

Olary Creek Iron Ore Drilling First Assays Return Significant Results

Highlights

- Diamond drilling and reverse circulation drilling completed on Olary Creek iron ore targets. A total of 55 reverse circulation and diamond drill holes have been completed for an advance of 16,214.3 metres.

Some results from the 2011 and 2012 diamond drilling and reverse circulation drilling programmes have been received, but the remaining results are still awaited. The majority of concentrates are low in S, P, Al₂O₃ and SiO₂. Significant results include:

Hole ID	Interval		Fe		
ZK2008	122.45m	@	69.79%	in concentrate from	116.0m
ZK2406	80.15m	@	68.64%	in concentrate from	150.25m
OL0018	147.3m	@	67.95%	in concentrate from	70.20m
ZKN0800	83.40m	@	69.13%	in concentrate from	70.00m
ZK1608	116.90m	@	69.47%	in concentrate from	208.80m
And	43.28m	@	69.66%	in concentrate from	115.58m
OL005	61.12m	@	70.10%	in concentrate from	145.00m
ZK2404	45.7m	@	69.97%	in concentrate from	94.00m
ZK1204	72.5m	@	69.34%	in concentrate from	75.5m
ZK2006	122.4m	@	65.53%	in concentrate from	35.40m
ZK1208	73.2m	@	69.69%	in concentrate from	135.80m
And	97.4m	@	69.21%	in concentrate from	254.0m

Olary Creek Update

The Directors of Avocet Resources Limited are pleased to release the first assay results from the diamond drilling and reverse circulation drilling programmes which have been undertaken on the project since July 2011.

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

The Olary Creek Project includes exploration licence 4664 and is located 70 kilometres 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).

Avocet considers the project prospective for a range of elements and has completed drilling programmes in search of uranium and base metals, over the past few years. Over the last two years, the Company has focused its attention on iron ore within the project.

Avocet’s joint venture partner (HJH Nominees and its partner YMRD), completed 24 diamond drill holes for a total of 7052.6 metres, in a programme which commenced in July 2011 and finished at the end of December 2011. A further 31 reverse circulation/diamond drill holes have been completed during May and June 2012 for a total advance of 9188.7 metres.

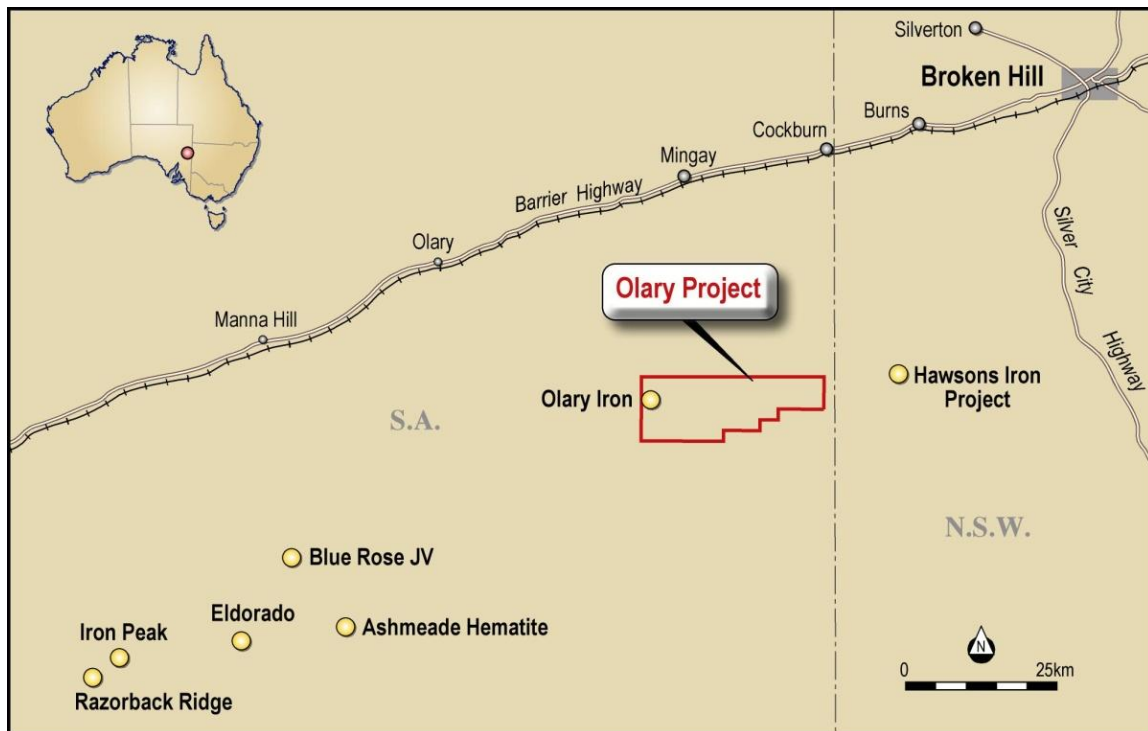


Figure 1: Location of the Olary Project

Figure 2 highlights all holes completed in these two drilling programmes, (green and yellow dots), with those holes with results reported in this release highlighted in green.

Sampling of the 2011 drill core only commenced in March 2012, and whilst some assay results have been returned and are included in Table 3, most geochemical and metallurgical test work results are still awaited from both drilling programmes.

The Olary Creek drilling programmes have targeted a significant portion of the siltstone hosted Braemar Iron Formation which is highly prospective for bulk magnetite iron ore deposits in the region. The upper 30 to 80 metres of stratigraphy is iron rich but contains a combination of both hematite and magnetite, but below that depth, the Davis Tube Recovery concentrate grades average 68-70% Fe with generally low P, S, Al₂O₃ and SiO₂.

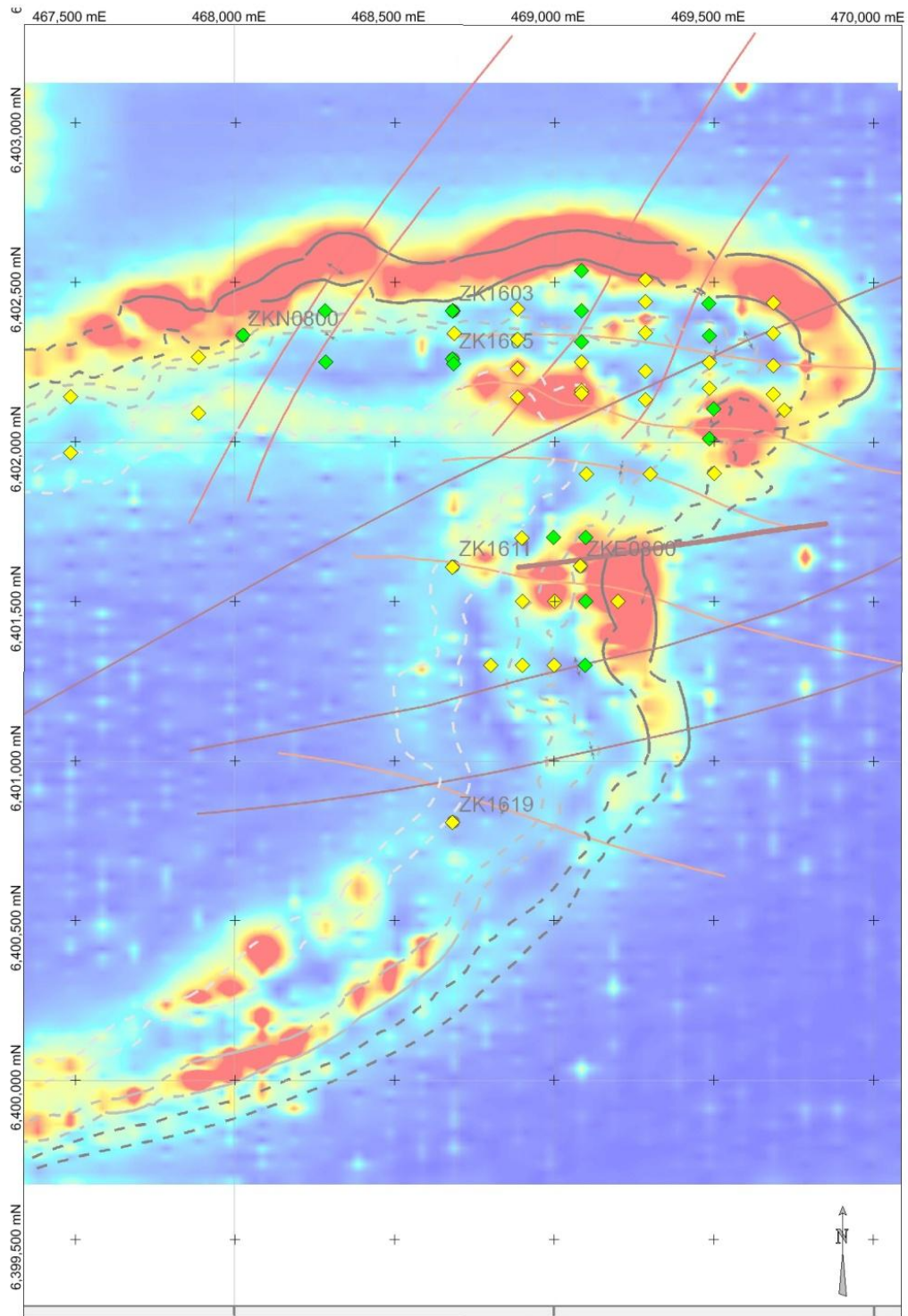


Figure 2: Location of 2011, 2012 Drilling Programme overlying the ground magnetics

Table 1 below, summarises the collar details of all the drill holes completed during May and June 2012. Apart from drill hole ZK2004, assay results for these drill holes have yet to be returned.

Table 1 : Drill Holes Completed in May and June 2012 Programme

No.	Hole No.	Coordinates		RC	DD	Total Depth	Azimuth	Dip
		N	E					
1	ZK0404	6402140	467485	148		148	360	60
2	ZK0408	6401965	467485	136	221.5	357.5	360	60
3	ZK0804	6402265	467885	148		148	360	60
4	ZK0808	6402090	467885	270	96.6	366.6	360	60
5	ZK1606	6402340	468685	238		238	360	60
6	ZK1806	6402417	468885		174.9	174.9	360	60
7	ZK1808	6402320	468885		253	253	360	60
8	ZK1810	6402229	468885	238	89.8	327.8	360	60
9	ZK1812	6402139	468885	178	234	412	360	60
10	ZK2004	6402537	469085		123.5	123.5	360	60
11	ZK2010	6402251	469085	202	102	304	360	60
12	ZK2012	6402161	469085	244	12	256	360	60
13	ZK2013	6402151	469085	300	127	427	360	60
14	ZK2204	6402508	469285	94		94	360	60
15	ZK2206	6402439	469285	172		172	360	60
16	ZK2208	6402342	469285	220		220	360	60
17	ZK2210	6402222	469285	178	156	334	360	60
18	ZK2212	6402132	469285	250	162	412	360	60
19	ZK2408	6402249	469485	300		300	360	60
20	ZK2410	6402168	469485	300	106	406	360	60
21	ZK2604	6402435	469685		108	108	360	60
22	ZK2606	6402340	469685	194		194	360	60
23	ZK2608	6402240	469685	237	27.8	264.8	360	60
24	ZK2610	6402149	469685	250	96	346	360	60
25	OL0007	6402100	469720	164	65	229	090	60
26	OL0010	6401900	469100	300	198.7	498.7	090	60
27	OL0012	6401900	469300	223	282	505	090	60
28	OL0023	6401500	468900	238	109.8	347.8	090	60
29	OL0024	6401500	469000	240		240	090	60
30	OL0028	6401300	468800	222	267.1	489.1	090	60
31	OL0028	6401300	468900	300	192	492	090	60
Total				5984	3204.7	9188.7		

Table 2 lists the second semester of 2011 diamond drill holes completed at Olary Creek and from which a number of assay results have now been received. The assays from these holes are included in Table 3. Further assays are awaited.

Table 2 : 2011 Diamond Drill Hole Specifications for Holes Completed in July - December 2011

Hole No.	Coordinates		Total Depth	Azimuth	Dip
	Northing	Easting			
ZKE0800	6401610	469085	454	118	60
ZKN0800	6402332	468026	222.4	345	70
ZK1619	6400810	468685	453.3	N/A	90
ZK1611	6401610	468685	702.5	N/A	90
ZK1603	6402410	468685	309.5	N/A	90
ZK1605	6402260	468685	489.5	N/A	90
ZK1604	6402416	468685	189.5	000	60
ZK1608	6402242	468685	351.5	000	60
ZK1204	6402412	468283	153.4	000	60
ZK1208	6402247	468285	351.4	000	60
ZK2407	6402012	469484	296	120	60
ZK2404	6402431	469485	165.2	000	60
ZK2006	6402410	469085	201.4	000	60
ZK2008	6402313	469085	312	000	60
ZK2406	6402376	469486	245.8	000	60
OL0026	6401500	469200	177	90	60
OL0025	6401500	469100	159	90	60
OL0019	6401700	469100	174.4	90	60
OL0018	6401700	469000	267.4	90	60
OL0014	6401900	469500	200	90	60
OL0017	6401698	468897	393.4	90	60
OL0005	6402104	469498	302.4	90	60
OL0030	6401300	468999	275.5	120	60
OL0031	6401300	469096	206.5	085	60

Table 3 : Concentrate, DTR and Head Grade Results from 2011 Drilling Programme to date

Hole ID	To (m)	From (m)	Interval (m)	Concentrate				Mass	Fe
				Fe %	Al ₂ O ₃ %	P %	SiO ₂ %	Recovery DTR%	Head Grade%
ZK1604	89.78	103.50	13.72m@	69.12	0.17	.006	2.84	21.08	24.80
	112.5	149.7	37.20m@	69.09	0.31	.007	3.01	26.04	23.58
ZK2406	80.9	93.3	12.4m@	68.89	0.27	.11	1.20	10.32	28.41
	97.3	123.1	25.8m@	69.61	0.25	.005	2.20	15.99	21.74
	150.25	230.4	80.15m@	68.64	0.33	.007	4.06	24.27	21.75
OL0019	35.2	46.2	11.0m@	67.86	0.27	.005	3.43	17.76	22.52
	47.3	68.0	20.7m@	67.90	0.25	.004	3.61	20.49	24.79
	72.7	86.98	14.28m@	69.83	0.20	.005	2.51	37.27	30.19
	90.7	101.7	11.0m@	67.33	0.45	.01	5.60	30.61	25.70
OL0025	40.6	60.8	20.2m@	66.96	0.49	.007	5.60	20.17	19.00
	95.6	110.05	14.45m@	69.27	0.38	.005	3.10	28.29	26.40
	118.0	146.0	28.0m@	68.57	0.37	.012	3.80	34.71	29.52
OL0018	70.2	217.50	147.3m@	67.95	0.32	.005	4.94	22.68	20.76
incl	104.0	158.05	54.05m@	69.08	0.24	.003	3.68	23.87	22.14
ZK1605	134.5	181.0	46.5m@	69.48	0.24	.002	2.89	16.53	22.21
	199.23	237.6	38.37m@	70.02	0.19	.001	2.68	15.94	20.62
	246.2	255.7	9.5m@	68.20	0.17	.000	3.16	19.33	23.70
	256.9	272.9	16.0m@	70.52	0.17	.003	2.14	20.90	25.40
	368.0	374.63	6.63m@	69.38	0.39	.010	2.91	23.19	23.75
	388.5	411.0	22.50m@	70.57	0.22	.004	1.83	17.38	18.98
	476.0	487.0	11.0m@	70.29	0.15	.003	2.47	12.32	18.47
OL0031	32.8	39.4	6.6m@	66.90	0.49	.015	5.53	13.64	18.89
	95.5	120.7	25.2m@	67.91	0.32	.03	4.56	43.40	36.48
	124.6	129.75	5.15m@	66.26	0.41	.039	5.99	47.16	39.74
	140.12	154.0	13.88m@	68.51	0.31	.035	3.73	51.06	43.39
ZK2006	35.4	157.8	122.4m@	65.53	0.21	.004	1.93	21.60	23.69
	162.0	167.2	5.2m@	66.15	0.69	.021	5.78	22.11	27.43
ZKN0800	44.3	48.2	3.9m@	69.49	0.25	.016	1.24	46.95	48.07
	70.0	153.4	83.4m@	69.13	0.25	.006	3.53	24.83	23.41
ZK1608	115.58	158.86	43.28m@	69.66	0.14	.004	2.59	16.92	26.64
	162.30	167.10	4.80m@	70.21	0.19	.009	2.28	29.15	36.74
	170.60	174.75	4.15m@	70.54	0.12	.007	1.55	42.94	41.49
	195.50	207.7	12.20m@	70.46	0.16	.004	2.12	19.33	21.26
	208.80	325.70	116.90m@	69.47	0.28	.006	3.03	22.50	23.14
ZK1208	109.50	122.0	12.50m@	69.58	0.21	.005	2.35	22.64	24.19
	135.80	209.0	73.20m@	69.69	Sample missing			17.56	20.69
	254.0	351.4	97.40m@	69.21	0.20	.007	3.36	22.68	25.15
OL005	145.0	206.12	61.12m@	70.10	0.24	.006	2.36	26.90	25.73
	221.3	253.60	32.30m@	70.12	0.19	.004	2.51	23.42	22.97
									(../cont.)

Table 3 : Concentrate, DTR and Head Grade Results from 2011 Drilling Programme (cont.)

Hole ID	To (m)	From (m)	Interval (m)	Concentrate				Mass	Fe
				Fe	Al ₂ O ₃	P	SiO ₂	Recovery	Head
				%	%	%	%	DTR%	Grade%
ZK2404	94.0	139.70	45.70m@	69.97	0.24	.005	2.70	28.67	26.76
ZK2008	50.35	79.30	28.25m@	69.95	0.18	.002	1.64	14.71	24.71
	86.60	91.30	4.7m@	70.22	0.15	.004	1.81	23.55	35.03
	116.0	238.45	122.45m@	69.79	0.25	.004	2.52	21.66	23.92
ZK1204	47.7	53.0	5.3m@	68.99	0.31	.027	0.85	16.72	45.22
	75.5	148.0	72.5m@	69.34	0.22	.004	2.92	22.22	27.60
ZK2004	17.0	32.10	15.10m@	68.83	0.23	.007	2.03	18.96	26.84
	44.5	74.10	29.60m@	68.90	0.33	.008	3.43	31.38	27.73

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.
- Sample missing – results not recorded due to insufficient samples.
- Some intersections reported in parts due to insufficient DTR test work being completed.
- 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.

19th July 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.