

ASX ANNOUNCEMENT

6 JUNE 2012

Thick Copper Intersection revealed in Third Drill Hole Completed at Viscaria Project, Sweden

Highlights

- The third drill hole of a four hole drill program testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources has been completed;
- Drill hole VDD0127 intersected a copper mineralised zone of 21.4m (down hole width);
- Within the 21.4m intersection occurs two intervals of higher grade copper mineralisation varying in width from 5.2m to 3.3m (down hole width);
- The copper mineralisation in drill hole VDD0127 consists of massive sulphides, disseminations, veins and stringers of chalcopyrite mineralisation occurring within tuffaceous, volcanic sediments;
- Drill hole VDD0127 was drilled outside of the currently defined Mineral Resource envelope at the A Zone prospect. The current Mineral Resource for A Zone comprises 21.6Mt at 1.5% Cu and is classified as having 14.4Mt @ 1.7% Cu Measured, 4.7Mt @ 1.2% Cu Indicated and 2.5Mt @ 1% Cu Inferred according to the guidelines of the JORC Code (2004);
- Assay results for drill hole VDD0127 are expected to be available in approximately 4 weeks time;
- Assay results for drill hole VDD0128 are expected to be available within the next week;

Australian resources company Avalon Minerals Limited ('Avalon' or 'Company') (ASX: AVI) is pleased to announce that the third hole, of a four-hole drill program, has been completed at the Viscaria Project in northern Sweden (Figures One and Two). The drill program will comprise approximately 2000m of drilling, with the objective of testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources.

Avalon's Managing Director, Jeremy Read, said that the current drill program was helping build Avalon's knowledge of the controls on the higher-grade copper mineralisation at Viscaria. This is an important step prior to undertaking a much larger drill program later in 2012 with the aim of increasing the Mineral Resources on the Viscaria Project.

"All three drill holes completed to date have intersected mineralised intervals from 15m to 55m down hole thickness and within those broad intervals, zones of high-grade copper also occur. The results from these three drill holes have greatly increased our confidence in being able to follow the higher grade zones of copper mineralisation at depth."

“Drill hole VDD0127 intersected a zone of 21.4 metres (down hole width) of copper mineralisation, which is another very positive result.” Mr Read said.

Geochemical assay data for hole VDD0127 are expected to be available in approximately four weeks time.

The four hole drill program is estimated to total 2,000m of diamond drilling. This drilling is being divided between drilling at the southern section of A Zone, targeting the plunging high grade copper shoots 600m below the surface and stepping out approximately 30m to 50m beneath the high grade shoots of D Zone, at the 200-300m depth interval. Drilling of the final hole is currently in progress at D Zone and it is anticipated that drilling will be completed by mid June 2012.

Details of Drill Hole VDD0127

Drill hole VDD0127 intersected copper mineralisation over 21.4 metres down-hole, near the contact between basalts and tuffaceous sediments.

The best copper mineralised intervals extend from 766.9m to 770.4m and 782.7m to 786.0m down-hole as follows:

- 766.9m - 770.4m (5.2m down-hole width) - Massive to moderately abundant disseminated chalcopryite, blebs, veinlets and stringers.
- 782.7m - 786.0m (3.3m down-hole width) - moderately abundant disseminated chalcopryite, blebs, veinlets and stringers.

The survey details of drill hole VDD0127 are given in Table One with the drill hole location shown in Figure Two. Massive copper and iron sulphide mineralisation intersected in hole VDD0127 is shown in Figure Three.

Table One

Hole	Easting (RT90)	Northing (RT90)	RL (m)	Azimuth (degrees)	Inclination (degrees)	From (down hole m)	To (down hole m)	Intersection Width (down hole m)	End of Hole(m)
VDD00127	1,680,995	7,535,479.183	533.447	314.215	-65	764.6	786	21.4	846

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

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Figure One - Project Location



Figure Two - Location of Drill Hole VDD0127, as well as previously announced VDD0125 and VDD0128

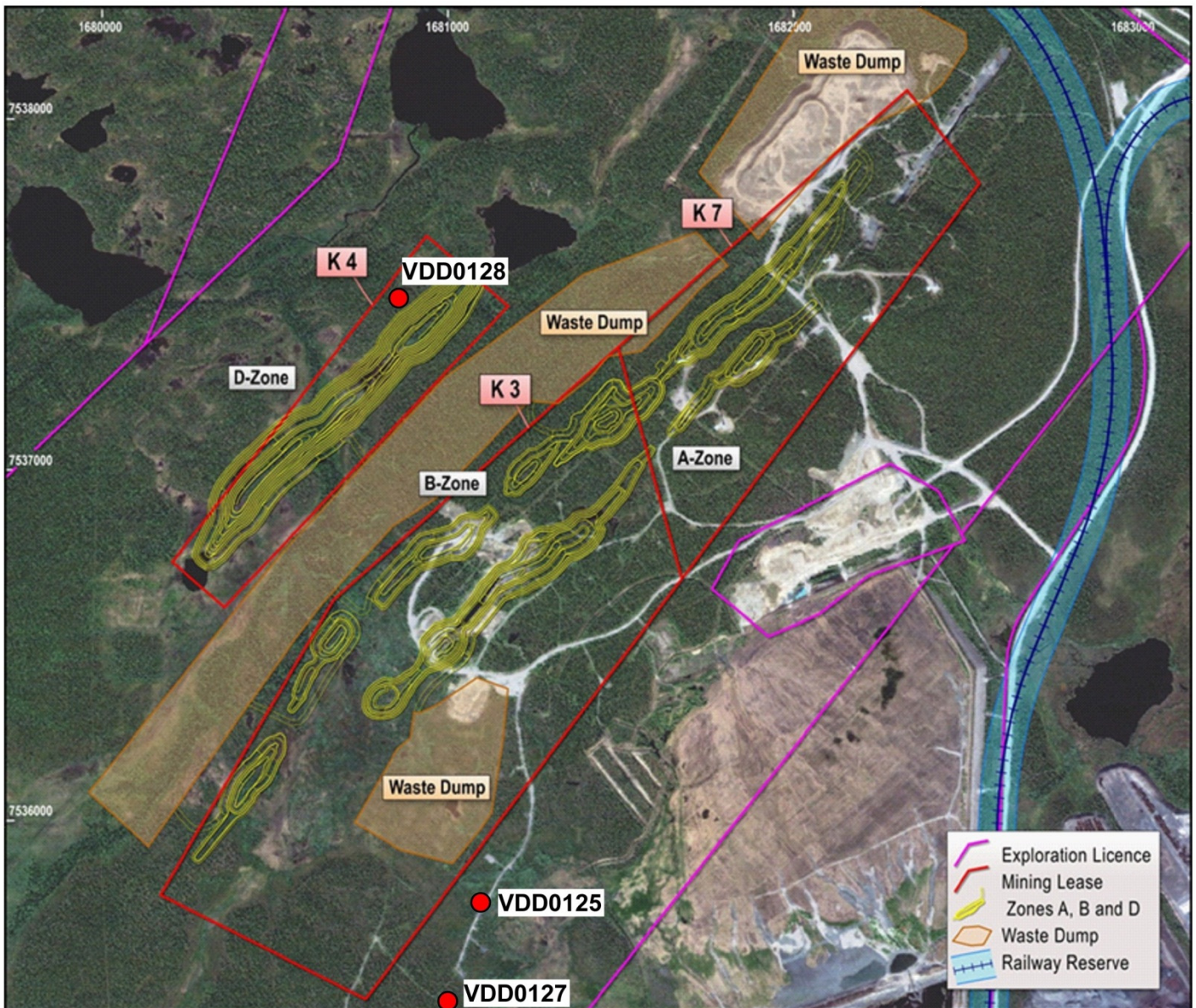


Figure Three - Massive Sulphide Mineralisation Intersected in Drill Hole VDD0127 (yellow sulphide = chalcopyrite; brown sulphide = pyrrhotite)



Competent Person's Statement

The information in this report that relates to Mineral Resources and exploration targets 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.

The Mineral Resource estimate for A, B and D Zones was compiled and prepared by Dr Bielin Shi (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.