

Final Results from Drilling Programmes Olary Creek Iron Ore Project, South Australia

Highlights

- Final results from the drilling programmes on Olary Creek Iron Ore Project have returned significant mineralised intersections.
- Results further highlight the extent of iron rich sediments.
- Joint Venture partners to proceed to resource estimation and feasibility study.
- Results highlight significant iron grades with low impurities.

Significant results reported here include:

| Hole ID | Interval | | Fe | SiO ₂ | S | P |
|---------|----------|---|--------|------------------|-------|-------|
| ZK1812 | 199.95m | @ | 69.0 % | 3.80% | .004% | .006% |
| ZK2013 | 108.00m | @ | 69.4 % | 3.26% | .001% | .004% |
| and | 94.00m | @ | 69.8 % | 2.92% | .003% | .006% |
| ZK0408 | 149.70m | @ | 69.8 % | 2.90% | .003% | .004% |
| OL0010 | 111.00m | @ | 69.1 % | 3.47% | .004% | .006% |
| ZK2606 | 86m | @ | 69.64% | 2.82% | .003% | .006% |
| ZK2608 | 81m | @ | 69.97% | 2.72% | .003% | .005% |
| OL0017 | 113m | @ | 69.03% | 3.73% | .006% | .008% |

Olary Creek Update

The Directors of Avocet Resources Limited are pleased to announce the final assay results from the two drilling programmes which were completed on Olary Creek in South Australia.

Avocet Resources has received these results from its joint venture partner, “HJH Nominees” and its partner, “YMRD – Centres Alliance Co WA Pty Ltd”. YMRD has been the manager of the recent drilling programmes.

The Olary Creek Project consists of one exploration licence (EL4664) and is located 70 kilometres southwest from Broken Hill with ready access to roads, rail and port facilities. The project is situated a short distance south of the Barrier Highway and the Indian Pacific railway line (Figure 1).

55 diamond and reverse circulation drill holes were completed for a total of 16,241.30 metres between July 2011 and June 2012. The drilling targeted the depth extent of mineralised siltstone outcrops on the surface.

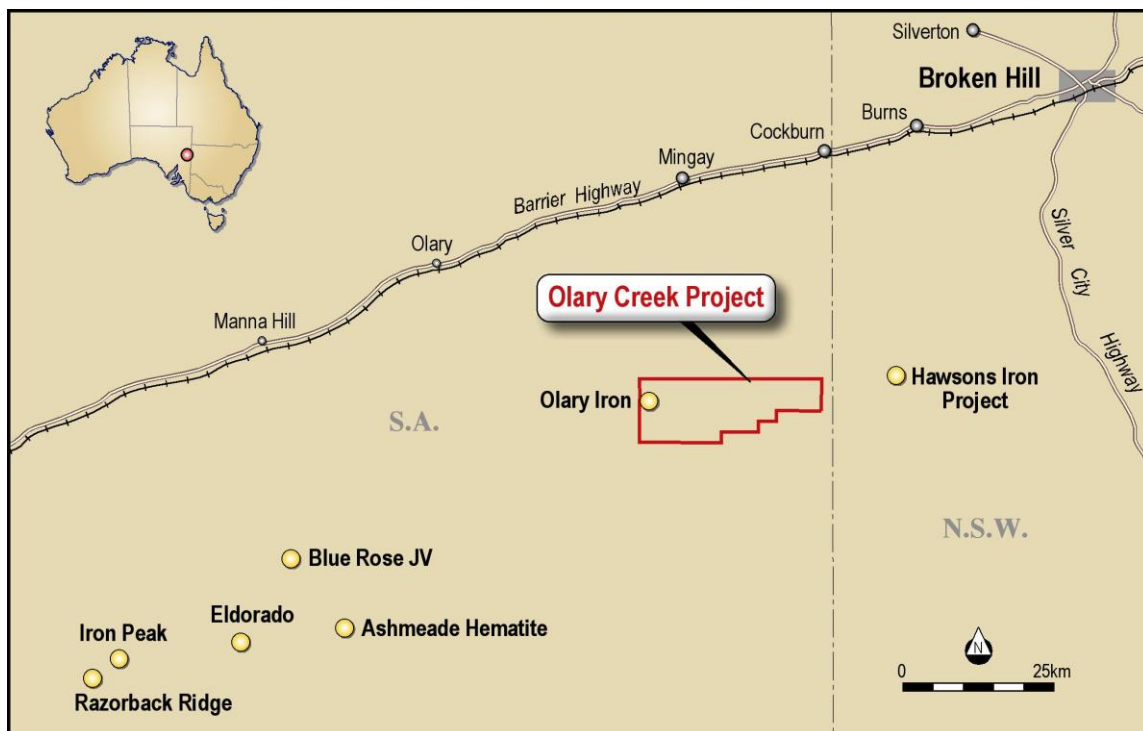


Figure 1: Location of the Olary Project

Figure 2 highlights all holes drilled in the two programmes, (red circles for the 2012 programme and yellow circles for the 2011 drilling programme). The main magnetic units are also defined on this figure. The southern extent of mineralisation is yet to be drilled.

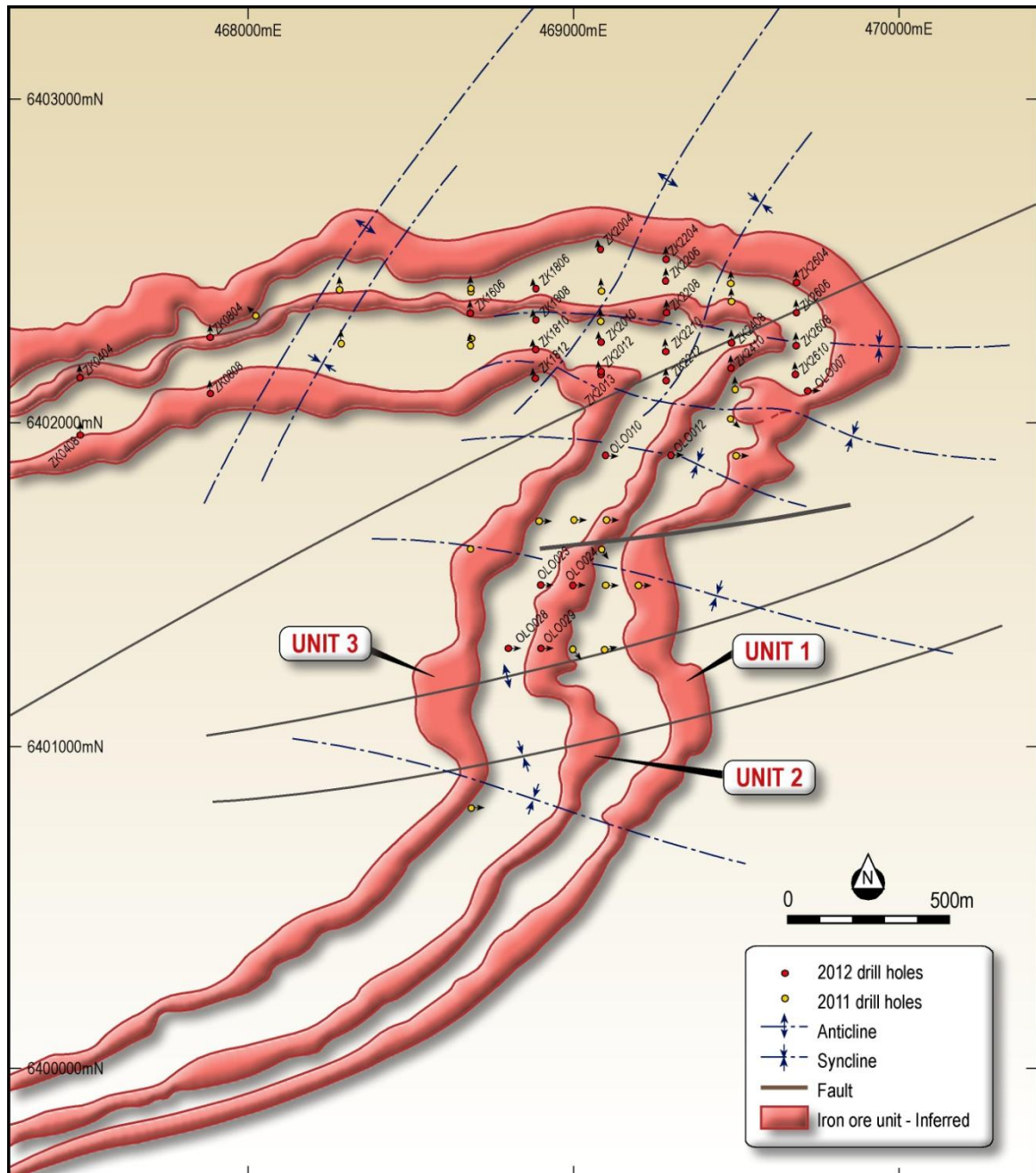


Figure 2: 2011, 2012 Drilling Programme, including the iron rich siltstones and the structure recognised in the area

The Olary Creek drilling programmes have targeted the northern part of the siltstone hosted Braemer Iron Formation which is highly prospective for bulk magnetite iron ore deposits in the region. The most southerly hole drilled in these programmes, ZK1619, which has previously been reported, returned significant results including 276.0 metres @ 67.15% Fe in concentrate in addition to other intervals up to 39.7 metres thick. Approximately 2km of strike of the three main mineralised horizons continue to the south of this intersection. Sampling only commenced in March 2012 but since then, assay results received have shown the Davis Tube Recovery (DTR) concentrate grades vary up to 70.95%Fe with generally low P, S, Al₂O₃ and SiO₂. Due to the extent of mineralisation, only rarely has DTR test work been completed on samples in the upper 80 metres, but there remains considerable potential in this area.

Results from several holes reported in this release have previously been reported, but previous results are from different intervals; either from the upper or lower parts of the holes.

Figure 3 represents a cross section through 468885mE in the northern part of the area, highlighting the separate magnetic rich iron units and the continuity of grade and thickness at depth.

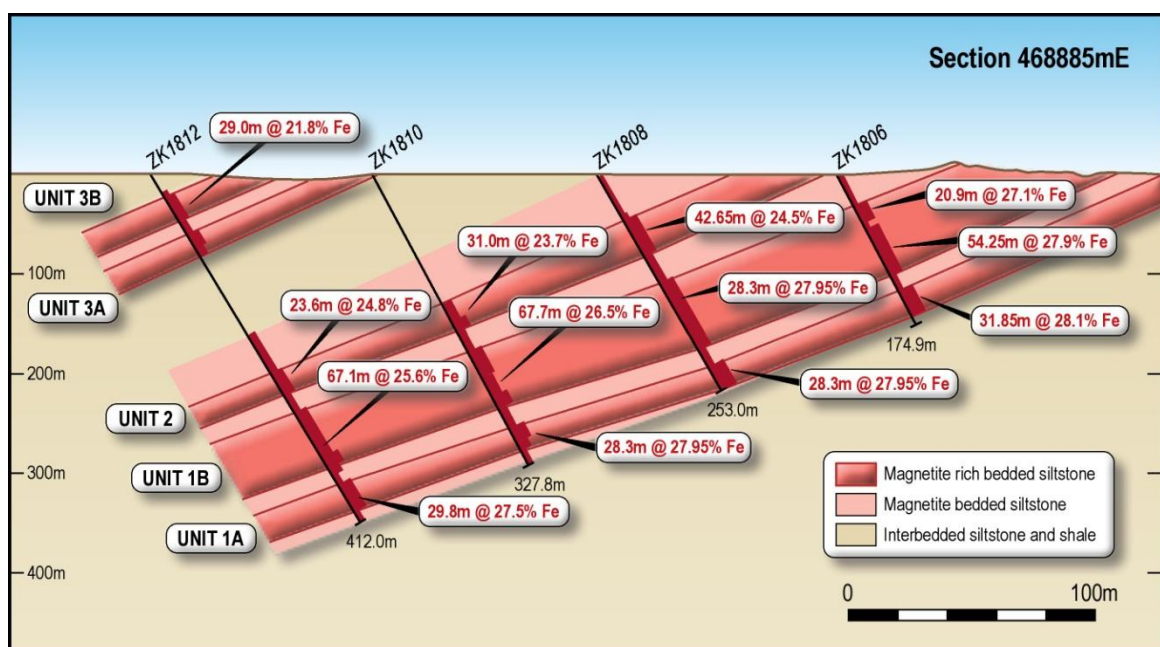


Figure 3: Olary Creek Section 468885mE

Table 1 below, summarises the collar details of the drill holes reported on in this announcement. Table 2 highlights all intersections of significance from these drill holes.

Table 1: Drill Holes Reported in this Release

| Hole No. | Coordinates | | RC | DD | Total Depth | Azimuth | Dip |
|----------|-------------|--------|-----|-------|-------------|---------|-----|
| | N | E | (m) | (m) | (m) | | |
| ZK0404 | 6402140 | 467485 | 148 | - | 148 | 360 | 60 |
| ZK0408 | 6401965 | 467485 | 136 | 221.5 | 357.5 | 360 | 60 |
| ZKE800 | 6401610 | 469085 | - | 454 | 454 | 118 | 60 |
| ZK0804 | 6402265 | 467885 | 148 | - | 148 | 360 | 60 |
| ZK0808 | 6402090 | 467885 | 270 | 96.6 | 366.6 | 360 | 60 |
| ZK1812 | 6402139 | 468885 | 178 | 234 | 412 | 360 | 60 |
| ZK2010 | 6402251 | 469085 | 202 | 102 | 304 | 360 | 60 |
| ZK2012 | 6402161 | 469085 | 244 | 12 | 256 | 360 | 60 |
| ZK2013 | 6402151 | 469085 | 300 | 127 | 427 | 360 | 60 |
| ZK2208 | 6402342 | 469285 | 220 | - | 220 | 360 | 60 |
| ZK2410 | 6402168 | 469485 | 300 | 106 | 406 | 360 | 60 |
| ZK2604 | 6402435 | 469685 | - | 108 | 108 | 360 | 60 |
| ZK2606 | 6402340 | 469685 | 194 | - | 194 | 360 | 60 |
| ZK2608 | 6402240 | 469685 | 237 | 27.8 | 264.8 | 360 | 60 |
| OL0007 | 6402100 | 469720 | 164 | 65 | 229 | 090 | 60 |
| OL0010 | 6401900 | 469100 | 300 | 198.7 | 498.7 | 090 | 60 |
| OL0012 | 6401900 | 469300 | 223 | 282 | 505 | 090 | 60 |
| OL0017 | 6401698 | 468897 | - | 393.4 | 393.4 | 90 | 60 |

Table 2: Olary Creek Assays – September 2012

| Hole ID | From | To | Interval | | Mass Recovery | Head Grade | Concentrates | | | | |
|---------|-------|-------|----------|---|---------------|------------|--------------|--------------------------------|------|------|------------------|
| | | | | | | | Fe | Al ₂ O ₃ | P | S | SiO ₂ |
| | (m) | (m) | (m) | | | Fe% | | | | | |
| ZK0404 | 101 | 139 | 38 | @ | 30.26 | 32.99 | 70.46 | .117 | .005 | .002 | 1.71 |
| ZK0408 | 135.3 | 285.0 | 149.7 | @ | 20.03 | 21.50 | 69.81 | .210 | .004 | .003 | 2.90 |
| ZKE800 | 42 | 61 | 19 | @ | 18.69 | 17.95 | 66.29 | .460 | .014 | .006 | 6.40 |
| | 88 | 112.3 | 24.3 | @ | 20.29 | 22.31 | 67.40 | .460 | .013 | .013 | 4.41 |
| | 124.5 | 168.6 | 44.1 | @ | 42.22 | 34.59 | 67.94 | .390 | .025 | .040 | 4.16 |
| ZK0804 | 49 | 59 | 10 | @ | 14.73 | 20.93 | 68.83 | .258 | .006 | .005 | 3.08 |
| | 78 | 125 | 47 | @ | 24.66 | 26.16 | 69.66 | .188 | .007 | .004 | 2.91 |
| ZK0808 | 89 | 101 | 12 | @ | 19.95 | 21.59 | 70.10 | .168 | .006 | .003 | 1.66 |
| | 139 | 192 | 53 | @ | 16.01 | 19.06 | 70.12 | .181 | .005 | .010 | 2.37 |
| | 197 | 270 | 73 | @ | 15.86 | 18.52 | 69.47 | .226 | .005 | .004 | 2.98 |
| | 269.7 | 363.1 | 93.4 | @ | 23.66 | 25.07 | 69.45 | .268 | .004 | .006 | 3.21 |

| /Contd.. | | | | | | | Concentrates | | | | |
|----------|--------|--------|----------|---|---------------|------------|--------------|--------------------------------|------|------|------------------|
| Hole ID | From | To | Interval | | Mass Recovery | Head Grade | Fe | Al ₂ O ₃ | P | S | SiO ₂ |
| | (m) | (m) | (m) | | | Fe% | | | | | |
| ZK1812 | 41 | 61 | 20 | @ | 15.16 | 19.54 | 68.24 | .344 | .015 | .003 | 3.13 |
| | 69 | 98 | 29 | @ | 15.40 | 21.85 | 69.28 | .177 | .007 | .002 | 2.26 |
| | 192.25 | 399.2 | 199.95 | @ | 20.15 | 22.30 | 69.00 | .274 | .006 | .004 | 3.80 |
| ZK2010 | 64 | 85 | 21 | @ | 9.90 | 20.16 | 69.85 | .244 | .002 | .002 | 2.28 |
| | 97 | 124 | 27 | @ | 15.22 | 20.89 | 69.96 | .256 | .003 | .001 | 2.84 |
| | 134 | 154 | 20 | @ | 16.05 | 21.59 | 70.38 | .249 | .003 | .003 | 2.26 |
| | 167 | 202 | 35 | @ | 20.39 | 24.58 | 70.73 | .197 | .002 | .003 | 1.64 |
| | 223.6 | 292.3 | 68.7 | @ | 23.57 | 24.58 | 68.74 | .327 | .007 | .011 | 3.65 |
| ZK2012 | 134 | 228 | 94 | @ | 13.76 | 18.36 | 64.86 | .247 | .003 | .004 | 2.26 |
| | 244.2 | 256 | 11.80 | @ | 26.27 | 27.48 | 70.95 | .147 | .004 | .000 | 1.56 |
| ZK2013 | 10 | 24 | 14 | @ | 16.06 | 20.90 | 67.95 | .223 | .012 | .005 | 3.58 |
| | 157 | 251 | 94 | @ | 15.11 | 20.70 | 69.80 | .218 | .006 | .003 | 2.92 |
| | 264 | 300 | 36 | @ | 21.07 | 24.83 | 70.70 | .195 | .006 | .002 | 1.85 |
| | 300 | 408 | 108 | @ | 19.51 | 22.08 | 69.40 | .286 | .004 | .001 | 3.26 |
| ZK2208 | 85 | 138 | 53 | @ | 19.06 | 23.68 | 70.32 | .247 | .003 | .002 | 2.12 |
| | 156 | 220 | 64 | @ | 27.38 | 24.84 | 69.88 | .258 | .002 | .004 | 2.68 |
| ZK2410 | 40 | 52 | 12 | @ | 13.41 | 23.18 | 70.04 | .223 | .002 | .004 | 1.60 |
| | 109 | 156 | 47 | @ | 19.29 | 23.46 | 70.31 | .202 | .002 | .005 | 2.30 |
| | 160 | 170 | 10 | @ | 19.66 | 20.86 | 69.00 | .303 | .005 | .003 | 3.77 |
| | 205 | 274 | 69 | @ | 19.81 | 22.16 | 69.92 | .293 | .004 | .005 | 2.58 |
| | 299 | 388.70 | 89.7 | @ | 22.51 | 21.18 | 69.23 | .224 | .003 | .001 | 3.52 |
| ZK2604 | 64 | 70.3 | 6.3 | @ | 17.86 | 42.07 | 69.07 | .117 | .016 | .000 | 1.16 |
| | 74.1 | 101 | 26.9 | @ | 17.00 | 23.13 | 68.82 | .343 | .008 | .002 | 2.62 |
| ZK2606 | 89 | 175 | 86 | @ | 23.67 | 23.13 | 69.64 | .272 | .006 | .003 | 2.82 |
| ZK2608 | 73 | 81 | 8 | @ | 14.76 | 23.85 | 69.73 | .199 | .005 | .001 | 1.46 |
| | 90 | 144 | 54 | @ | 17.93 | 21.58 | 70.48 | .184 | .005 | .001 | 1.74 |
| | 156 | 237 | 81 | @ | 23.93 | 21.54 | 69.97 | .237 | .005 | .003 | 2.72 |
| OL0007 | 164 | 177.5 | 13.5 | @ | 22.16 | 18.25 | 68.55 | .245 | .004 | .000 | 4.50 |
| | 182.95 | 229 | 46.05 | @ | 34.94 | 28.89 | 69.77 | .197 | .006 | .001 | 2.74 |
| OL0010 | 104 | 215 | 111 | @ | 17.12 | 20.02 | 69.06 | .236 | .006 | .004 | 3.47 |
| OL0012 | 85 | 99 | 14 | @ | 23.75 | 19.93 | 68.57 | .368 | .007 | .002 | 3.94 |
| | 186 | 263 | 77 | @ | 27.92 | 22.84 | 69.68 | .350 | .006 | .002 | 2.74 |
| | 285 | 300 | 15 | @ | 22.51 | 19.31 | 69.42 | .276 | .006 | .000 | 3.04 |

| /Contd.. | | | | | | | Concentrates | | | | |
|----------|------|------|----------|---|---------------|------------|--------------|--------------------------------|------|------|------------------|
| Hole ID | From | To | Interval | | Mass Recovery | Head Grade | Fe | Al ₂ O ₃ | P | S | SiO ₂ |
| | (m) | (m) | (m) | | | Fe% | | | | | |
| OL0017 | 23 | 32.6 | 9.6 | @ | 15.58 | 20.00 | 68.52 | .300 | .010 | .005 | 2.79 |
| | 40 | 76 | 36 | @ | 11.93 | 13.39 | 67.08 | .315 | .008 | .005 | 5.60 |
| | 80.4 | 113 | 32.6 | @ | 11.03 | 14.02 | 67.32 | .292 | .007 | .004 | 5.13 |
| | 166 | 214 | 48 | @ | 12.37 | 15.01 | 68.23 | .277 | .005 | .003 | 4.66 |
| | 229 | 342 | 113 | @ | 23.28 | 22.11 | 69.03 | .235 | .008 | .006 | 3.73 |

Notes

- DTR analysis completed by ALS Perth on drill core with grind size to 38 microns.
- All assays and DTR concentrate grades and head grades are assayed by XRF.
- Samples are composited at various intervals up to 3 metres dependant on magnetic susceptibility readings.
- Lower cut-off grade for DTR of Mass Recovery 5% Fe and one sample (up to 3 consecutive metres) of interval waste (<5% Fe mass recovery) included in any intersection, but more than one zone of internal waste can be included in any intersection.
- Significant intersections of mixed hematite/magnetite returned in upper 100 metres, have not been recorded due to insufficient DTR test work.

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.avocetresources.com.au.

10th September 2012



Stephen Mann
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Stephen Mann, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company 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. Mann is a full-time employee of Avocet Resources Limited. Mr. Mann consents to the inclusion of the information in this announcement in the form and context in which it appears.

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