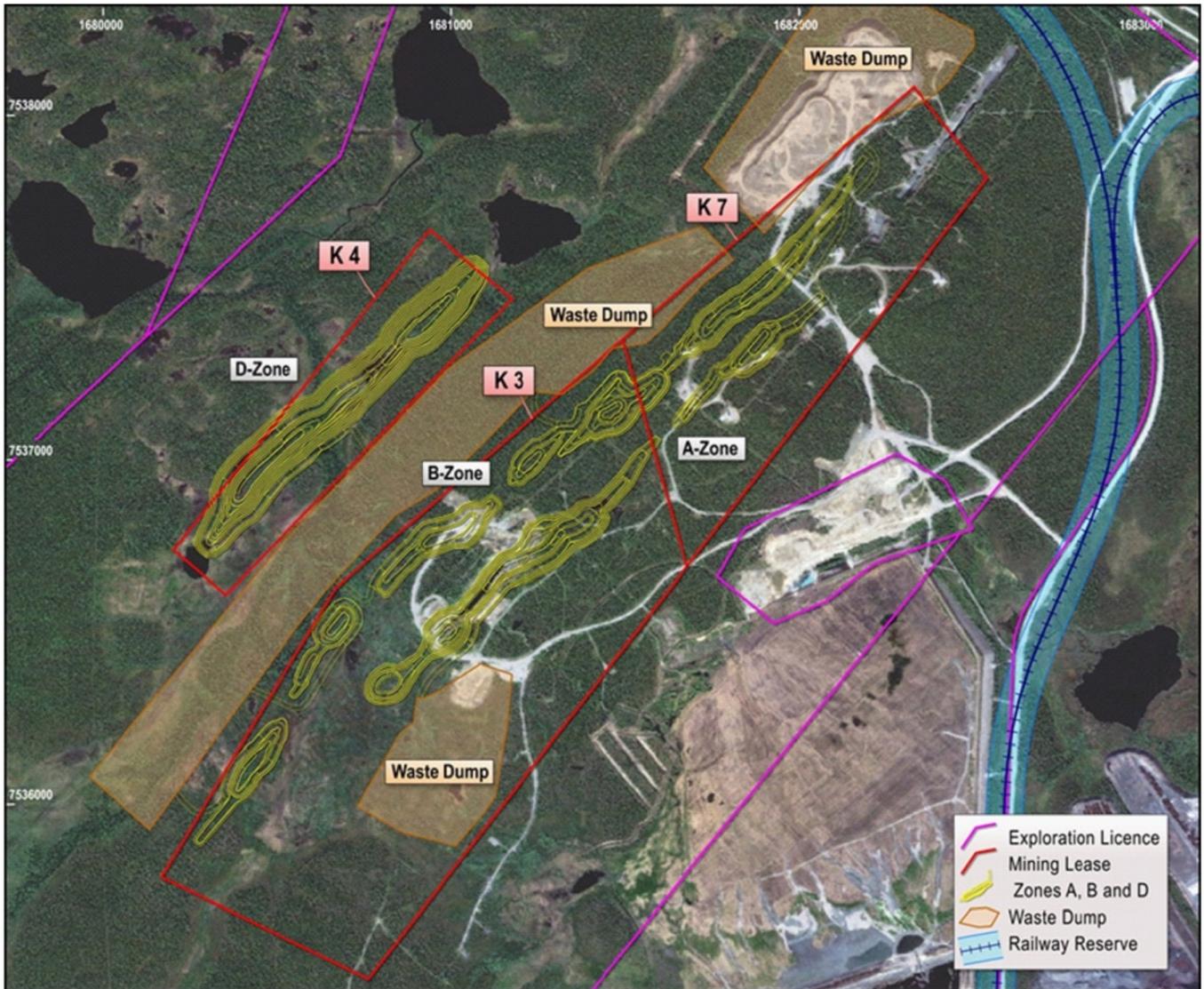


Figure 1: Location of Mining Exploitation Concession application Viscaria K7 relative to A Zone, B Zone and D Zone

For further information please visit www.avalonminerals.com.au

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