



# BEST COPPER INTERSECTION TO DATE RECEIVED AT VISCARIA VMS PROJECT, SWEDEN

## NEW IRON ORE RESULTS ADD FURTHER DIMENSION TO PROJECT DEVELOPMENT

Australian-based metals company Avalon Minerals Ltd (ASX: **AVI**; "Avalon") is pleased to report that it has received its best intersection to date from drilling at the **Viscaria VMS Copper Project** in northern Sweden of **27 metres at 2.24% Cu**.

The result forms part of the current 4,500m diamond drilling program being undertaken at the 'D' Zone at Viscaria, which has continued to deliver excellent grades and widths for both copper and magnetite iron ore.

Significant copper intersections encountered to date in the 'D' Zone include:

- **6.8m @ 1.58% Cu from 66m in VDD0013;**
- **27.6m @ 2.24% Cu from 68m in VDD0014;** and
- **2.9m @ 1.74% Cu from 151m in VDD0018.**

The 'D' Zone Inferred Resource currently consists of 2.5 million tonnes at 1.60% Cu based on 32 historical Reverse Circulation (RC) and Diamond Drill (DD) holes.

At the end of the March Quarter, the Company had completed 30 holes for 2,257m in the 'D' Zone. Assays for 11 drill holes have been returned and are set out in the schedule of drill assays attached to this announcement.

General Manager of Operations, Mr Andrew Munckton, said that Avalon had made steady progress in difficult drilling conditions in the 'D' Zone and that the assay results received to date were very encouraging and likely to confirm the current resource at 'D' Zone at a higher level of confidence.

"We have been very pleased with the progress at Viscaria and these results underpin our confidence in taking the current JORC Inferred copper Resource into the Indicated and Measured categories," he said. "This is a very important process as we move further in our development activities at Viscaria and ultimately into production."

### Iron Ore

In addition to the copper mineralisation identified in the 'D' Zone, significant intersections of massive and disseminated magnetite iron ore have been encountered adjacent to the copper-rich horizons.

Best Iron ore intersections included:

- **42.9m @ 35.5% Fe from 93m in VDD0013;**
- **27.6m @ 38.4% Fe from 68m in VDD0014;**
- **19.0m @ 33.8% Fe from 77m in VDD0015;** and
- **19.0m @ 33.4% Fe from 17m in VDD0019.**

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**ASX Code:** AVI

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Gary Steinepreis  
(Non- Executive Director)

The magnetite-rich horizon generally sits to the west of the copper mineralisation with some overlap present between the two tabular sheets of mineralisation. (Refer figure 1.)

Commenting on the iron ore potential, Mr Munckton said the magnetite mineralisation added another dimension to the Viscaria 'D' Zone: "While the copper-sulphide mineralisation carries some magnetite as part of its general character, the consistent zone of massive and disseminated magnetite encountered adjacent to the copper was somewhat unexpected when we commenced the drilling program.

"This Skarn type of iron ore appears to be rich in favourable elements such as calcium and magnesium carbonates and depleted in detrimental elements such as Silica, Alumina and Phosphorus – so essentially this is a very promising iron ore deposit.,

"The lack of impurities, together with the coarse grained nature of the magnetite, provides encouragement that the iron ore will be commercially significant to Avalon - a metallurgical test work program will commence immediately to assess the quality of concentrate that may be expected from this type of deposit."

"Being within 5km of one of Europe's premium iron ore and pellet making operations, places Avalon in an excellent position to be able to maximise the commercial value of any high quality magnetite ores discovered at Viscaria."

Ground and airborne magnetic surveys indicate the magnetite rich horizon to be laterally extensive and traceable for up to 5km south of the 'D' Zone drilling location. Refer to Figure 2.

As a result of the recognition of the magnetite potential of the 'D' Zone, the Company has commenced a review of other iron ore opportunities within its Viscaria ground holdings.

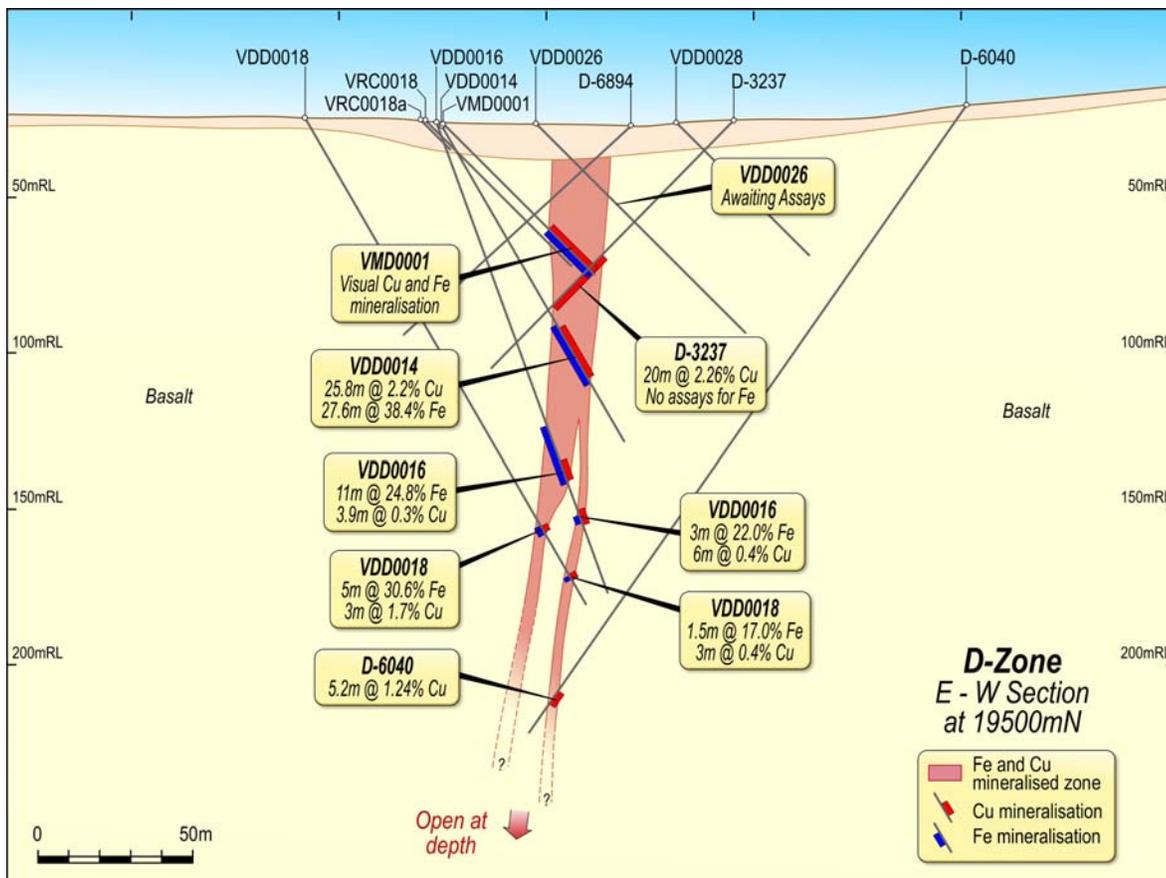
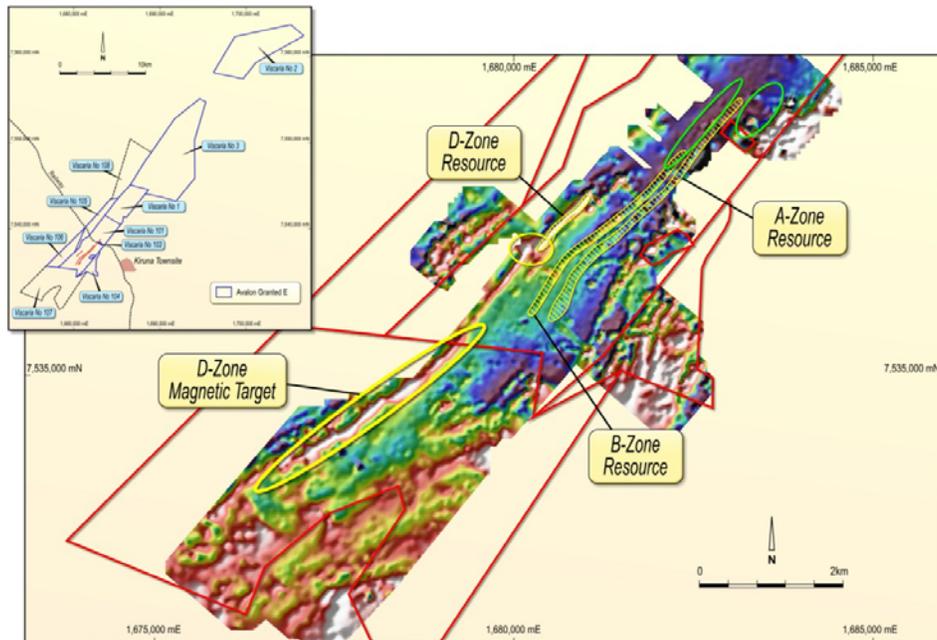


Figure 1: 19500MN Section



**Figure 2: Magnetic image showing magnetite rich unit extending 5 kilometres south of the 'D'Zone**

– ENDS –

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### **Competent Persons Statement**

*The information in this report relating to the Mineral Resource and Exploration Results is reviewed by Mr Andrew Munckton BSc (Mining Geology) who is a Member of the Australasian Institute of Mining and Metallurgy and is employed by Avalon Minerals Ltd as the Company's General Manager of Operations. Mr Munckton 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 Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".*

### **Avalon Minerals – Background**

Avalon Minerals Ltd listed in March 2007 with the aim of developing and discovering mineral deposits.

Avalon's corporate objective is to build a diversified resource mining group based on cash flows from producing operations.

The primary project generation strategy has been successful with the acquisition of the advanced Viscaria copper deposit in northern Sweden where a maiden JORC Code compliant copper resource has been defined. This resource comprises of an Inferred Resource of:

8.2 million tonnes grading 2.7% Cu for the 'A' Zone South;  
5.6 million tonnes grading 1.3% Cu for the 'A' Zone North;  
24.3 million tonnes grading 0.8% Cu for the 'B' Zone; and  
2.5 million tonnes grading 1.6% Cu for the 'D' Zone.

When combined, this totals 520,000 tonnes of contained copper.

In addition the recently acquired cluster of five closed historical copper- zinc mines at Adak, 300km south of Viscaria, also provides potential for Avalon to grow its base metal inventory within northern Sweden.

**Table 1: Assays from new 11 holes set out below**

Hole_ID	Project	Prospect	From	To	Interval	Cu %	Fe %	Ag ppm	
VDD0013	Viscaria	D-zone	66.2	73	6.8	1.58	29.59	0.73	
<i>including</i>			67.2	68.15	0.95	3.89	40.6	2.2	
			82.27	85.12	2.85	1.13	18.05	0.81	
			93.5	136.4	42.9	0.30	36.33	2.26	
<i>including</i>			94.2	99.15	4.95	1.82	43.48	3	
<i>including</i>			103	105	2	0.58	36.55	1.3	
			138	140	2	0.76	11.08	NSR	
			141	152.35	11.35	0.05	41.67	1.34	
			156	157	1	0.88	8.63	NSR	
			157	161	4	0.27	40.83	NSR	
			165	166	1	0.30	39.7	NSR	
VDD0014	Viscaria	D-zone	68.5	96.13	27.63	2.24	38.4	0.34	
<i>including</i>			76.2	85	8.8	3.82	40.11	0.53	
			101.25	101.9	0.65	0.84	7.45	7.8	
VDD0015	Viscaria	D-zone	12.7	13.7	1	0.14	24.1	NSR	
			13.7	14.2	0.5	0.49	11.3	NSR	
			16.6	35.95	19.35	0.40	33.41	0.16	
VDD0016	Viscaria	D-zone	111	112.75	1.75	0.07	40.47	NSR	
			119.15	120.71	1.56	0.3	40.85	0.23	
VDD0017	Viscaria	D-zone	11.3	16.78	5.48	0.94	30.72	0.56	
<i>including</i>			11.3	14.9	3.6	1.40	38.06	0.85	
			17.9	19.25	1.35	0.38	6.79	NSR	
VDD0019	Viscaria	D-zone	12.7	13.7	1	0.14	24.1	NSR	
			13.7	14.2	0.5	0.49	11.3	NSR	
			16.6	35.95	19.35	0.40	33.41	0.16	
<i>including</i>			26.9	35.95	9.05	0.74	34.71	0.34	
VDD0021	Viscaria	D-zone	3.85	11.8	7.95	0.75	39.22	0.75	
<i>including</i>			5.2	11.8	6.6	0.87	39.05	0.74	
			16	17	1	0.42	4.34	NSR	
VDD0023	Viscaria	D-zone	14.6	43	28.4	0.20	36.85	1.24	
<i>including</i>			14.6	19.2	4.6	0.71	49.99	4.67	
			50.2	51.1	0.9	0.22	43.52	NSR	
			51.6	60.7	9.1	0.40	19.18	0.35	
VDD0025	Viscaria	D-zone	18.5	36	17.5	NSR	29.95	NSR	
<i>including</i>			21	28.2	7.2	NSR	40.66	NSR	
			41.8	52	10.2	NSR	21.12	NSR	
VDD0027	Viscaria	D-zone	NSR						
VDD0029	Viscaria	D-zone	23.5	24.5	1	0.44	8.08	NSR	
			40.05	41.35	1.3	0.21	25.03	0.92	
<i>including</i>			40.05	40.25	0.2	0.57	49.2	2.5	