

# AVALON DELIVERS MAIDEN 26.6MT COPPER RESOURCE AT VISCARIA PROJECT, SWEDEN

- Maiden Inferred Mineral Resource estimate to JORC-Code reporting standards of 26.6Mt comprising:
  - *'B' zone Inferred Mineral Resource of 24.1Mt @ 0.8% Cu for 182,000t of contained copper*
  - *'D' zone Inferred Mineral Resource of 2.5Mt @ 1.6% Cu for 40,000t of contained copper*
- Excellent potential for further resource upgrades including modelling and initial estimates for the 'A' zone expected to be completed in August 2008.
- Unmined intersections within the 'A' zone include 5m @ 3.3% Cu, 13.8m @ 2.2% Cu and 15.9m @ 2.5% Cu.
- Size and continuity of copper resources significantly larger than anticipated.
- Excellent infrastructure including existing rail connection, hydro-generated grid electrical power and proximity to the nearby town of Kiruna.

Australian-based international exploration company Avalon Minerals Ltd (ASX: AVI) has taken a major step forward in its ambitions to establish a significant copper production business in the Nordic region after today (Friday) announcing a **maiden Mineral Resource estimate to JORC code reporting standards of 26.6 million tonne** for its **Viscaria Copper Project**, located in the Norrbotten area of Northern Sweden, approximately 1,200km north of Stockholm.

The Mineral Resource estimate comprises an Inferred Resource of **24.1 million tonnes grading 0.8% Cu** from the 'B' zone and an Inferred Resource of **2.5 million tonnes grading 1.6% Cu** from the 'D' zone for a combined **222,000 tonnes of contained copper**. The resource estimate was carried out by the Company's geological consultants, CSA Australia Pty Ltd (CSA) in accordance with current JORC-Code Reporting Standards.

Avalon's maiden Mineral Resource estimate comes less than 3 months after it acquired the advanced Viscaria and Adak Projects from Phelps Dodge Exploration Sweden AB in March 2008, providing an opportunity to develop a significant copper production business in the medium term.

Commenting on the Mineral Resource estimate, Avalon's Chairman and Managing Director, Mr David McSweeney, said the size and continuity of copper resources in both the 'B' and 'D' zones was significantly larger than anticipated at the time the project was acquired earlier this year.

"What is really exciting is the size and continuity of the whole Viscaria system," he said. "We already know that the Viscaria Mine was a profitable producer when it shut down in 1997, however what we don't know is just how big and deep the system is and how many more deposits may exist within the Company's landholdings."

The estimates represent the first stage of an ongoing review of copper resources and cover two of the three known ore zones at Viscaria. An initial Mineral Resource estimate at the previously mined 4 km long 'A' zone (historical head grade 2.3% Cu) is expected to be completed by August and is expected to further enhance the Company's JORC-Code compliant resource base.

As part of the ongoing exploration and development programme at Viscaria, Avalon has undertaken a Scoping Study and will commence in-fill drilling and exploration programs in September 2008 with the aim of delineating near surface, potential open cut resources in the 'A' and 'B' zones as well as higher grade, plus 2% copper within the 'A' zone.

In total, Avalon has access to data from 3,121 diamond drill holes for a total of 268,063 metres of drilling that today would cost A\$40 million to replicate. "We are very lucky to have such high quality historical drilling data which has helped us immensely in defining this initial resource estimate," said Mr McSweeney.

The Viscaria Copper Mine is located in Northern Sweden, 4km from the 1.6 billion tonne (68% Fe) Kiruna mine, Sweden's largest iron ore mine and the world's second largest underground mine. Avalon has three exploration licences at Viscaria (101,102 and 103), and has applied for additional exploration permits over open ground and along strike to the north, for a total area of approximately 67km<sup>2</sup>.

The mine was operated by Outokumpu from 1982 to 1997 and produced 12 million tonnes @ 2.3% copper with 2% zinc and .3g/t gold metals credits from the 'A' zone. The mine was closed when the copper price was around \$1.00/lb and at a time when Outokumpu had made a strategic decision to exit its mining operations.

The Viscaria project is linked by rail to the Copper smelter at Skelleftea in northern Sweden operated by New Boliden. Boliden's 1.6 billion tonne Aitik copper-gold project, situated 80km to the south of Viscaria, is currently producing at 18 million tonnes per annum of ore and is serviced by road and rail networks which traverse Avalon's tenements.

The Viscaria project benefits from excellent infrastructure including an existing rail connection, hydro-generated grid electrical power and proximity to the nearby town of Kiruna which has a population of over 20,000 people.

"Kiruna is the site of a world-class iron ore mine with an associated skilled mining workforce and operating in an active mining region will allow Avalon to fast track the development of Viscaria," said Mr McSweeney.

#### *Competent Persons Statements*

*The information in this "ASX Announcement" relating to in-situ Mineral Resources at the Viscaria deposit, B and D Zones has been based on information compiled by Paddy Reidy of CSA Australia Pty Ltd. Paddy Reidy BSc(Hons Geology) is a Member of the Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'(JORC Code 2004 Edition). Paddy Reidy consents to the inclusion of such information in this "ASX Announcement" in the form and context in which they appear.*

*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.