



## AVALON TESTS VISCARIA TAILINGS DAM

### KEY POINTS

- Auger drilling program completed to test the tailings dam at the Viscaria Project, located 4km from the 25Mt/annum Kiruna magnetite mine in Northern Sweden.
- 60kg bulk sample extracted to a depth of 15m to evaluate the potential to re-treat the tailings to recover >2Mt of magnetite.
- The Viscaria copper deposit was mined by Outokumpu between 1982 and 1997 to produce 12mt @ 2.3% Cu and 2.5% Zn (A Zone).
- The Viscaria Project benefits from proximity to existing road, rail, hydroelectric power grid and a skilled workforce in Kiruna.

Avalon Minerals Ltd (ASX: AVI – “Avalon”) is pleased to announce that it has completed an auger (large-diameter) drilling program to collect a 60kg bulk sample from the **13 million tonne Viscaria tailings dam** at its Viscaria Copper Project located in Northern Sweden.

Two auger holes were completed to the base of the dam at a depth of 15 metres to collect bulk samples to evaluate the potential to retreat the tailings that were deposited in the dam during the 15 years that the Viscaria copper/zinc project operated.

The bulk samples were collected to enable a suite of tests to be conducted to verify the content of copper, zinc, gold, silver and magnetite in the dam and their potential recovery.

The Viscaria copper deposits were mined by Outokumpu between 1982 and 1997, producing 12 million tonnes at an average grade of 2.3% Cu, 2.5% Zn and plus 30% Fe.

It is likely that the crushing and grinding process to recover the base metals during the historical Viscaria operations acted to beneficiate the magnetite within the orebody.

If the test work confirms that that the magnetite can be recovered using magnetic separation techniques, the economics of recovering the > 2mt of beneficiated magnetite in addition to recovering the copper and zinc will be investigated.

Results from the tailings dam testwork will be available during the December Quarter.

### Viscaria Resource Update

On 30 May 2008 Avalon announced that it had completed a maiden JORC

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**ASX Code:** AVI

**Issued Capital**  
50.6 million shares  
11 million unlisted options

**Directors**  
David McSweeney  
(Managing Director &  
CEO)

Stephen Stone  
(Director)

Gary Steinepreis  
(Director)



copper resource for two parallel unmined zones, as detailed below:

B Zone – 24mt @ 0.8% Cu

D Zone – 2.5mt @ 1.6% Cu.

The B and D Zones are also likely to host zinc and precious metals credits, however Avalon has not yet retrieved this data.

Drillers visited site during the month to inspect surface conditions and drill hole layouts in preparation for a diamond drilling program at Viscaria scheduled to commence in August 2008.

Review and validation of the remaining mineralisation within the A Zone at Viscaria is progressing with a JORC resource for the A Zone due to be completed in August 2008

*Competent Persons Statements*

*The information in this report relating to Exploration Results is reviewed by Mr Geoff Hewlett MSc DIC MAIG who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and is the company's Exploration Manager. Mr Hewlett has over 30 years of exploration experience in a variety of mineral deposit styles including uranium, base metals and gold mineralisation and he consents to inclusion of the information in this report in the form and context in which it appears. He qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".*

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**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 deposits in northern Sweden.