



REFOCUSED AVALON ADDS VALUE AT VISCARIA

It's been full steam ahead at **Avalon Minerals' (ASX: AVI)** flagship Viscaria Copper-Magnetite Project in Sweden in the six months since the company restructured its board and refocused its management.



Avalon Minerals' list of achievements at Viscaria since April is impressive. It has completed two successful fundraisings, reported on a very successful four-hole drill programme, completed a JORC Mineral Resource upgrade for the D zone, completed a Scoping Study on the economics of a combined Copper-Magnetite prospect, open pit and underground mining operation and completed preliminary work for a major resource extension and regional exploration drill programme.

The project contains a combined mineral resource of 46.6Mt at 1% copper and 14.8Mt @ 25.8% iron with a 31.1% Fe Mass Recovery.

The Viscaria project, located 1,200km north of Stockholm in the world-class Kiruna iron ore-copper-gold province, is just 4km from Europe's largest iron ore mine, the Kirunavarra mine, which produces approximately 26 million tonnes a year.

Managing Director Jeremy Read said the recent drill programme on the A Zone and D Zone prospects had intersected high-grade copper and copper-iron mineralisation in all drill holes, confirming extensions of high-grade shoots of copper mineralisation outside the existing boundaries of the mineral resources.

"At D Zone our results suggest that the mineralisation is getting better at depth, which means we should be able to capture more of that mineralisation within a larger open pit, as

well as suggesting there is excellent potential to mine D Zone underground," he said.

"These results have opened up a new aspect to D Zone, which Avalon hadn't really considered before, because it had previously only been viewed as an open pit resource.

"We had our consultants look at the value creation for the D Zone resource by extending it at average grades and average thickness. If we extend the resource 300m along strike and 35m down dip, that will add about \$40 million to \$50 million on to the project in terms of the net present value of the resource based on the current price of copper."

Read said the recent Scoping Study represented a further refinement of the Pre-feasibility Study completed in 2010, which confirmed the technical and financial viability of the project at relatively conservative long-term pricing.

Metallurgical test work completed to date indicates final concentrate recovery for copper of 90% and weight recovery for magnetite concentrate of 45%, with Scandinavian copper smelters expressing strong interest in the concentrates.

Historically, the Viscaria Project has produced 12.5M tonnes of ore at 2.5% copper from approximately 30km of decline and underground development. Avalon Minerals believes there is excellent potential for the project to become a producing mine again.

The project is located adjacent to road, rail and hydro power infrastructure and a short distance from the regional mining centre of Kiruna.

DIRECTORS

Tan Sri Abu Sahid Bin Mohamed
Chairman

Dato Siew Mun Chuang
Deputy Chairman

Jeremy Read
Managing Director

Paul Niardone
Non Executive Director

Siew Mun Wai
Non Executive Director

Seng Han Gary Goh
Non Executive Director

Roslynn Shand
Company Secretary

REGISTERED OFFICE
65 Park Rd
Milton QLD 4064
Australia

T: +61 (0) 7 3368 9888
F: +61 (0) 7 3368 9899

WEB

www.avalonminerals.com.au

AUSTRALIAN
SECURITIES EXCHANGE
(ASX) CODE: **AVI**