



Authoritative, insightful, timely

MiningNewsPremium.net

## Avalon increases Viscaria NPV

Thursday, 11 April 2013

**AVALON Minerals has almost doubled the potential net present value of the base case open pit mining scenario at its Viscaria copper project in Sweden to \$US97 million (\$A92.3 million).**

The \$46 million increase on the previous NPV follows scoping study results which recalculated the project's value based on the its recently upgraded resource and revised pit slopes.

The new base case open pit mining scenario benefited from an increased resource base of 0.5 million tonnes and a higher copper grade of 0.55% copper compared to 0.5% copper previously.



View over the Viscaria project from Kiruna town

The updated scoping study results indicate that the base case open pit mining scenario at Viscaria will have a production rate of 10,000 tonnes per annum of copper and 343,000tpa of iron at 65c a pound over a seven-year mine life.

The economic assessment used price assumptions of \$3.25/lb copper and \$150 per tonne magnetite concentrate as well as a 60-degree pit slope.

In a statement today Avalon managing director Jeremy Read said the company was assessing options for underground mining at Viscaria's D Zone pit and believed the prospect to have further potential.

"As the D Zone resource extension drill program still has approximately 30% to go to complete the planned program, there is still potential to continue to grow the D Zone mineral resource and deliver further value creation through conversion of exploration targets to mineral resources, which should further increase the NPV of D Zone," he said.

Only D Zone and a nearby pit of the project's A Zone prospect significantly contributed to the increased NPV.

Only these two prospects, therefore, have been included in the base case open pit mining scenario.

Shares in Avalon are suspended pending a capital raising but last traded at A6c.



© Aspermont Limited

**Aspermont Limited**

**Street Address** 613-619 Wellington Street, Perth WA Australia 6000

**Postal Address** PO Box 78, Leederville, WA Australia 6902

**Head Office Tel** +61 8 6263 9100 **Head Office Fax** +61 8 6263 9148

**e-mail** contact@aspermont.com **website** www.aspermont.com **ABN** 66 000 375 048