



ASX/Media Release

## Annual General Meeting - 18 November 2010 Chairman's Address

Good Morning Ladies and Gentlemen, and welcome to Avalon's 2010 Annual General Meeting.

Avalon has continued to focus on its Viscaria copper project which is now the largest undeveloped copper deposit in Sweden with over 600,000 tonnes of contained copper.

I'm pleased to say that in 2011 as Avalon enters its 4<sup>th</sup> year in Sweden it now has all of the foundations in place to succeed in its plans of becoming a mid-tier mining group and the first Australian company to develop a copper mine in Sweden.

Since the 2010 Annual Report was published Avalon has made several significant announcements regarding the successful resource upgrades and the Viscaria Pre-Feasibility studies. I don't intend to dwell on these positive developments as Avalon's Managing Director - Mr Andrew Munckton will be briefing shareholders in more detail after the close of the meeting.

It is a fact that Sweden is not well known for its mining expertise or mining opportunities outside of Scandinavia. I feel that if the Australian market more fully understood the benefits of operating in Sweden that a genuine rush to obtain exploration ground in Sweden would take place.

This lack of competition for strategic landholdings has allowed Avalon to acquire a large, contiguous and very prospective landholding of over 600km<sup>2</sup> with proven potential for both VMS and IOCG deposits in one of the world's most famous IOCG regions.

The opportunities for new entrants to acquire properties in Sweden remind me of the exploration era of 10 years ago in Australia in that it is still possible to acquire large regional landholdings with historical open file data in proven mineral fields. With the arrival of several new Australian and Canadian explorers in Sweden over the past year I doubt that this scenario will last much longer.

I am convinced that Avalon would not have been able to assemble such a large strategic landholding with its core project comprising 66mt of copper and iron resources in Australia over the same time period.

As a result of Avalon's pioneering and first mover status the Company has now established the premier landholdings for copper in northern Sweden.

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**ASX Code:** AVI

**Directors**  
Andrew Munckton  
(Managing Director & CEO)

David McSweeney  
(Executive Chairman)

Tan Sri Abu Sahid  
Mohamed  
(Non-Executive Director)

Stephen Stone  
(Non-Executive Director)

Gary Steinepreis  
(Non- Executive Director)



Prior to 1992 the Swedish state conducted all exploration in Sweden and foreign companies were prohibited from owning 100% of a mining project. Now over 100 exploration companies operate in Sweden and as a result new mineral discoveries are being made.

The minerals exploration boom is well and truly underway in Australia. Whilst Sweden leads the world in many mining techniques and technologies, it is clearly a few years behind Australia in the development of its exploration industry.

In many ways Kiruna reminds me of Kalgoorlie, in that it is a mining town that has had a history of mining for over 100 years and has a population of 20,000 which acts as a regional service centre for the mining industry in northern Sweden. Like Kalgoorlie it is serviced by daily flights, power and a skilled workforce and like Kalgoorlie, the main mining operations are encroaching on the residential population of Kiruna.

In addition to the access to tenure the Swedish minerals titles system is efficient and user friendly. The company tax rate of 26.3% and royalty rate of 0.2% together with the first world infrastructure makes exploring in Sweden very comparable to Australia, if not better.

With the strong outlook for copper and base metal prices I cannot think of a better place for Avalon to be exploring for copper and iron ore than Sweden.

Viscaria benefits from being adjacent to the Kiruna iron ore mine which is the largest iron ore producer in Europe, and at 25mt/annum, is one of the largest iron pellet producers in the world. I am pleased to say that we have established an excellent working relationship with the owners of the Kiruna operations and communicate with them on a range of matters.

Viscaria also benefits from being located 80km north of Boliden's giant Aitik copper mine which at 35mt/annum is Europe's largest open cut operation. Copper concentrates from the Aitik operations feed Boliden's copper smelter at Ronnskar 300km by rail to the south of Aitik. Again we have developed a good working relationship with Boliden.

As Andrew will explain, Avalon has identified the potential for its large Viscaria landholding to host significant new deposits of copper and iron ore and in Skarn type deposits like the D Zone where the copper and the iron ore are comingled.

With an aggressive exploration program already underway at Viscaria I look forward to a very rewarding and exciting year for Avalon in 2011.

David McSweeney  
Chairman  
Avalon Minerals Ltd