

20 March 2017

# ASX ANNOUNCEMENT



## Viscaria Copper Project - Update

### Highlights

- **Diamond drill rig expected to arrive at site in the last week of March**
- **Ground magnetic survey completed over Target 3 and maps the continuity of the magnetic anomaly to the north**
- **Detailed structural studies well advanced and preliminary results to be used to target additional high grade copper areas**

The Directors of Avalon Minerals Limited ("**Avalon**" or "**Company**") (**ASX:AVI**) are pleased to provide an update on progress for the Viscaria Copper Project, located in Kiruna, northern Sweden.

Logistical preparation is continuing in advance of a diamond drilling campaign at Viscaria that will test the 'near mine' targets reported in ASX announcement dated 20<sup>th</sup> February 2017. Drill rigs have been difficult to access at this time of year due to a high level of exploration, particularly in northern Finland, where copper, nickel and gold targets are being explored by junior and major mining companies. Kati Drilling have been contracted and expect to be on site during the last week of March.

The drilling program will test several targets close to the Viscaria copper deposit (see ASX announcement dated 20<sup>th</sup> February 2017), and further follow-up drilling will be planned once results are received.

Ground magnetic surveys in the 'near mine' environment are in progress over areas that were not previously surveyed. Interpretation of the results to date is ongoing and once completed will enable further detailed 3-D modelling of magnetite deposits, which are commonly host to copper mineralisation.

Detailed structural geology studies are also in progress and are aimed at delivering a 3-D structural model that will be used to target interpreted high grade copper zones. The work is being undertaken by highly regarded structural-economic geologist Dr. Nick Oliver of consulting group HCOV Global (HolcombeCoughlinOliverValenta). The work is already providing significant breakthroughs in identifying thickened magnetite zones and potential higher copper grade feeder zones. It is also identifying, and prioritising, new and existing targets within 2.5km of the Viscaria copper deposit.

Updates on progress with this work and the drilling program will be provided in early April.

**ASX: AVI**

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## About Avalon

Avalon has an advanced portfolio of exploration and development projects in Scandinavia. The portfolio comprises:

1. **The Viscaria Copper Project** in northern Sweden has a completed Scoping Study (see ASX announcements dated 16<sup>th</sup> December 2015 and 5<sup>th</sup> April 2016) and is moving towards PFS and permitting to allow for mine development. The project has a mineral resource estimate of 52.4 Mt at 1.2% Cu (see Table 1 below). Considerable exploration upside exists and low technical risk extensional drill targets have been defined.
2. **The Southern Finland Gold Project**, which includes the Satulinmäki and Riukka gold prospects. These prospects have received shallow diamond drilling by the Geological Survey of Finland (GTK) and Avalon Minerals has now completed a 7-hole diamond drilling program. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391 at Satulinmäki. Intersections by Avalon include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki and Riukka gold prospects are part of an earn-in JV with Canadian company Nortec Minerals, where Avalon can earn up to an 80% interest (see ASX announcement dated 19<sup>th</sup> May 2016). Avalon has acquired a significant land position in its own right in the district.
3. **The Kietyönmäki Lithium Pegmatite Project** in southern Finland where Avalon has completed a 6 hole drilling program and channel sampling over outcropping spodumene-bearing pegmatites. The project is part of the earn-in JV with Canadian company Nortec Minerals. Historical drilling by GTK in the mid 1980's identified a high grade lithium pegmatite deposit including diamond drill intersections of up to 18m at 1.8% Li<sub>2</sub>O. Drilling by Avalon has returned 24.2m at 1.44% Li<sub>2</sub>O (see ASX announcement dated 12<sup>th</sup> September 2016).

**Table 1** Total combined resource figure for A Zone, B Zone and D Zone at Viscaria

Resource Area	Classification	Tonnes (Mt)	Cu Grade (%)	Contained Cu (kt)
A Zone	Measured	14.44	1.7	240.0
	Indicated	4.69	1.2	57.2
	Inferred	2.48	1.0	25.5
	<b>Subtotal</b>	<b>21.61</b>	<b>1.5</b>	<b>322.7</b>
B Zone	Measured	0.12	1.3	1.6
	Indicated	4.12	0.7	29.7
	Inferred	15.41	0.8	118.7
	<b>Subtotal</b>	<b>19.65</b>	<b>0.8</b>	<b>149.0</b>
D Zone	Indicated	3.11	0.81	25.2
	Inferred	0.01	0.32	0.02
	<b>Subtotal</b>	<b>3.11</b>	<b>0.81</b>	<b>25.2</b>
	Indicated	7.26	1.37	99.8
	Inferred	0.78	1.57	12.2
	<b>Subtotal</b>	<b>8.03</b>	<b>1.39</b>	<b>111.9</b>
<b>Overall Cu</b>	<b>Total</b>	<b>52.4</b>	<b>1.2</b>	<b>608.9</b>

*Note: D Zone subtotals represent open pit at an average grade of 0.81% copper, and underground at an average grade of 1.39% copper.*

*Refer to Annual Report released 16 August 2016 for the Competent Persons Statement in relation to the estimates of mineral resources. The Company confirms that it is not aware of any new information or data that materially affects the information and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.*

#### Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach 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". Dr Rohrlach 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](http://www.avalonminerals.com.au)

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