

6 July 2016

ASX ANNOUNCEMENT



AVALON RAISES \$1.9M TO ADVANCE SCANDINAVIAN LITHIUM AND COPPER PROJECTS

ASX: AVI

Highlights

- Placement closed oversubscribed to raise A\$1.9 million.
- The placement will allow drilling to commence this quarter at the high grade Tammela Lithium Project, Finland, where previous drilling by the Finnish Geological Survey at the Kietyönmäki lithium pegmatite returned **18m @ 1.8% Li₂O**, including **9m @ 2.6% Li₂O**, and peak assays of **3m @ 4.35% Li₂O**.
- Proceeds from the equity raising will be used to fund:
 - A 3,000m diamond drilling programme at the Kietyönmäki lithium occurrence, with the objective of defining a maiden JORC Resource;
 - Other exploration activities on the Company's Swedish and Finnish lithium exploration assets including geophysics, geochemistry and metallurgical test work;
 - Progressing the Environmental and Social Impact Assessment ('ESIA') in relation to its Viscaria Copper Project, Sweden; and
 - Working capital, including corporate costs to manage the exploration programme and costs of the offer.

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

Avalon Minerals Ltd (**ASX: AVI**) ('Avalon' or 'Company') is pleased to announce that it has received commitments for a placement to raise **A\$1.9 million** (before costs). The placement will be in 2 tranches with the first tranche of A\$1.5 million made to new, professional and sophisticated investors in Australia and a second tranche of A\$0.4 million to existing long term cornerstone shareholders in Europe and the UK.

The funds raised will be used to fund a drilling programme at the Kietyönmäki lithium occurrence, with the objective of defining a maiden JORC Resource, other exploration activities on the Company's lithium assets, progressing the ESIA for the Viscaria Copper Project in Sweden and for working capital.

Avalon's Managing Director, Mr Malcolm Norris said, "*It is extremely pleasing to complete this placement to fund the commencement of drilling and other exploration activities on the Company's lithium assets in Scandinavia, with the objective of defining a maiden JORC Resource at the high grade Kietyönmäki lithium occurrence. In parallel, we will continue progressing the ESIA of our large Viscaria Copper Project in Sweden. This placement confirms the solid financial support Avalon continues to receive*".

Hartleys Limited, the Company's corporate advisors, are Lead Broker to the placement.

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The placement consists of 119,212,500 shares at 1.6 cents per share, and one (1) attaching option for each share subscribed in the placement, with the options having an exercise price of 3 cents each and expiry date of 3 years from the date of issue. Subject to satisfying the listing criteria of the ASX, the options will be quoted on ASX.

The placement in Tranche 1 of 94,525,000 shares is within the Company's available capacity under the ASX Listing Rules. An Appendix 3B and other requisite information will be lodged with ASX upon issue and allotment of the placement shares and the new shares will rank equally with existing ordinary shares.

The Company will seek approval at a shareholders meeting for the issue of the Tranche 2 shares and the options associated with the placement, the 10 million broker options to Hartleys Limited, and participation in the capital raising by Avalon's Managing Director, Mr Malcolm Norris and Chairman Mr Graham Ascough. Details of the general meeting will be announced in due course and the meeting is expected to be held in August.

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

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

Email: malcolm.norris@avalonminerals.com.au

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