

# Gold Newsletter

Vol. XL

MARCH 2012

## AVRUPA MINERALS

AVU.V; AVPMF.PK  
604-687-3520  
avrupaminerals.com

Avrupa Minerals is gearing up to have a busy 2012. Signs of this fact can be found in the flurry of news over this past month regarding existing properties, new acquisitions and a financing.

One project we'll certainly be keeping a close eye on this year is the Alvalade Joint Venture that Avrupa is conducting with Antofagasta. A subsidiary of this mining behemoth recently increased the 2012 exploration budget to explore the three licenses that comprise Avrupa's 1,000-square-kilometer property to \$2.5 million. That's an impressive budget, and one indicating serious interest by the major.

For those of you that may be new to the Avrupa story, this company is a well-managed junior explorer that follows the prospect generator model. Under this model, a company uses its grassroots geologic expertise to identify properties of merit. It then looks to partner with larger, deeper-pocketed companies that can shoulder the heavy lifting of intensive exploration, including drilling.

It's a great model when done well, as it gives investors exposure to a wide variety of projects, while allowing the prospect generator to preserve its share capital. The trade-off is that the company willingly gives its JV partners the option to earn into a significant percentage of its properties, usually around 70% to 75%.

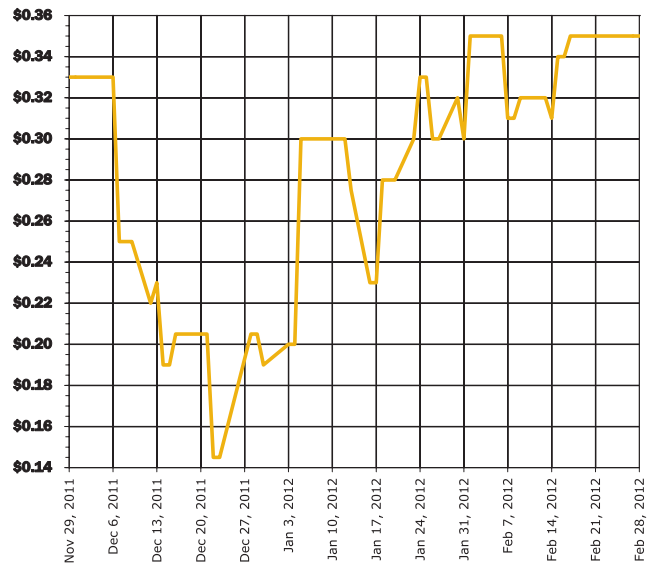
The team at Avrupa has done a stellar job building a portfolio of early-stage metals projects located in Portugal, Kosovo and Germany. The Alvalade JV, for example, covers a large swath of the Iberian Pyrite Belt in southern Portugal.

In exchange for the right to earn a 51% interest in the Alvalade properties, Antofagasta has agreed to spend \$4 million over the next three years on project exploration. This money is over and above the \$300,000 Antofagasta spent in 2011 doing its due diligence on the property. In addition, the major can earn another 24% interest in Alvalade by delivering a feasibility study within five years.

The fact that the major has opted to spend aggressively on exploration in 2012 speaks volumes about what they discovered during last year's initial review of Alvalade. The JV plans to drill 6,000 meters on a variety of targets identified on the large property.

The JV partners believe that previous operators on the property may have missed discovery opportunities by ignoring Portugal's admittedly scant surface geology in favor of drilling

## Avrupa Minerals



© 2012 Gold Newsletter (Chart provided by Thechartstore.com)

gravity anomalies. When most holes ended up hitting mafic rocks, these operators moved their drills elsewhere.

Avrupa believes it may be able to uncover deposits of copper and zinc by re-drilling some of the more promising of these "old" targets. The aggressive drilling program planned by Antofagasta will put these theories to the test.

On the acquisition front, Avrupa recently acquired the Koritnik license, a 76-square-kilometer copper-gold porphyry target that covers the Sharr-Drageash intrusion complex in southern Kosovo. Despite a lack of known metal showings on the property, the junior's geologists are excited by the area's lack of modern exploration.

The company also reported some initial drilling results from

(Continued...)

its Kamenica and Glavej licenses. These licenses are two of four (accounting for 166.3-square-kilometers) located along Kosovo's Vardar Mineral Zone, a district that has historically been Europe's most productive for lead and zinc.

Data from the drilling was largely technical in nature, but it has renewed management's zeal to find JV partners to conduct follow-up work in 2012.

Combine these Kosovo and Portugal properties with a new gold target in eastern Germany's Erzgebirge Mining District, and you can see that Avrupa has amassed a very diverse and large property portfolio.

A recently announced, \$1.2 million private placement will allow the company to further explore its best prospects in order to attract

more JV partners. The deal consists of four million units priced at C\$0.30 per unit, with each unit comprised of one common share and a whole warrant, redeemable at C\$0.50 for a 24-month period following the closing of the financing.

Even after this modestly dilutive financing, the company's share structure remains remarkably tight. That means any good news on the exploration front this year is likely to have a dramatic effect on Avrupa's share price.

It's a buy at current levels.

### **Avrupa Minerals**

Recent Share Price: .....C\$0.32  
Shares Outstanding: ....16.1 million  
Market Cap: .....C\$5.2 million  
Shares Outstanding  
Fully Diluted: .....23.7 million  
Market Cap  
Fully Diluted: .....C\$7.6 million

## **Get Gold Newsletter At HALF PRICE!**

Founded in 1971 to help return the right of gold ownership to American citizens, Gold Newsletter stands today as the oldest and most respected advisory on precious metals and mining stock investing.

Every month, our readers get the views of today's leading market analysts, and discover the most promising new exploration plays — many of which are completely missed by other newsletters. The result: Our readers are reaping enormous profits...multiplying their money as much as *eight times over*...right now.

Through this special offer, you can download a special report revealing our latest blockbuster opportunities...AND get a full year of Gold Newsletter for just \$99.00 — HALF PRICE!

Visit [www.goldnewsletter.com](http://www.goldnewsletter.com), Or  
Call Toll Free 800-877-8847

## **Gold Newsletter In Our 41st Year**

©2012 Jefferson Financial, Inc. All rights reserved. Published by Jefferson Financial, Inc., 111 Veterans Memorial Boulevard, Suite 1555, Metairie, LA 70005. Subscription Price: \$198 per year. Foreign orders, please add \$35/year for postage and handling, Canadian orders, please add \$10/year. Single issues available for \$20 each. New subscribers may cancel their order anytime and receive a full refund on all unmailed issues. Make checks payable to Jefferson Financial. Gold Newsletter was founded by James U. Blanchard III. Editor: Brien Lundin; Art Director: Kevin Pilet; Production Manager: Beth Capritto.

For subscription details, please call (800) 877-8847, or send E-Mail to [gnlmail@jeffersoncompanies.com](mailto:gnlmail@jeffersoncompanies.com). The publisher and its affiliates, officers, directors and owner actively trade in investments discussed in this newsletter. They may have positions in the securities recommended and may increase or decrease such positions without notice. The publisher is not a registered investment advisor. Subscribers should not view this publication as offering personalized legal, tax, accounting or investment-related advice. The news and editorial viewpoints, and other information on the investments discussed herein are obtained from sources deemed reliable, but their accuracy is not guaranteed. Authors of articles or special reports are sometimes compensated for their services.