

EUROPE

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Avalon looks to broaden fund-raising net

Michael Quinn, 3 April 2013



Oslo Stock Exchange listing on the cards for Avalon.

A SECONDARY listing on the Oslo Stock Exchange is on the cards for emerging copper-magnetite company Avalon Minerals as work on its Viscaria project in Sweden tracks towards the ambitious targets set by management last year.

Avalon will report resource and financial modelling updates this month and mid-year, the latter time at which it aims to commit to a feasibility study.

Scoping work last year outline various potential development scenarios each with NPVs well above the company's current market capitalisation.

While such disparities hardly make Avalon an orphan, the company's executives can point to their track record at Meridian and Discovery Minerals as evidence their management can close the gap.

"The drill results out of D Zone in particular [where a new resource was reported this week] are giving us the confidence we're on track in terms of expanding the resource and then the financial outcomes that flow from that expanded resource," managing director Jeremy Read told *HighGrade* last week.

Read confirmed the company would be seeking additional funds this year, with the cash from a raising last year going towards the significant drilling now underway.

"The BFS is a \$A12-15 million job to finish ... so the market conditions are going to determine if we can raise that sort of money," Read said. "At this stage our plan is to list the company in Oslo, because our focus for future funding, and ultimately project funding, is going to be much more on Scandinavian institutions ... because they have certain funds set up to invest just in the Nordic region ... and we want to try and promote ourselves to those funds."

Avalon's marketing push into Europe was boosted last month with the appointment of the well connected, London-based Crispin Henderson as chairman.

"We were looking around for someone who was going to help us work the European markets better than what we had previously ... because we believe a lot of our financing is ultimately going to come out of Europe," Read said. "So having someone based in Europe was high on our agenda ... and Crispin has got very good credentials ... he has spent a lot of time in fund management and knows a lot of fund managers."

Henderson will have a straight forward story to relay investors in Europe when it comes to Avalon based on what Read says is the company's overarching strategy.

"Our focus is (what is) best value for shareholders," Read said. "What we want to do is keep all options on the table.

"If that is to bring Viscaria into production, then that is what we do. If it is a sale of the project, that is what we will do. If it is engineering a takeover, then that is what we will do.

"We are not a group of people hell bent on becoming a mining company come hell or high water like lots of junior's are.

"We want to keep all those three options open ... and after BFS we hope to be in a position where we can pick one of the three to give us the best return."

Music to a fund's ear, to be sure.

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