

29 February 2016

ASX ANNOUNCEMENT



AVALON MINERALS TO COMPLETE \$0.8M PLACEMENT

Highlights

- Placement to existing major shareholders to raise approximately AUD\$0.8 million at \$0.016 per share;
- Shares to be issued under the Company's current available capacity under the ASX Listing Rules;
- Placement of shares to Directors, subject to approval at a shareholders meeting;
- Proceeds from the equity raising will be used to progress Avalon's flagship Viscaria Copper Project in northern Sweden and for working capital.

Avalon Minerals Ltd (**ASX: AVI**) ('**Avalon**' or '**Company**') announces that it has arranged a placement to raise approximately AUD**\$0.8 million** (before costs). The placement will be made to existing major shareholders. The funds will be used to progress the Company's Viscaria Copper Project in northern Sweden and for working capital

Avalon's Managing Director, Mr Malcolm Norris said, "Avalon has implemented some very significant cost cutting initiatives to allow it to manage its business through the current challenging times in the junior resources sector, and it is extremely pleasing to complete this placement of AUD\$0.8 million to fund ongoing work programs at the Viscaria Project during these extremely challenging times. This placement confirms the solid financial support Avalon continues to receive from its shareholders."

"The Viscaria Copper Project does demonstrate compelling development metrics at a target case of 2.0Mtpa, and Avalon is investigating further funding options to allow for additional drilling to expand the mineral resource estimate, feasibility study activities, and ongoing Environmental and Social Impact Assessment work."

Directors of the Company have applied for allotment of shares under the placement. The Company will seek approval at a shareholders meeting for the issue of shares to Directors under the placement. Details of the general meeting will be announced in due course.

The placement of 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.

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

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