

10 September 2015

ASX ANNOUNCEMENT



KIRUNA GREENSTONE BELT – ASSESSMENT OF EXPLORATION OPPORTUNITIES

Highlights

- **Drilling at West Nukutus has identified an iron-oxide and shear related copper mineralised system that requires further exploration.**
- **Potential A Zone style targets have been defined along strike northeast of Viscaria.**
- **Reconnaissance exploration at Vazasvarri has confirmed an area of anomalous copper in peat bog samples with up to 0.52% copper.**
- **A comprehensive review of all exploration geochemical data has commenced to define new targets on a regional scale.**
- **A structural geological review is underway to better understand the structural context for the Viscaria deposits and to prioritise other targets.**

Avalon Minerals Limited ('Avalon' or 'Company') (**ASX: AVI**) is pleased to provide an update on exploration opportunities in the region surrounding its Viscaria Copper Project.

Avalon is devoting 90% of its effort to advancing the Viscaria Copper Project development plans, and is delivering very strong copper intersections such as that recently announced in VDD 193 (ASX announcement 7th September 2015).

But Avalon is also mindful of the need to understand and enhance the potential upside opportunities within the Kiruna district. Exploration success in the district has the potential to further extend the eventual mine life at Viscaria. The current low cost program is delivering positive results.

West Nukutus Iron Oxide Copper Prospect:

Diamond drill hole WNDD 001 was drilled to test the peak of the 1km long bedrock copper-gold anomaly defined from a grid auger drilling program (announced 10th June 2015) at the West Nukutus Iron Oxide Copper target (IOC).

Copper ("Cu") assays up to 0.5% Cu, and gold ("Au") assays up to 0.1g/t Au, were recorded in auger bedrock samples. Drill hole WNDD 001 intersected altered mafic volcanic rocks with up to 0.45% copper over narrow intervals (Table 1). The results are yet to be fully interpreted but suggest that vein and shear-related mineralisation occurs marginal to the main iron oxide altered

ASX: AVI

REGISTERED OFFICE

Avalon Minerals Ltd
ABN 68 123 184 412
9 Gardner Close
Milton Qld 4064 Australia
P + 61 7 3368 9888
F + 61 7 3368 9899
info@avalonminerals.com.au
www.avalonminerals.com.au



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mafic interval (Figures 2 and 3). Two significant intervals of 39.8m and 25.45m returned copper in excess of 300ppm (considered anomalous) from 69 to 108.8m and 115.05 to 140.5m.

The area of strongest magnetic response in this extensive prospect area lies further to the south (Figure 2) so additional drilling is required to test other aspects of this large target area. Further work will be done to identify targets that are likely to deliver significant copper mineralisation.

From (m)	To (m)	Interval (m)	Cu (%)	Cu range (ppm)
25.6	79.9	54.3		31 - 536
79.9	80.6	0.6	0.43%	
80.6	84.0	3.5		230 - 785
84.0	84.6	0.5	0.20%	
84.6	115.1	30.5		4 - 953
115.1	116.6	1.5	0.27%	
116.6	135.0	18.5		122 - 779
135.0	135.8	0.8	0.45%	
135.8	138.6	2.8		246 - 400
138.6	139.8	1.2	0.22%	
139.8	233.8	94.0		61 - 699
233.8	234.6	0.8	0.13%	
234.6	310.2	75.6		55 - 870

Table 1: Cu assay results from WNDD 001. The West Nukutus drill hole was collared at 1,685,894m E, 7,541,901mN at an RL of 480m. It was drilled at a dip of -55 degrees towards 94 degrees (i.e. east, see figures 2, 3). The end of hole depth was 350.3m.

A Zone Target Definition:

The A Zone deposit at Viscaria was previously mined by Outokumpu. 12.5 million tonnes of ore was mined at 2.3% Cu over the period 1985 to 1997. The Viscaria A Zone is a significant copper deposit in its own right and Avalon has defined several areas for further drilling aimed at increasing the current Mineral Resource estimate in the immediate development area. It is interpreted to be a Volcanogenic Massive Sulphide deposit (VMS) geologically comparable to Sandfire Resources' De Grussa deposit, or MMG's Golden Grove deposit. These deposits typically occur in clusters, and along horizons of time equivalence.

Minimal exploration for A Zone type targets has been undertaken in the broader Viscaria belt outside of the immediate Viscaria development area. Exploration for sulphide deposits often relies on geophysical electro-magnetic (EM) surveys but in the Viscaria area these are compromised by extensive graphitic horizons that occur adjacent to the massive sulphide lenses. For example, the A Zone deposit has only a subtle EM response adjacent to a much stronger response from a laterally extensive graphitic unit. On this basis several conceptual targets areas have been defined and are being prioritised for further drill testing.

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Figure 4 shows the target zones and their relationship to thicker interpreted graphitic units in the immediate footwall. Isolated drill holes have returned anomalous copper values of up to 1.7% Cu over narrow intervals in the target zones, and therefore require follow-up.

Vazasvarri:

The Vazasvarri area is located 25km north of Viscaria on the northern extension of the Viscaria mafic volcanic belt (Figure 1). Historical exploration by other companies had identified anomalous copper in peat bog samples* and Avalon's program was to follow-up on those results within the context of EM anomalies defined from the airborne EM survey.

Historical exploration to the north of the main area of interest did include diamond drilling by LKAB and Outokumpu. A total of 10 holes were drilled (Figure 5) and elevated copper was identified, together with trace visible chalcopyrite, in various host rocks including magnetite-graphite-chert-tuff sequences and diorite.

Peat bog sampling by Avalon has returned 0.52% copper from a sample adjacent to a prominent EM anomaly (Figure 5) – a geometry similar to the A Zone horizon at Viscaria. To the east of the anomalous peat bog sample historical drilling identified up to 0.3% copper over a 1m interval within a magnetite-graphite-chert-tuff sequence. Further work will be done in this area to define drill targets for follow-up in 2016.

*(*Peat bog samples are collected from the base of swamps where vegetation is in various states of degradation. Peat bogs are typically traps for metals migrating from the surrounding terrain and are an effective regional sampling medium because of their ubiquitous and widespread distribution in glaciated arctic terrains.)*

Regional Data Review:

Avalon possesses significant regional databases and has completed first pass assessment of geochemical and geophysical data, and is undertaking a regional to local scale structural geological interpretation. The structural geological interpretation is aimed at defining target areas, and to better understand the structural context for the Viscaria deposits.

Viscaria Geological Research:

Avalon is sponsoring a Master's Degree thesis at the University of Lulea in Sweden, which will investigate the alteration and geochemical halo around the Viscaria D Zone deposit. This work will assist with characterising a broader alteration halo and will have application in exploration for other iron oxide copper deposits in the district.

Avalon's Managing Director, Mr Malcolm Norris, said "We are delivering a systematic approach to assessing the upside potential in the broader Kiruna mineral belt. Our strong focus remains on the Viscaria development opportunity with drilling to grow the current resource base, but we want our shareholders to be well aware of the potential upside opportunities and our prudent approach to creating value from those opportunities".

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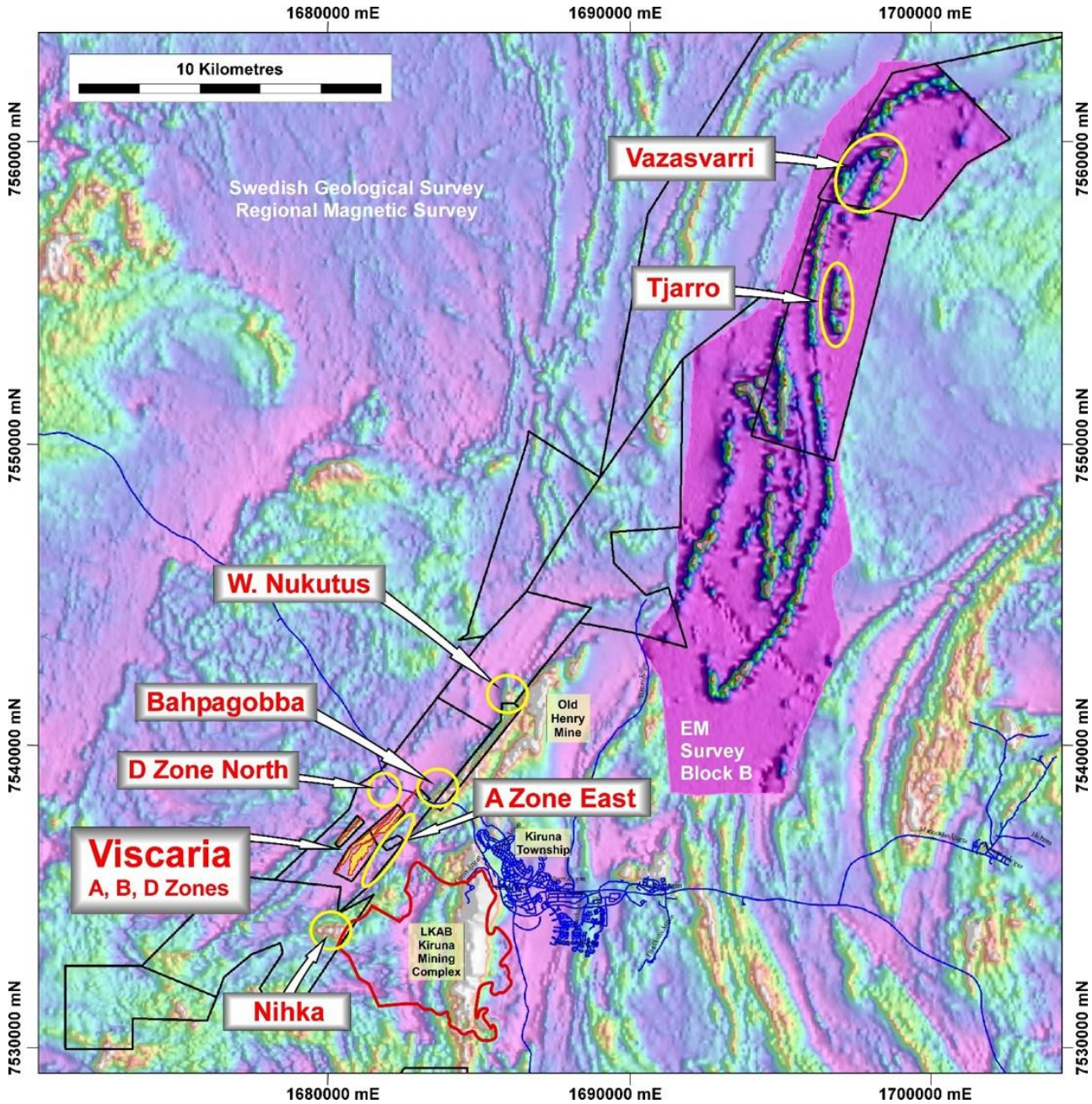


Figure 1 – Location of the West Nukutus and Vazasvarri prospects relative to the Viscaria Copper Project development area (A, B and D Zones). Other targets for testing include A Zone sub basin targets, Bahpagobba, D Zone North, and A Zone East. Background image is airborne EM data spliced into airborne magnetic data. Viscaria to West Nukutus is 5km and is accessed via gravel and bitumen roads that provided access for the historical Henry open cut iron mine located immediately east of the West Nukutus prospect.

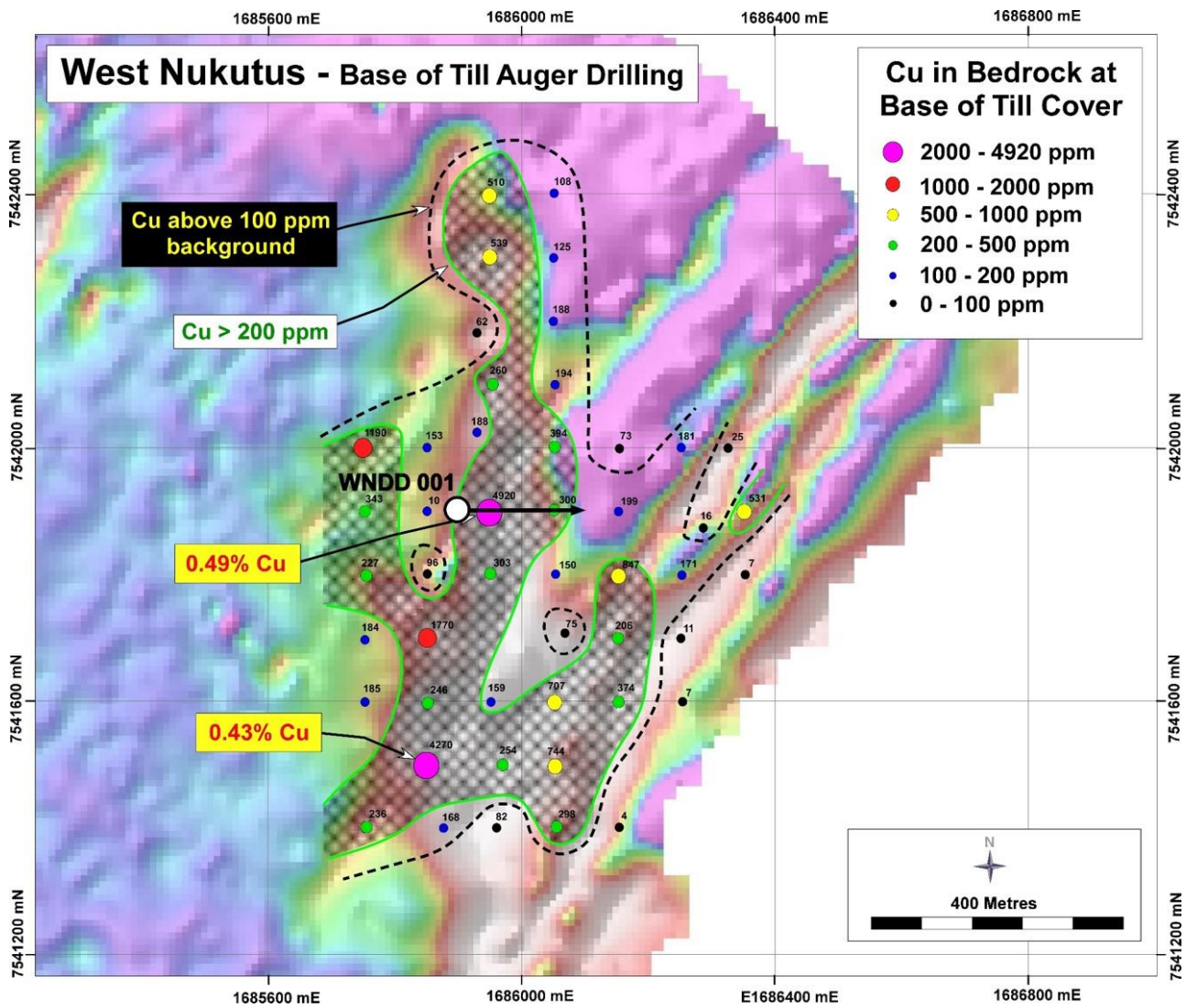


Figure 2: showing the location of WNDD 001 with respect to the broad copper anomaly defined from bedrock auger drilling.

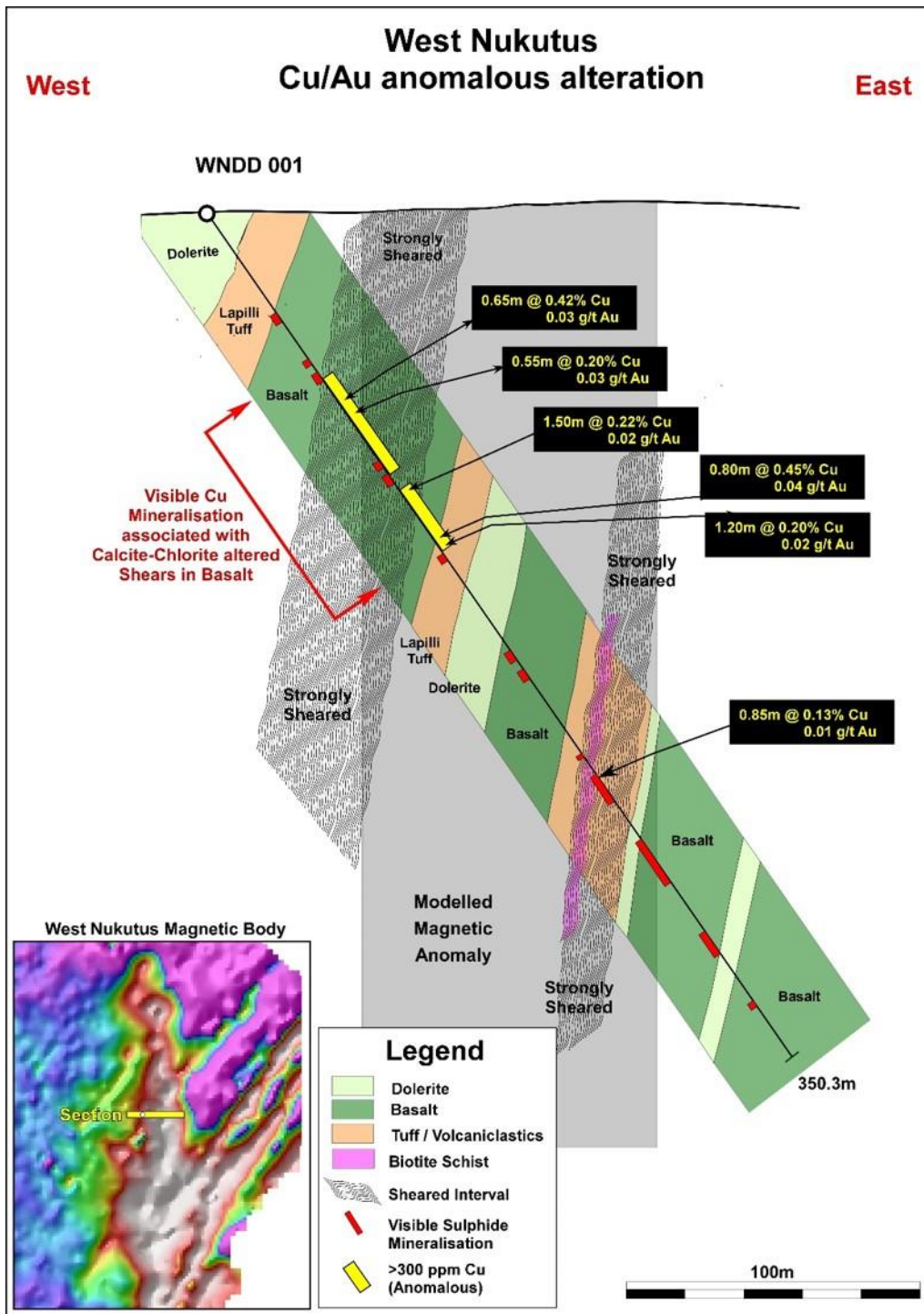


Figure 3: Cross section of WNDD 001 at West Nukutus, showing the main alteration zones and zones of shearing with anomalous copper.

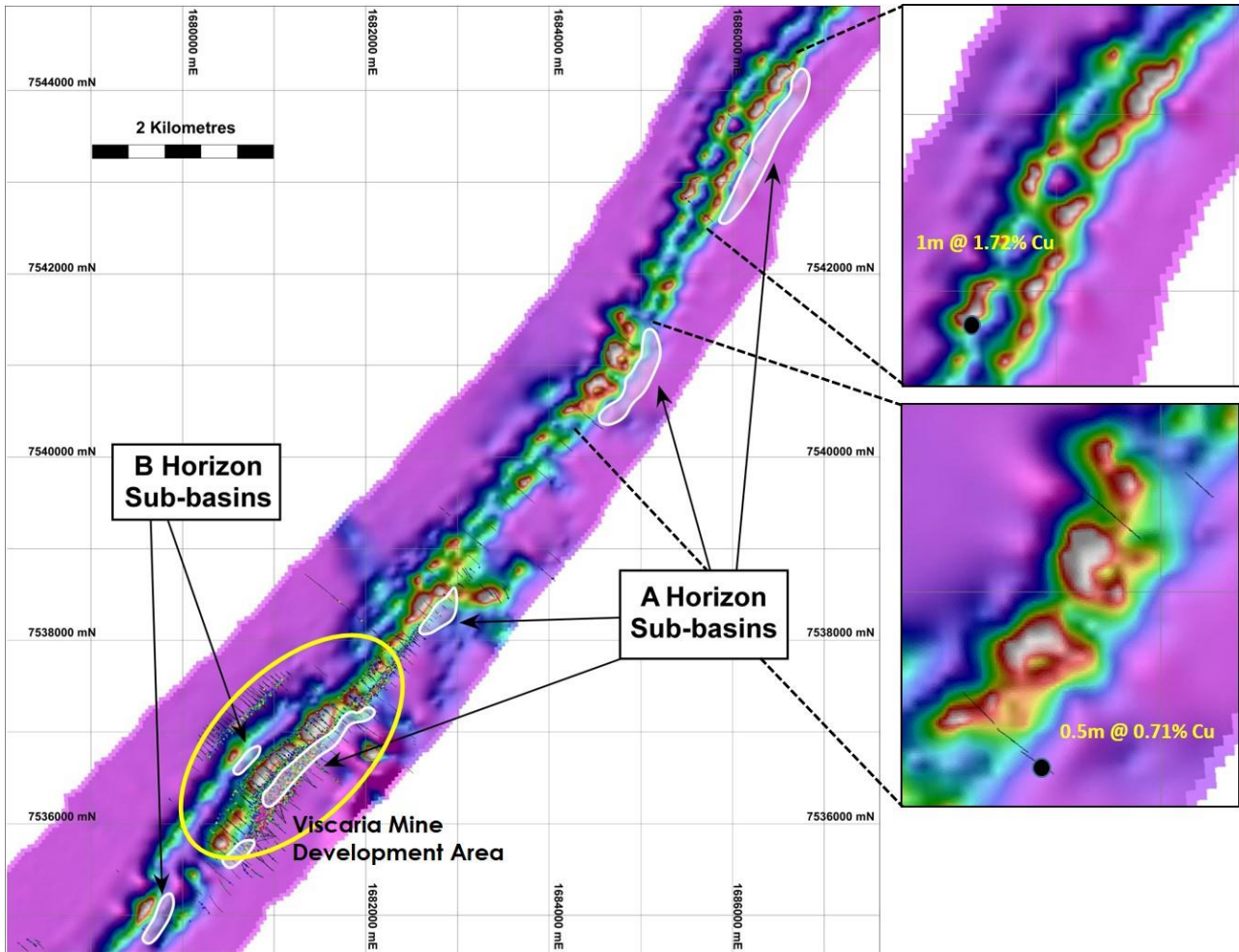


Figure 4: A Zone horizon sub-basin targets. The targets have been defined on the basis of conceptual model development based on the Viscaria A Zone deposit. The sulphide mineralisation at A Zone is adjacent to significant graphitic units with thickening of these units partly reflecting original sub-basin development, and partly due to structural thickening. The sulphide response in EM data is masked by the graphitic response. Comparable domains have been highlighted at time equivalent positions, and with potential structural corridors that may reflect original basin structures (but have been subsequently reactivated with basin inversion).



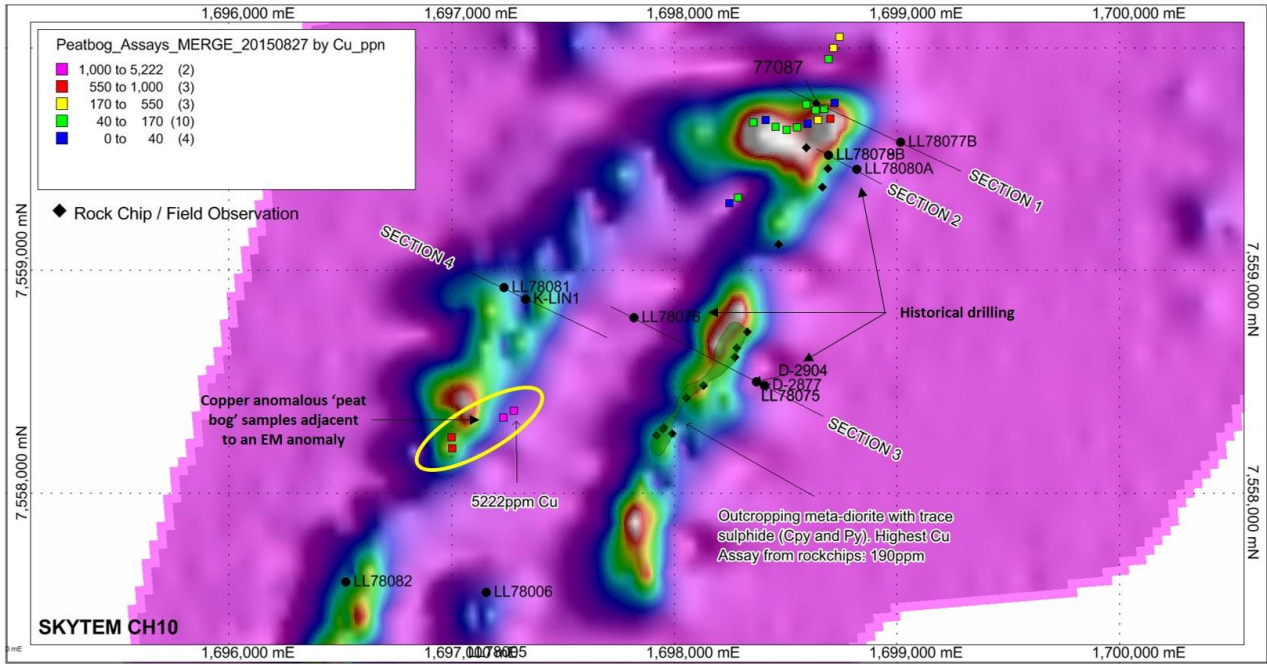


Figure 5: Vazasvarri target area showing location of 0.52% copper in peat bog samples.



Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Mr Malcolm Norris who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Norris 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Mr Malcolm Norris
Managing Director
Avalon Minerals Limited
Tel: 07 3368 9888

Email: malcolm.norris@avalonminerals.com.au



APPENDIX 1

The following Table and Sections are provided to ensure compliance with the JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. 	<ul style="list-style-type: none"> The results announced here are from reconnaissance peat bog and rock chip samples, from historical diamond drill core samples, and from one recently completed diamond drill hole at West Nukutus prospect.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Reconnaissance samples were collected from target zones and are reconnaissance in nature. At the west Nukutus prospect core recovery was good and core aligned prior to splitting
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Peat bog samples from which 1-3 kg were sent to the laboratory to be pulverised to produce a 250g sample. Then a 50g portion of this sample was used for multi-element analysis. At West Nukutus, diamond drilling was used to obtain ~1m samples (see first point above) from which 3-5 kg was sent to the laboratory to be pulverised to produce a 250g sample. Then a 50g portion of this sample was then used for multi-element analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> The diamond core at West Nukutus prospect was HQ (63.5mm) and NQ (47.6 mm) in size (diameter).
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Diamond core recovery data for this drilling was measured for each drill run and captured in a digital logging software package. The data has been reviewed and core recovery was approximately 100% throughout.
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Ground conditions at west Nukutus appear to be good based on this first diamond drill hole; no extra measures were taken to maximise sample recovery.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No significant relationship has been recognised between sample recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> At West Nukutus, drill samples have been logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling is being carried out according to Avalon's internal protocols and QAQC procedures which comply with industry standards.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. 	<ul style="list-style-type: none"> At West Nukutus, drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Core is photographed both wet and dry.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> At West Nukutus, drill holes were logged in full from start to finish of the hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> At West Nukutus half core was used to provide the samples for assay. Half core is left in the core trays.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. 	<ul style="list-style-type: none"> Core samples are being collected.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Avalon samples were sent to the ALS Sample Preparation Facility in Pitea, Sweden for sample preparation. The standard ALS sample preparation for drilling samples is: drying the sample, crushing to size fraction 75% >2mm and split the sample to 250g portion by riffle or Boyd rotary splitter. The 250g sample is then pulverised to 85% passing 75 microns and then split into two 50g pulp samples. Then one of the pulp samples was sent to the Vancouver ALS laboratory for base metal analysis. The sample preparation is carried out according to industry standard practices.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Avalon is using an industry standard QAQC programme involving Certified Reference Materials "standards" (with Cu grades ranging from near cut-off, average resource grades and very high grades) and blank samples, which are introduced in the assay batches. Standards, blanks and duplicates are submitted at a rate of 1 in 20 samples or one standard, blank and duplicate per hole if the hole has less than 20 samples. The check assay results are to be reported along with the sample assay values

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>in the preliminary and final analysis reports.</p> <ul style="list-style-type: none"> • For diamond core, the routine sample procedure is to always take the half/quarter core to the right of the orientation line (looking down hole) or the cut line (in cases where the orientation line was not reliable). • Once assay results are received the results from duplicate samples are compared with the corresponding routine sample to ascertain whether the sampling is representative. • Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Avalon used assay method ME-ICP61, which involves sample decomposition by a four acid digest. They are then analysed by ICP-AES. The lower detection limit for copper using ME-ICP61 is 0.0001% and the upper detection limit is 1%. • This analysis technique is considered suitable for this style of mineralisation. • No other measurement tools/instruments were used. • The values of the standards range from low to high grade and are considered appropriate to monitor performance of values near cut-off and near the mean grade of the deposit. • The check sampling results are monitored and performance issues are communicated to the laboratory if necessary.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Photographs of sampled intervals are taken and the Competent Person for exploration results for this announcement has viewed photographs of the core. • Twin holes have not been drilled in this area. • Avalon sampling data are imported and validated using an Access database package. • No adjustments to assay data have been made.

Criteria	JORC Code explanation	Commentary																				
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> 	<ul style="list-style-type: none"> • Surface collar co-ordinates are surveyed by Differential GPS in Swedish co-ordinate system RT90 gon vast (west) 2.5 by qualified local contract surveyors to a high level of accuracy (1-3cm). • It has been standard procedure to use the same contract surveyors to survey collar points since Avalon's involvement, so there is high confidence that all the surface drill holes at A Zone are supported by accurate location data. • High quality down-hole dip and azimuth survey data are recorded. 																				
	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> 	<ul style="list-style-type: none"> • RT90 Map projection parameters: <table border="1" data-bbox="1240 568 1666 1155"> <thead> <tr> <th>Parameter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Reference Ellipsoid</td> <td>Bessel 1841</td> </tr> <tr> <td>Semi Major Axis</td> <td>6377397.155 m</td> </tr> <tr> <td>Inverse Flattening (1/f)</td> <td>299.1528128</td> </tr> <tr> <td>Type of Projection</td> <td>Gauss-Krüger (Transverse Mercator)</td> </tr> <tr> <td>Central Meridian:</td> <td>E15°48'29.8" (2.5 gon West of the Stockholm Observatory)</td> </tr> <tr> <td>Latitude of Origin</td> <td>0°</td> </tr> <tr> <td>Scale on Central Meridian</td> <td>1</td> </tr> <tr> <td>False Northing</td> <td>0 m</td> </tr> <tr> <td>False Easting</td> <td>1500000 m</td> </tr> </tbody> </table> • RT90 gon vast (west) 2.5 grid north is situated 4.01° to the east of True North. 	Parameter	Value	Reference Ellipsoid	Bessel 1841	Semi Major Axis	6377397.155 m	Inverse Flattening (1/f)	299.1528128	Type of Projection	Gauss-Krüger (Transverse Mercator)	Central Meridian:	E15°48'29.8" (2.5 gon West of the Stockholm Observatory)	Latitude of Origin	0°	Scale on Central Meridian	1	False Northing	0 m	False Easting	1500000 m
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<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The topographic surface was taken from LIDAR data (airborne laser scanning) that was purchased from Lantmäteriet (the Swedish mapping, cadastral and land registration authority). Data point resolution is 0.5 per metre square and is specified as accurate to 20cm in elevation on distinct surfaces and 60cm in planimetry. The level of accuracy of the LIDAR 																					

Criteria	JORC Code explanation	Commentary
		topographic surface was considered adequate for the purposes of resource estimation. The LIDAR topographic surface has also been verified by the many Differential GPS collar survey co-ordinates.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • At West Nukutus, this is the first diamond drill hole in this area by Avalon and therefore the 3-dimensional geology is poorly understood. 3-dimensional interpretations of geophysical data have been prepared to guide drill targeting. It is expected that further drilling will be undertaken. • Diamond drill sampling was generally taken over 1 meter intervals except when adjusted to geological boundaries.
	<ul style="list-style-type: none"> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> 	<ul style="list-style-type: none"> • There have not been any Mineral Resource and Ore Reserve estimations undertaken in this area, and it is unknown if the current phase of exploration will lead to the estimation of mineral resources.
	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • No sample compositing is expected to be done.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • Drilling orientations were appropriate for the interpreted high angle of the target structures.
	<ul style="list-style-type: none"> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The company does not believe that any sample bias has been introduced.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Avalon sampling procedures indicate individual samples were given due attention. • ALS is an internationally accredited laboratory that has all its internal procedures heavily scrutinised in order to maintain their accreditation.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Avalon's sampling techniques and data have been audited multiple times by independent mining consultants during the process of reporting a JORC Compliant Mineral Resource on the various mineral deposits that make up the Viscaria Copper Project (A Zone, B Zone, D Zone). The Viscaria project is located 5km south of West Nukutus, in the same belt of rocks, and it is considered appropriate for these procedures to be applied at West Nukutus. These audits have always resulted in the conclusion that Avalon's sampling

Criteria	JORC Code explanation	Commentary
		<p>techniques and data are industry standard and suitable for the purposes of reporting a JORC Compliant Mineral Resource.</p> <ul style="list-style-type: none"> Procedures exist to standardise data entry and senior geological staff from Avalon regularly vet sampling procedures.

TABLE 1 – Section 2: Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> The West Nukutus target is covered by Exploration Permit Viscaria nr 1. The Vazasvarri target is covered by Exploration Permit Viscaria nr 2.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Exploration Permit Viscaria nr 1 is valid till the 24/06/2017. Exploration Permit Viscaria nr 2 is valid till the 10/09/2015, and an application for renewal has been lodged.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The West Nukutus target has not been previously explored. The Vazasvarri target has been previously explored by LKAB. 10 drill holes were completed
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The West Nukutus target is interpreted to be an iron oxide copper-type (IOC) ore system. This area has subsequently been modified by shearing associated with a lower amphibolite facies metamorphic event. Subsequent to the lower amphibolite facies metamorphism and associated deformation, these rocks have been overprinted by locally constrained shear zones displaying retrograde, greenschist metamorphic mineralogy.

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ol style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> 	<ul style="list-style-type: none"> Details of the drill holes discussed in this announcement are in the body of the text.
	<ul style="list-style-type: none"> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Information included in announcement.
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> 	<ul style="list-style-type: none"> Reported intersections are calculated by weighting each sample according to its length when averaging over an interval that exceeds more than 1 sample.
	<ul style="list-style-type: none"> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> 	<ul style="list-style-type: none"> Only narrow intervals are reported and data aggregation did not incorporate high and low grade results. For lower grade but anomalous intervals ranges of results have been reported (Table 1).
	<ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Metal equivalents have not been applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> The orientation of WNDD001 is at a moderate and acceptable angle to the interpreted target zone at the West Nukutus target.
	<ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Inadequate drilling has been completed to establish true widths of any units at this stage. Further drilling will need to be completed before this can be established.

Criteria	JORC Code explanation	Commentary
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • See Figures for maps of the locations of the drill hole.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • See Table 1 and Figures 2, 3, 4 and 5 for data on each prospect.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported) including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • See Figures 2, 3, 4 and 5 for additional exploration data.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> • Further exploration of the West Nukutus and Vazasvarri targets is currently being planned, but is not expected to be implemented until 2016. • Exploration along the belt to the north of Viscaria A Zone is planned, but will not be implemented until 2016.
	<ul style="list-style-type: none"> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • See Figure 2 which shows the location of hole WNDD001 and the extent of the magnetic anomaly which outlines the general area of the target for further work.