

## ASX / Media Release

24 April 2012

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## PRESENTATION

Attached is an investor presentation by the Company's Managing Director, Mr Jeremy Read, titled 'Viscaria Copper Project and Regional Exploration'.

**For further information please visit [www.avalonminerals.com.au](http://www.avalonminerals.com.au) or contact:**

Mr Jeremy Read  
Managing Director  
Avalon Minerals Limited  
Mob: 0409 484 322



Viscacia Copper Project  
&  
Regional Exploration

24 April 2012

# Avalon Minerals Limited

- Scandinavian focused Copper Exploration and Mineral Development Company
- Assets
  - Viscaria Copper Project
  - Viscaria Regional Exploration
  - Adak Copper-Zinc Project



# Company Snapshot

## Capital Structure

- **290,873,602 shares**
- **Current Share Price: A\$0.095**
- **Market Capitalisation circa A\$27.2M**
- **Cash Position: A\$2.9M**
- **Head Office – Brisbane, Australia**
- **Top 10 holders 53% of share capital**
- **Listed on the ASX, Code AVI**

## Share Register

- Abu Sahid Bin Mohamed 17.1%
- Siew Mun Chuang 9.5%
- Galena Fund 7.3%
- Morgan Nominees 3.5%
- Brookman Resources 3.4%
- Bill Brooks Pty Ltd 2.4%
- Pershing Australia 2.2%
- Spectral Investments 1.7%
- Osiris Capital 1.6%
- David McSweeney 1.2%

# Avalon's Objectives

- Minimum of 500% increase to shareholder value within a 2-4 year time period
- Double currently defined Mineral Resources
  - Focus activities between Scoping Study and completion of BFS
  - Demonstrate viability of project
  - Permit Project for development
  - Assess development options

# Well Credentialed Management Team

- Excellent recent track record of shareholder value creation
  - Discovery Metals Limited
    - 400% return (May 2006 to July 2010) - now increased to +700%)
    - ASX Top 200 Company
  - Meridian Minerals Limited
    - Market cap from AU\$1.5M (April 2009) to \$68M (Dec 2011)
    - Captured 700% return via takeover by largest shareholder
- Strong mineral discovery track record
  - Boseto Copper Project – 20Mt @ 1.2% Cu to 103Mt @ 1.4% Cu
  - Lennard Shelf Project – 8Mt to 18Mt @ 10% Pb+Zn

# Value Creation Example - Discovery Metals



# Viscacia - High Grade Copper Resources

- 9.4Mt @ 2.7% Cu  
within 44.7Mt @ 1.2% Cu\*
- Global Average is 0.7% Cu
- Major potential to expand high grade resources via brownfields drilling
- Largely untapped regional exploration potential



\* See Tables 1, 2 & 3 in Appendix For Mineral Resource Classification

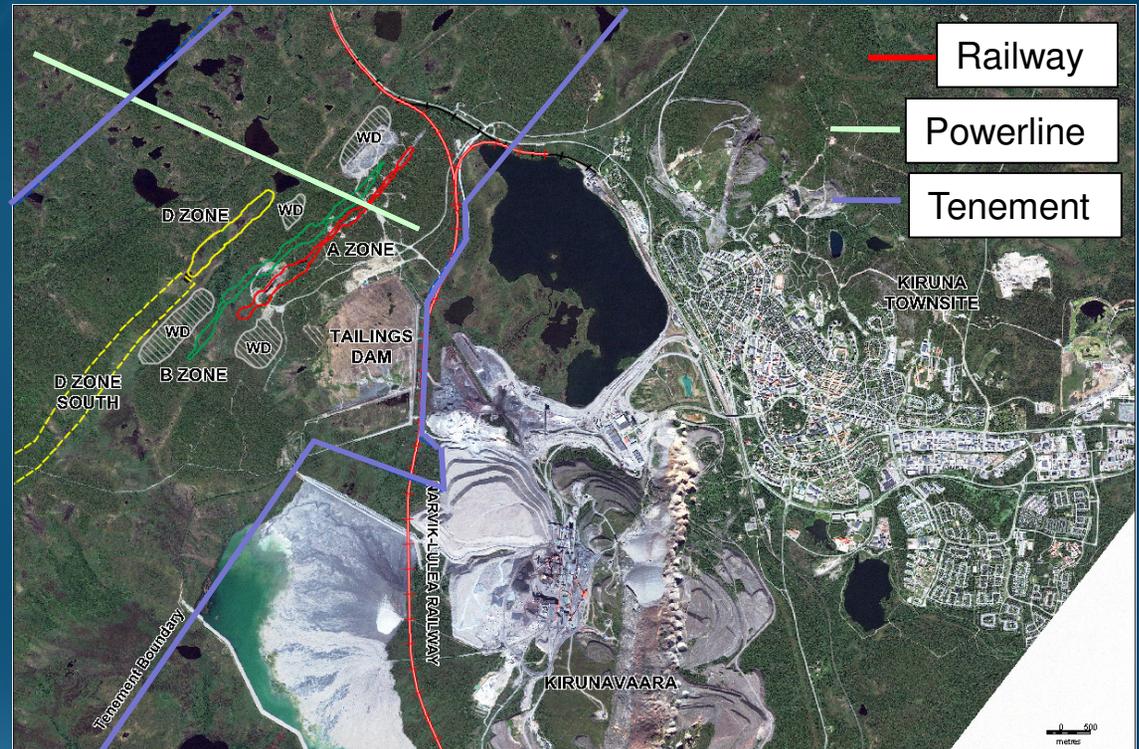
# Excellent Infrastructure and Mining Regulation

## Infrastructure

- 4km from mining centre of Kiruna (pop. 23,000)
- Nearby smelters
- Rail – heavy haul
- Ports – Narvik (ice free), Luleå
- Power (3c/Kwatt hour)

## Mining Regulation

- Sweden 7<sup>th</sup> Globally (Fraser Institute 2011-2012)
- Western Australia ranks 12<sup>th</sup>
- 26.3% company tax rate
- 2 of 3 Mining Exploitation Concessions already granted

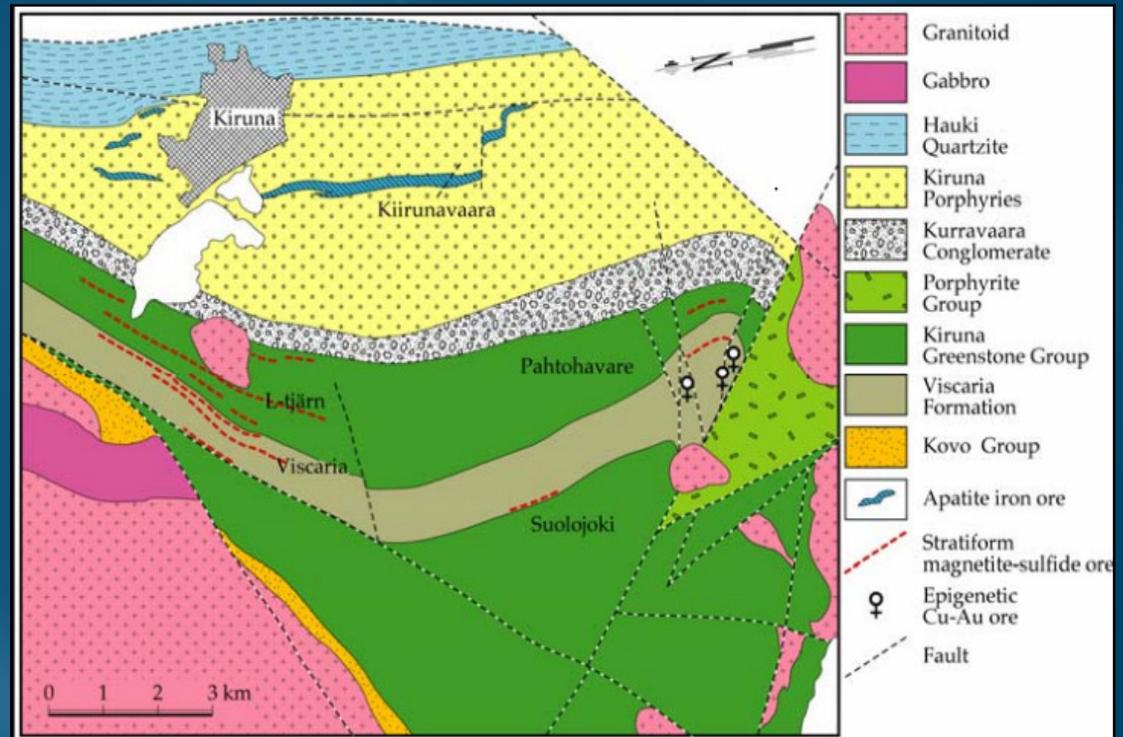


## Established Mining Culture

- LKAB – Europe's largest underground mine
- 20Mtpa iron concentrate and pellets

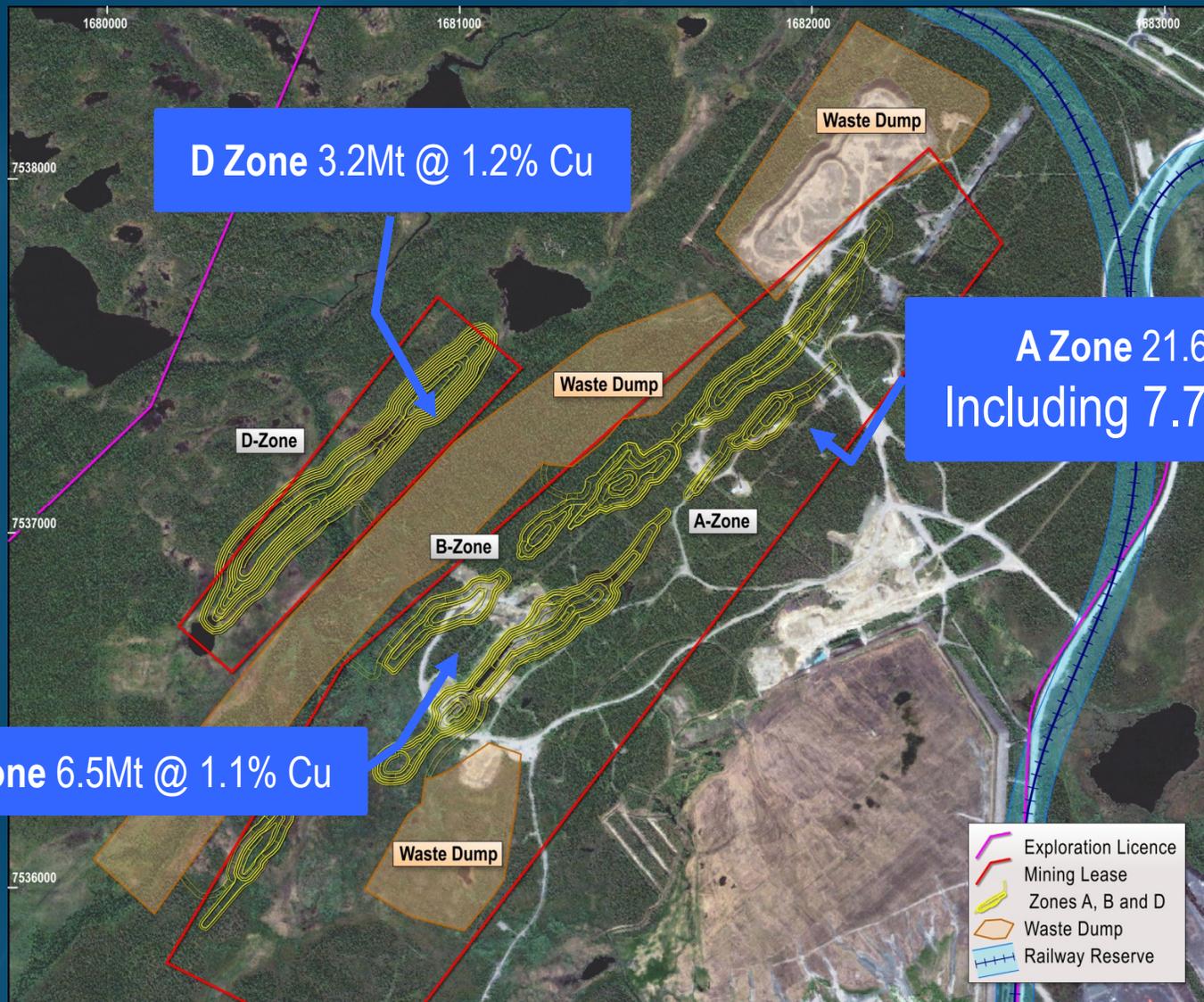
# Previous Production – Viscaria Copper Mine

- World-class Iron Oxide Copper Gold (IOCG) and Iron province
- Discovered in the 1970's
- 15 years historical production to 1997 (Outokumpu)
- 12.5Mt of 2.3% Cu & 2% Zn
- Little IOCG exploration in last 25 years



Simplified Geology of the central Kiruna area, with location of the Viscaria and Pahtohavare deposits; (modified from Martinsson 2010).

# Multiple Mineral Resources



See Tables 1, 2 & 3 in Appendix For Mineral Resource Classification

# Exploration Strategy

- Understand controls on High Grade (>2% Cu) mineralisation
- Scoping Study to determine NPV of combined Open Pit and Underground Mining Operation
- Drill intensive program at A, B and D Zones to increase High Grade Mineral Resources by 200%
- Fully permit project including EIA
- Test selected regional exploration targets
- Extract value from Iron Ore Mineral Resources through JV with LKAB

# Viscaria A Zone

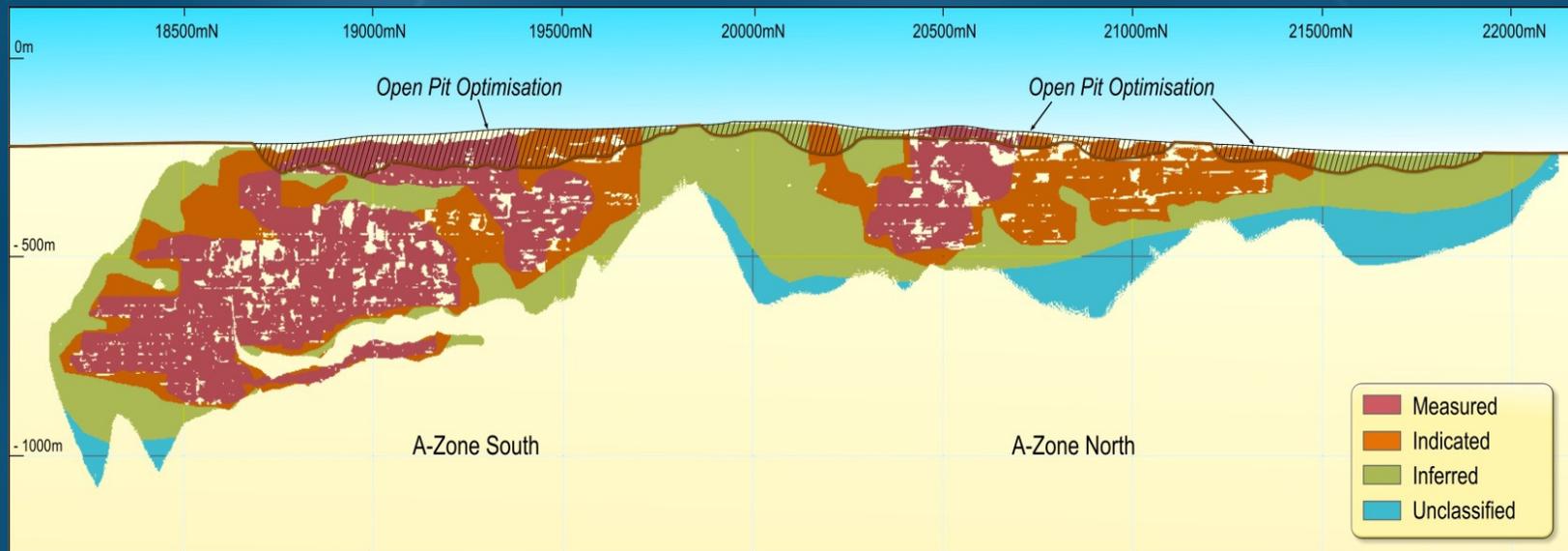
## ➤ A Zone Open Pit

- Above historical Viscaria Copper Mine
- 2.5mt @ 1.4% Cu Mining Reserve\*
- Quality concentrate – 28% Cu, 3% Zn, 45g/t Ag, 3g/t Au
- Low contaminants

## ➤ A Zone Underground

- Historical production of 12.5Mt @ 2.7% Cu
- 30km of decline and development
- Remaining High Grade 9.4Mt @ 2.7% Cu\*

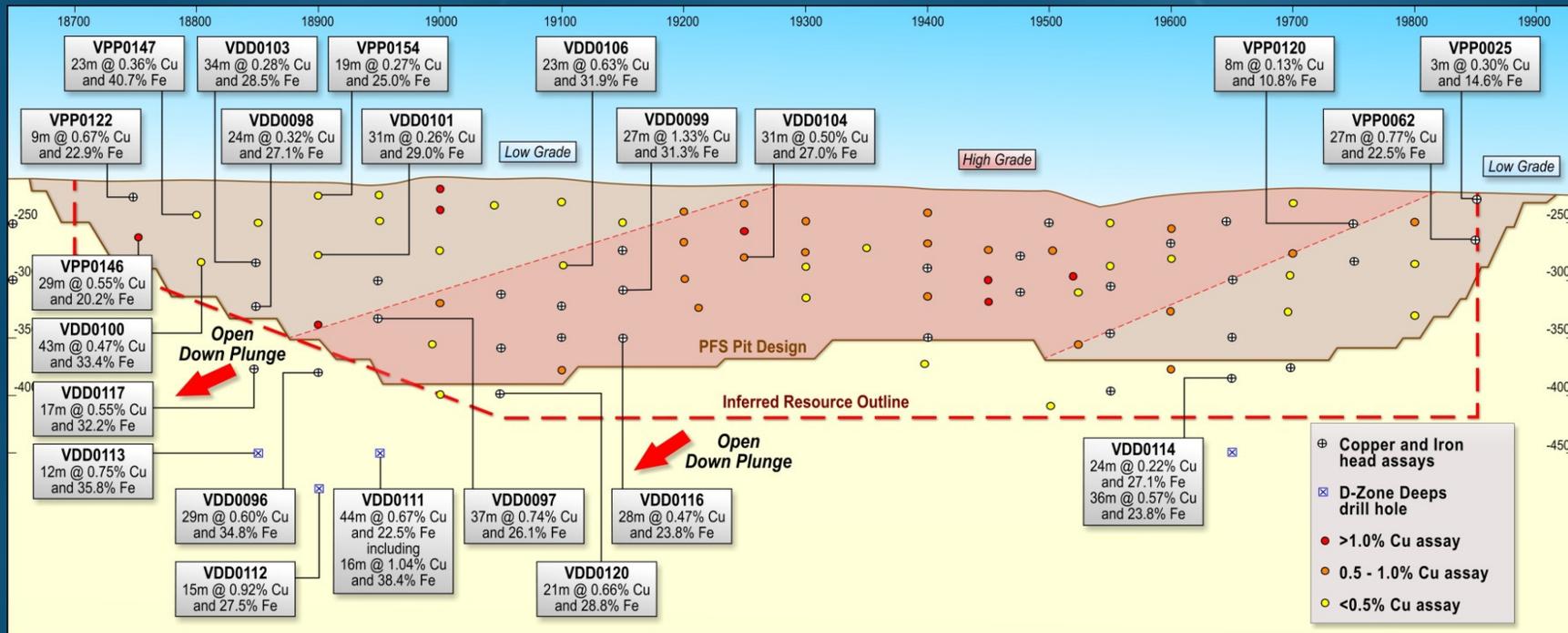
**Economics of combined Underground / Open Pit Operation has not previously been determined**



\* See Tables 1, 2 & 3 in Appendix For Mineral Resource Classification

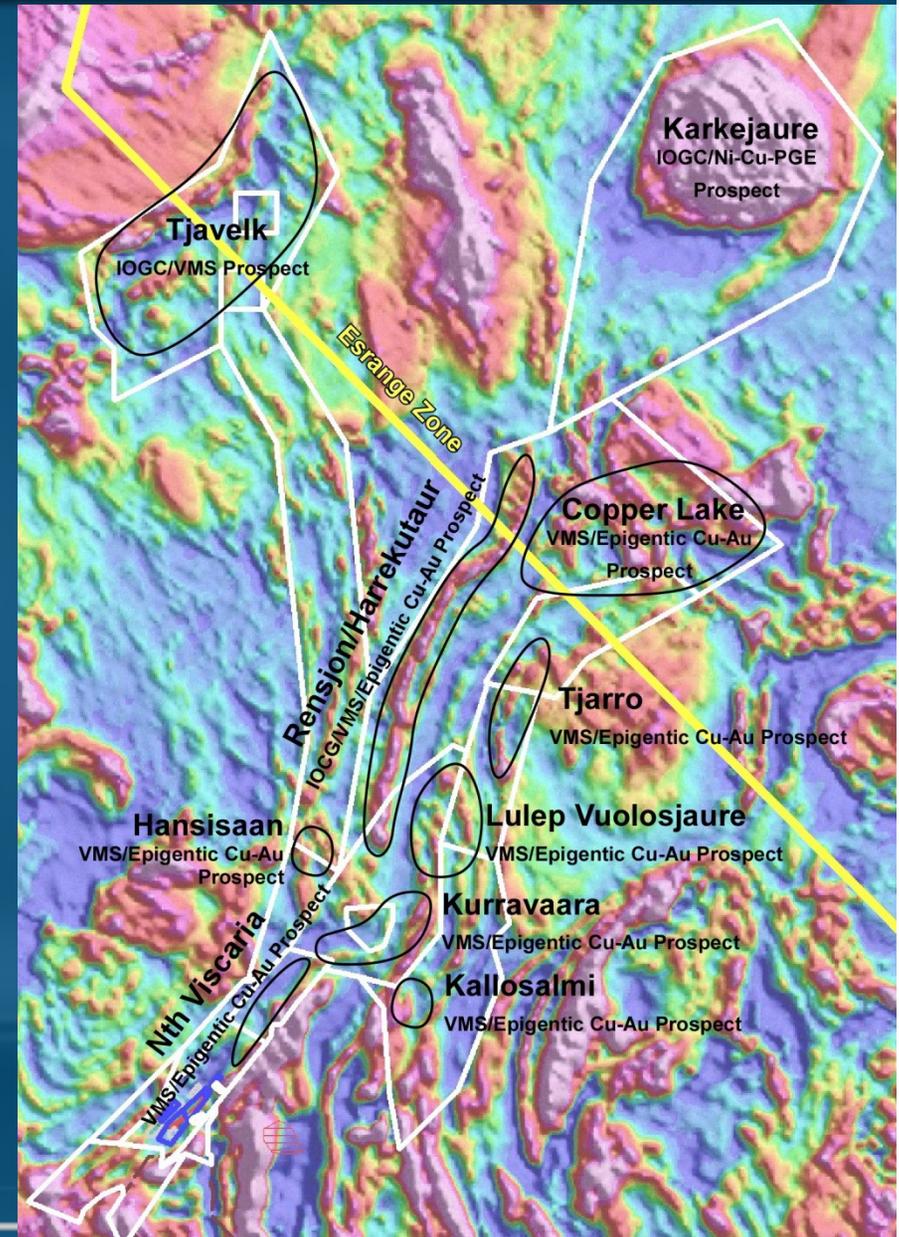
# Viscacia D Zone

- Wider and higher grade copper intersections than outlined from PFS resource model:
  - 20m @ 1.1% Cu and 21% Fe
  - 28m @ 1.9% Cu, incl. 18m @ 2.1% Cu
  - 43m @ 1.4% Cu and 31% Fe
- Drilling to follow high grade shoots down plunge



# Regional Exploration Targets

- **Viscaria Regional Exploration**
  - 720km<sup>2</sup> tenure, 100km of cumulative strike
- **Targets Criteria:**
  - VMS deposits of + 20Mt @ 2% Cu
  - IOCG deposits of +200Mt
- **Key targets:**
  - Tjärro
    - Anomalous Cu and Fe, 7km long target
    - Geologically similar to Viscaria D Zone
    - Consistent Cu geochemical anomaly in Till
  - Karkejaure
    - 50km north of Viscaria
    - Large 8km by 9km high amplitude magnetic and gravity anomaly
  - Copper Lake (Vittangijarvi)
    - Numerous historic Cu mines and workings
    - Extensive - 10km by 6km

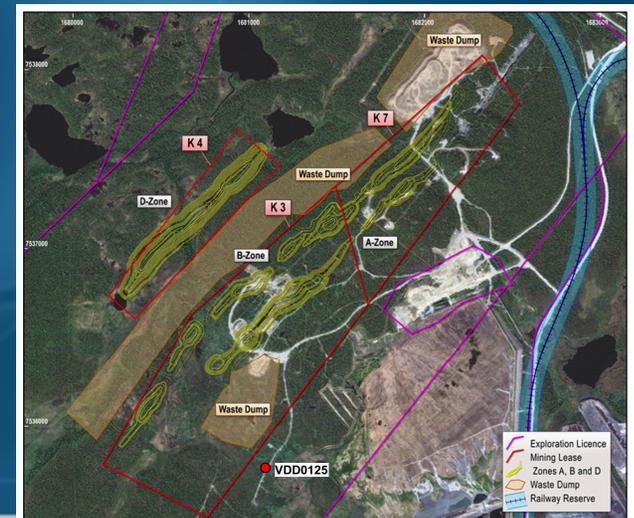


# Drill Program Currently in Progress

- 2000m five hole drill program testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources
- Following up results from A Zone such as:
  - 7.1m @ 3.5% Cu in hole D-7616 from 60.3m
  - 8.3m @ 3.1% Cu in hole D-7612 from 46.2m
  - 11.3m @ 2.2% Cu in hole D-6670 from 60.3m
- Follow up results from D Zone such as:
  - 7.5m @ 2.0% Cu in hole VDD0111 from 218m
  - 19.8m @ 1.9% Cu in hole VDD0088 from 68m
  - 38.0m @ 1.6% Cu in hole VDD0086 from 128m
- Valuable information to assist with the planning of a larger copper drill program to be undertaken later in 2012

# Drill Program Currently in Progress

- Copper mineralisation intersected in drill hole VDD0125 from 451 – 468m (17m down-hole thickness) – Assays pending



# Work Program Timeline 2012-2013

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Initial Drill Program	Yellow	Yellow	Yellow													
Scoping Study Open Pit/Underground		Red	Red	Red	Red											
Structural Geological Study			Yellow	Yellow	Yellow	Yellow										
Field Work to Prepare Regional Targets For Drilling		Red	Red	Red	Red	Red	Red									
Major Drill Program to increase High Grade Copper Resources								Yellow								
Drill Program to test Regional Targets												Red	Red	Red	Red	
Decision on re-commencing BFS																Yellow

# Peer Comparison

- **Australian Copper Pre-Producers With Off Shore Assets**
  - Average EV/Mineral Resource – US\$0.08/lb
- **Avalon Minerals**
  - EV/Mineral Resource – US\$0.02/lb

# Peer Comparison

	<b>Avalon Minerals</b>	<b>Altona</b>
Project	Viscaria	Outokumpu
Location	Sweden	Finland
Stage	Advanced Exploration	Production
Mineral Resource	9.4Mt @ 2.7% Cu within 44.7Mt @ 1.2% Cu	8.4Mt @ 1.3% Cu & 0.7 g/t Au
Mineralogy	Sulphide	Sulphide
Mining Method	Open Pit and Underground	Underground
Annual Production	?	0.55Mt ore for 8,000t of Cu and 8,400Oz Au
Planned Mine Life	10 years (target)	8-9 years
Product	Cu Concentrate (28%)	Cu Concentrate (24%)
Market Cap	\$27M	\$140M

# Conclusions

- Viscaria Copper Project contains high grade Copper Mineral Resources (9.4Mt @ 2.7% Cu )
- Objective is to create shareholder value by:
  - Doubling the >2% Cu Mineral Resources
  - Scoping study on NPV of combined open pit underground mining operation
  - Fully permit project
- Sweden 7<sup>th</sup> best mining destination globally
- Well credentialed Management Team with quality mineral discovery track record
- Drill program in progress producing short term news flow

# Contact

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# APPENDIX

# Table One – A Zone Mineral Resources

A Zone

Category	2011 CSA Mineral Resources			2010 Avalon Mineral Resources			Comparison		
	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)
Measured	14,439,000	1.66	239,000	6,700,000	2.47	165,000	116%	-33%	45%
Indicated	4,690,000	1.22	57,000	4,100,000	1.76	72,000	14%	-31%	-21%
Meas + Ind	19,128,000	1.55	296,000	10,800,000	2.20	238,000	77%	-30%	24%
Inferred	2,480,000	1.03	26,000	6500000	1.24	81,000	-62%	-17%	-68%
<b>Total</b>	<b>21,609,000</b>	<b>1.49</b>	<b>322,000</b>	<b>17,300,000</b>	<b>1.84</b>	<b>318,000</b>	<b>25%</b>	<b>-19%</b>	<b>1%</b>

Note: Rounding errors may occur. Estimate is above 0.4% Cu.

# Table Two – B Zone Mineral Resources

*B Zone*

Category	2011 CSA Mineral Resources			2010 CSA Mineral Resources			Comparison		
	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)
Measured	123,000	1.33	2000						
Indicated	4,118,000	0.72	30,000						
Meas + Ind	4,240,000	0.74	32,000						
Inferred	15,410,000	0.77	118,000	25,388,000	0.76	192,900	-39%	2%	-38%
<b>Total</b>	<b>19,650,000</b>	<b>0.76</b>	<b>149,000</b>	<b>25,388,000</b>	<b>0.76</b>	<b>192,900</b>	<b>-23%</b>	<b>0%</b>	<b>-23%</b>

Note: Rounding errors may occur. Estimate is above 0.4% Cu.

# Table Three – D Zone Mineral Resources

D Zone

2011 Mineral Resources								
Grade Tonnage Reported below a Cut off Grades of 15% Mass_Rec and above a Cut off of 0.3% Cu								
Deposit	Category	Tonnes	Cu (%)	Fe (%)	Mass_Rec (%)	Fe_Conc (%)	SiO2_Conc (%)	Copper Metal (T)
D Zone	Measured	32,000	0.58	14.74	9.19	49.47	3.20	190
	Indicated	489,000	0.65	10.84	9.16	43.60	2.89	3,160
	<b>Meas + Ind</b>	521,000	0.64	11.08	9.16	43.96	2.91	3,340
	Inferred	274,000	0.89	22.12	4.39	16.01	1.12	2,420
	<b>Total</b>	795,000	0.73	14.88	7.52	34.33	2.29	5,770

# Competent Person's Statement

## Competent Persons Statement

The information in this report that relates to Mineral Resources and exploration targets is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read is a full time employee of Avalon Minerals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimate for A, B and D Zones was compiled and prepared by Dr Bielin Shi (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

# Managing Director *Jeremy Read*

- 23 year career in mineral exploration and project development in Australia, Africa, India and Indonesia
- Founding Managing Director of Discovery Metals
  - Secured Boseto Copper Project in NW Botswana,
  - Built exploration team and financed PFS and BFS studies,
  - Listed Discovery Metals on AIM in London as well as ASX
  - Discovery Metals is now ASX 200 Company
  - 700% share price increase
- Founding Managing Director for Meridian Minerals
  - secured Lennard Shelf Project
  - sourced cornerstone investor from China
  - negotiated takeover of Meridian Minerals by largest shareholder
  - 700% share price increase
- 11 years with BHP Minerals Exploration
  - Africa Tech Services Manager (gold, copper, nickel, PGM's)
  - Australian Exploration Manager

# Exploration Manager

*Dr Quinton Hills*

## ➤ Previous Experience

- Exploration Manager, Meridian Minerals Limited – Lennard Shelf Project (Kimberley, WA), Thomson Fold Belt Project (NSW), Lachlan Fold Belt Project (NSW)
- Senior Geologist, Discovery Metals Limited – Boseto Copper Project (Botswana) and Dikoloti Nickel Project (Botswana)
- Discovered Plutus Copper Deposit (67Mt @ 1.4% Cu)
- Discovered Kubra Pb-Zn deposit (0.4Mt @ 10.4% Pb+Zn)
- Expert in mineral exploration concept/target generation with a successful discovery track record
- Ph.D in Structural Geology with extensive experience in multiply deformed and highly metamorphosed terranes
- Managed Scoping, Prefeasibility and Feasibility studies of Lennard Shelf Pb-Zn

# Key Management Personnel

## Management Team has a demonstrated track record in the following:

- Unlocking value in projects through brownfield exploration
- Significant growth of known Mineral Resources by stepping outside of the known exploration paradigm
- Understanding the geological structure of deposits and increasing higher grade Mineral Resources
- Management of large technical teams
- Capturing of shareholder value (mergers and takeovers)
- Raising of significant capital
- Corporate governance

# Adak Copper / Zinc Project

- **Discovered in 1940's in Skelleftea Base Metals Belt**
  - Over 80 VMS zones - Cu, Zn, Pb + Au/Ag
- **Historical production**
  - 6.3Mt @ 2.0% Cu
  - 4.7Mt @ 0.9% Cu and 3.0% Zn
- **Attractive exploration address**
  - Dome structure with draped VMS deposits
  - Recent high grade discoveries, including Storliden (8% Zn and 3% Cu)
- **Concentrators and smelters within transport distance**
  - Kristeneberg
  - Boliden

