

## AVALON INCREASES NORDIC COPPER RESOURCE; MOVES RAPIDLY INTO MINING STUDY

Australian-based international exploration company Avalon Minerals Ltd (ASX: **AVI**) has moved quickly into project development mode, after announcing the definition of further high-grade resources at the Company's 100%-owned **Viscaria Copper Project**, located 1,200 km north of Stockholm in northern Sweden.

The Company announced today (**Thursday**) that it had delineated an additional Inferred Resource of **8.2Mt @ 2.7% Cu** from the southern section of the Project's '**A**' Zone in what is the highest grade of the resources so far delineated at Viscaria.

The addition of the 'A' Zone resources has resulted in a substantial increase in the Company's total Inferred Resource to **39.9Mt at 1.3% Cu for 515,000 tonnes of contained copper metal**. This overall figure is made up of the following zones, of which the 'B' and 'D' and 'A' Zone North were previously announced:

**'A' Zone South – 8.2Mt @ 2.7% Cu;**  
**'A' Zone North – 5.1Mt @ 1.2% Cu;**  
**'B' Zone – 24.1Mt @ 0.8% Cu; and**  
**'D' Zone – 2.5Mt @ 1.6% Cu;**

As a result of the volume and grade of remnant copper ore in the 'A' Zone South deposit, planning at Viscaria has quickly shifted from exploration to mine development, with Mining Scoping Studies now underway to fast-track opportunities to re-open the Viscaria copper mine.

Given the presence of existing near-surface and underground copper resources, the Company is examining a staged approach to mine development, with early cash flow from open pit mining while de-watering the main decline to access shallower underground lodes.

The Company is well advanced in its plans to commence a program of infill drilling to obtain sufficient information to include in a Bankable Feasibility Study (BFS), with drilling contractors having visited the site and provided costs and logistical advice. Upcoming drilling will target the shallow copper resources in the D and A Zones with open cut potential and selected unmined areas of >3% copper in the 'A' Zone.

Avalon has also commenced marketing studies for sale of concentrate into European markets, and has visited the Ronnskar Smelter owned by Boliden AB of Sweden, which is located 300km south of Viscaria by rail. Historically, the 25% copper concentrate produced by Outokumpu from Viscaria was sought after by European concentrators as a reliable and clean source of local concentrate.

Commenting on the recent developments, Avalon's Chairman and Managing Director, Mr David McSweeney, said the Resource upgrade and the Company's move into mining studies were important milestones: "We are extremely pleased that within such a short amount of time, we have been able to define resources of sufficient size and grade to support a study to commence into the commercial viability of re establishing mining operations at Viscaria.

"We now have a fantastic opportunity to develop this project in a staged approach, with the potential for an initial open pit start-up operation to deliver cashflow within a few years, which will underpin continuing resource definition and extension programmes," he added.

### *Competent Persons Statements*

*The information in this document relating to in-situ Mineral Resources at the Viscaria deposit, A, B and D Zones has been based on information compiled by Paddy Reidy of CSA Global 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 and Adak copper deposits in northern Sweden where a current JORC Code compliant copper resource comprising an Inferred Resource of 39.9 million tonnes grading 1.3% Cu for 515,000 tonnes of contained copper has been delineated.

### **Viscaria Project**

The Viscaria mine was operated by Outokumpu from 1982 to 1997 and produced 12 million tonnes @ 2.3% copper with 2% zinc and 0.5g/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 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.