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# AGM

David McSweeney – November 2008

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# Avalon Minerals Ltd – Corporate

## *Directors*

**David McSweeney** – *Managing Director*

20 years resource sector experience, founding Managing Director of Gindalbie Metals Ltd, non-executive Director – Bauxite Resources Ltd

**Stephen Stone** – *Director*

28 years experience, former Executive Chairman – Apex Minerals NL, Executive Chairman – Azumah Resources Ltd, Director – Encore Metals NL

**Gary Steinepreis** – *Director*

Chartered Accountant, Director – Black Fire Energy Ltd, Signature Brands Ltd, Norseman Gold Plc, RMG Limited, WAG Limited

## *Management*

**Des Kelly** – *Company Secretary*

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# Top Shareholders

| | Ordinary Shares Held |
|---|---|
| David McSweeney | 8,350,000 |
| | (8.5M Options) |
| Greg Down, Don Boyer, Baracus, Brooks | 9,930,000 |
| Overseas Institutional Investors | 6,600,000 |
| Base Asia Pacific Limited | 1,500,000 |
| Derek Steinepreis | 1,330,000 |
| Craig Ian Burton | 1,250,000 |
| Kimbriki Nominees | 1,000,000 |
| Gary Steinepreis | 750,000 |

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# AVALON MINERALS LTD

# PROJECT OVERVIEW

# Avalon Copper Projects


# Sweden – Low Sovereign Risk

- Constitutional monarchy & parliamentary democracy
- Skilled mining labour force, 99% literacy, English as 2nd language
- Copper concentrators and smelters
- Legislation
  - Framework similar to Australia
- Environment
  - Primary liability rests with previous operators in old mining areas i.e. the Government
- Taxation
  - Normal corporate rate of income tax at 28%
  - Nominal 0.2% NSR on production

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# Sweden – Exploration Hot-Spot

Anglo American I Blackstone Ventures Inc I Boliden I Dragon Resources Ltd I Drake Resources Ltd I Aura Energy I Energy Ventures I Eagle Mining I International Gold Exploration I Kopparberg Mineral I Lappland Goldminers AB I Lundin Mining Corporation I Mawson Resources Ltd I Nordic Diamonds I Northland Resources Inc I Tertiary Minerals PLC I Zinifex Ltd I Independence Group

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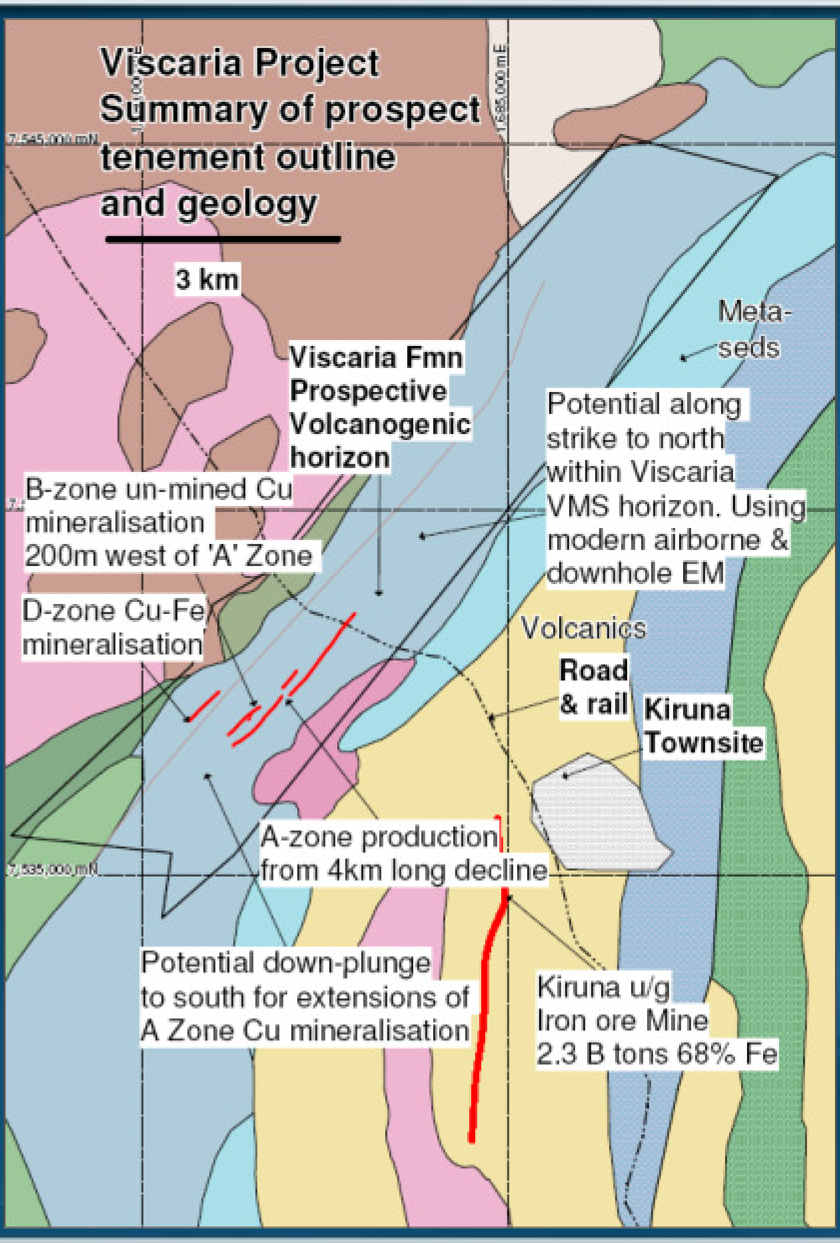
# Viscaria Project Summary




- $67km^2$ tenements
- Operated by Outokumpu from 1982 to 1997
- Mined 12.5 Mt grading 2.3% Cu and 0.3g/t Au
- Produced 280,000t of Cu in concentrate @ 25% Cu

# Photos – Ronnskar Smelter

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# Viscaria

## History

- 12.3mt @ 2.3% Cu production from 1982-1997
  ($1.5B at today's copper price)
- Phelps Dodge – 2003-2008 (no activity)
- Avalon purchase - March 2008
- May 2008 – JORC 24.1mt @ .8% Cu – B Zone
- May 2008 – JORC 2.5mt @ 1.6% Cu D Zone
- July 2008 – JORC 5.3mt @ 1.3% Cu - A North Zone
- Sept 2008 – JORC 8.2m @ 2.7% Cu – A Zone South

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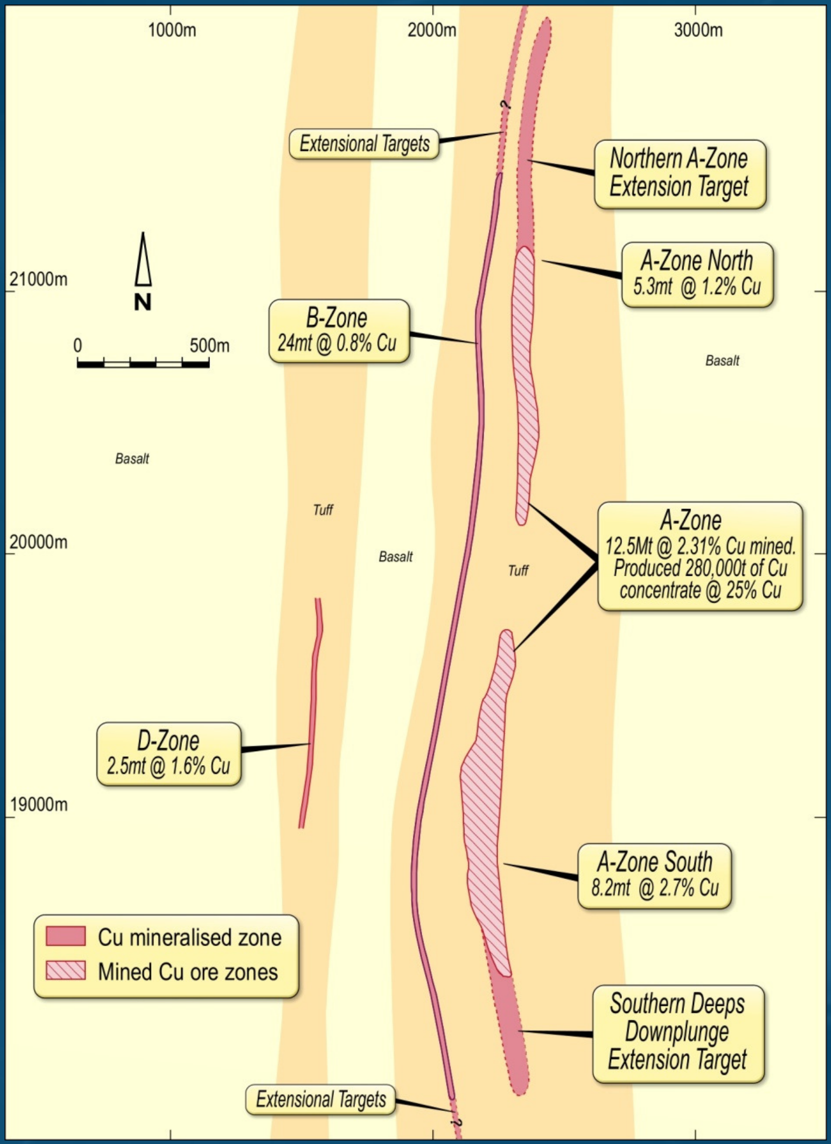
# Viscaria Showing Surface Mineral Resources




- 3 Parallel zones

| Viscaria Resources A, B & D Zones | | |
|---|---|---|
| **Zones** | **Existing** | **Cu %** |
| D | 2.5mt | 1.6% |
| B | 24mt | .8% |
| A Zone North | 5.3mt | 1.2% |
| A Zone South | 8.2mt | 2.7% |

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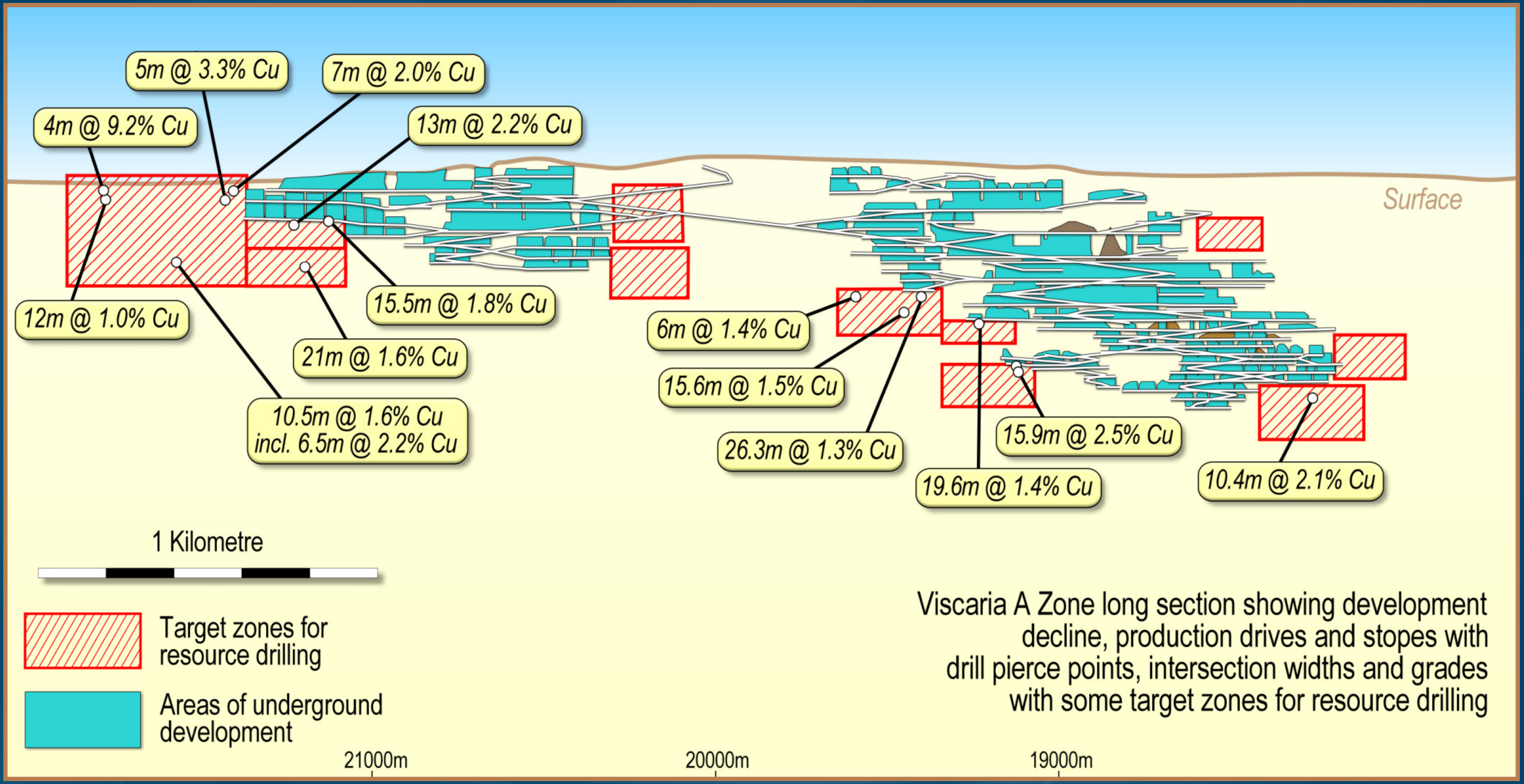
# Viscaria Showing Underground Mineral Resources

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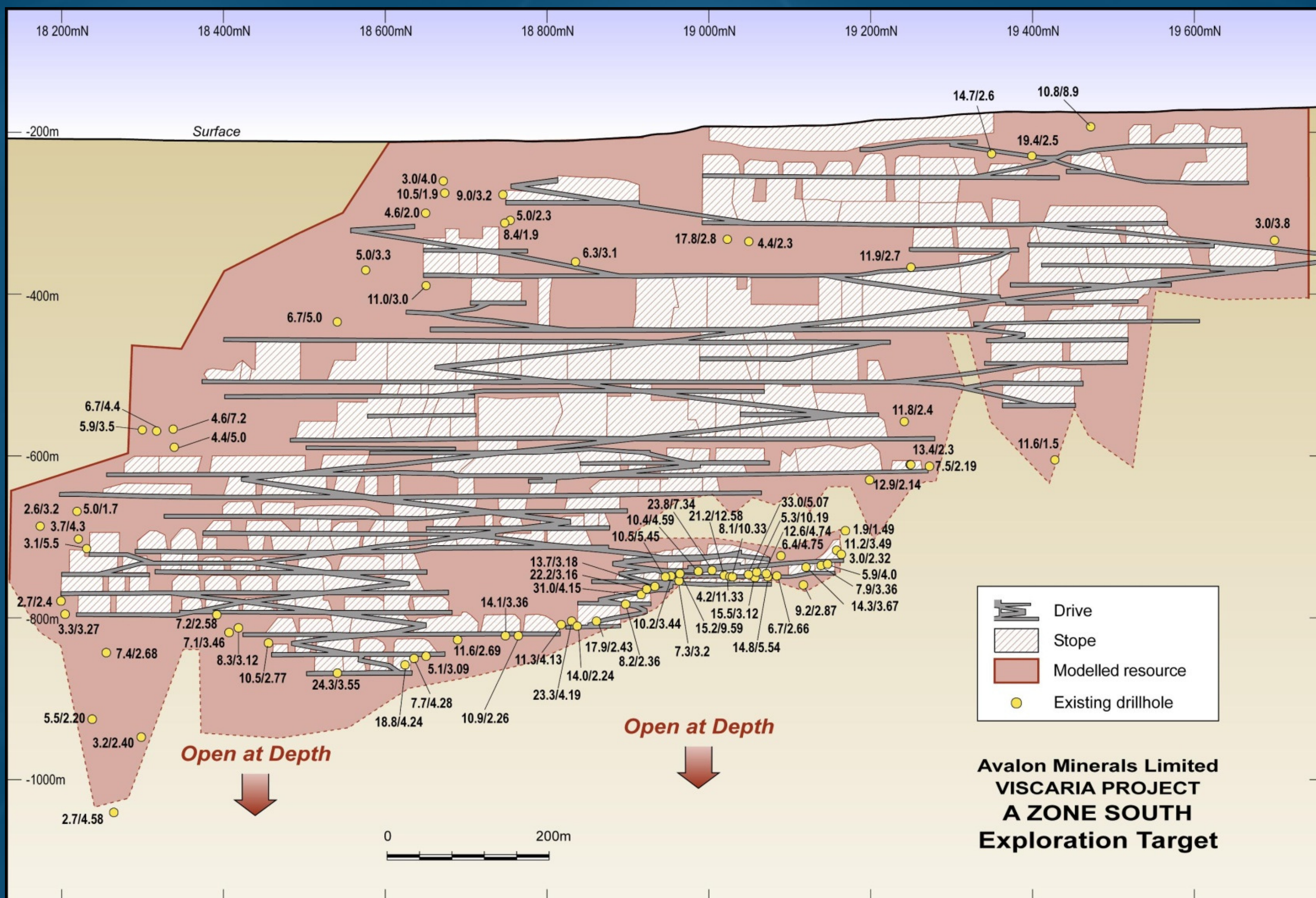
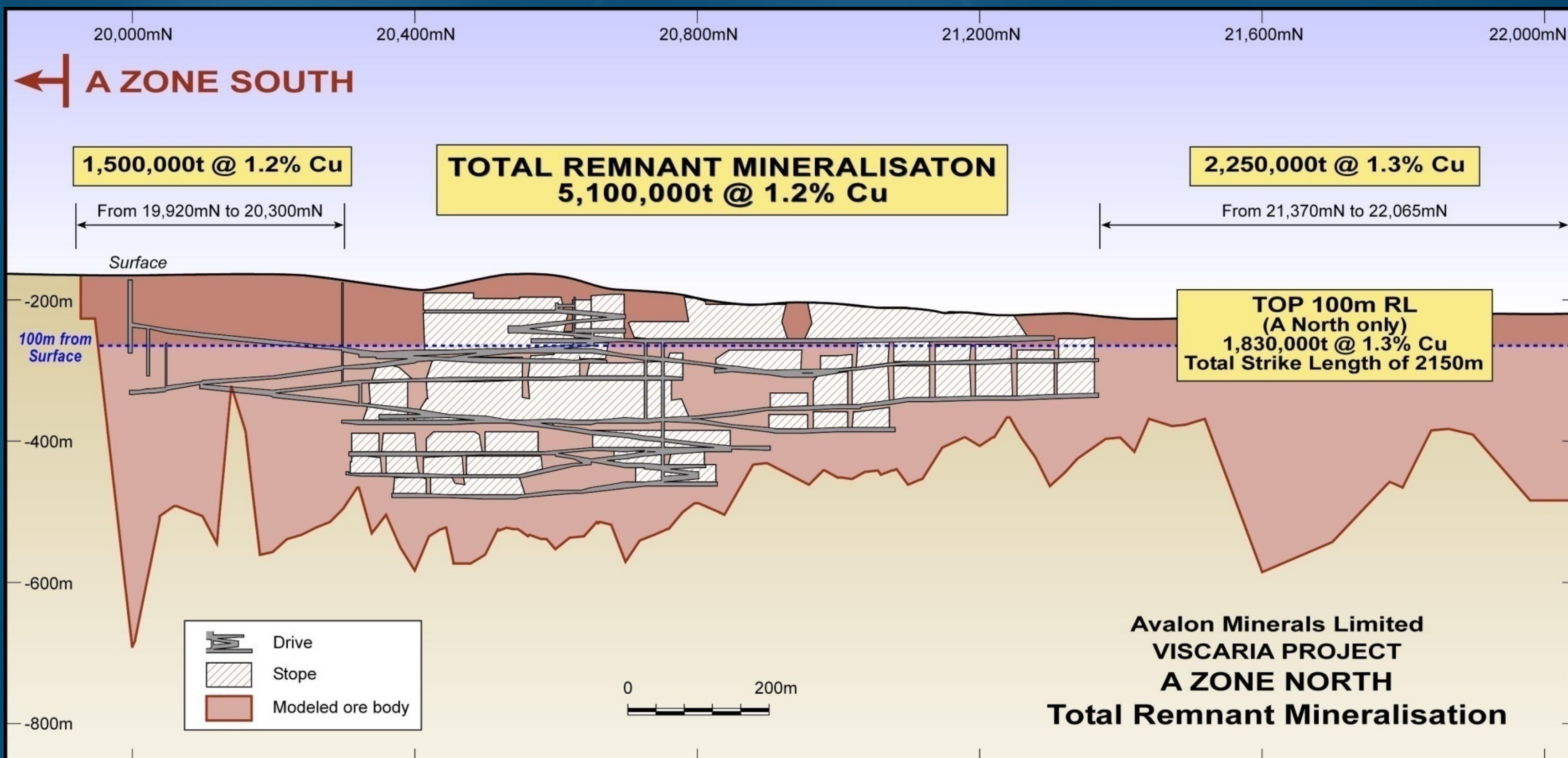
# A Zone South - Targets



# Viscaria A Zone North Long Section

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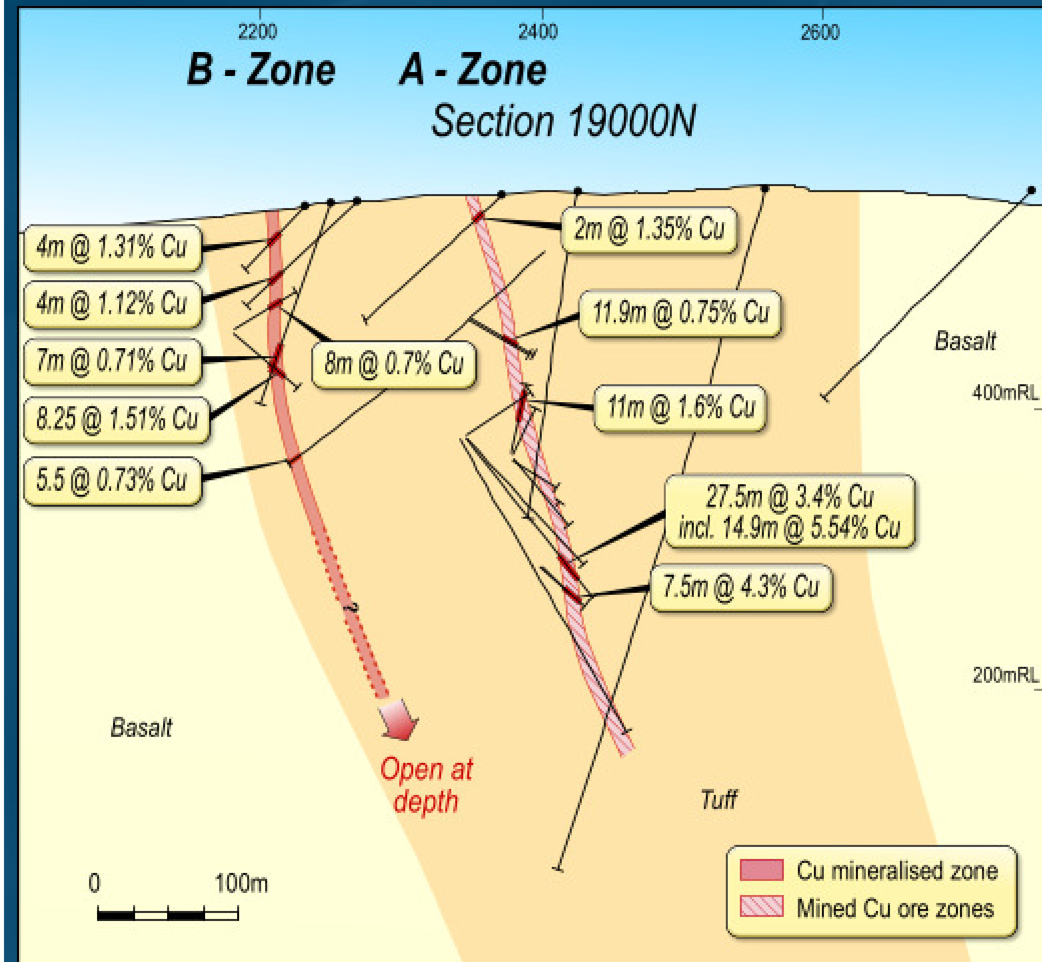
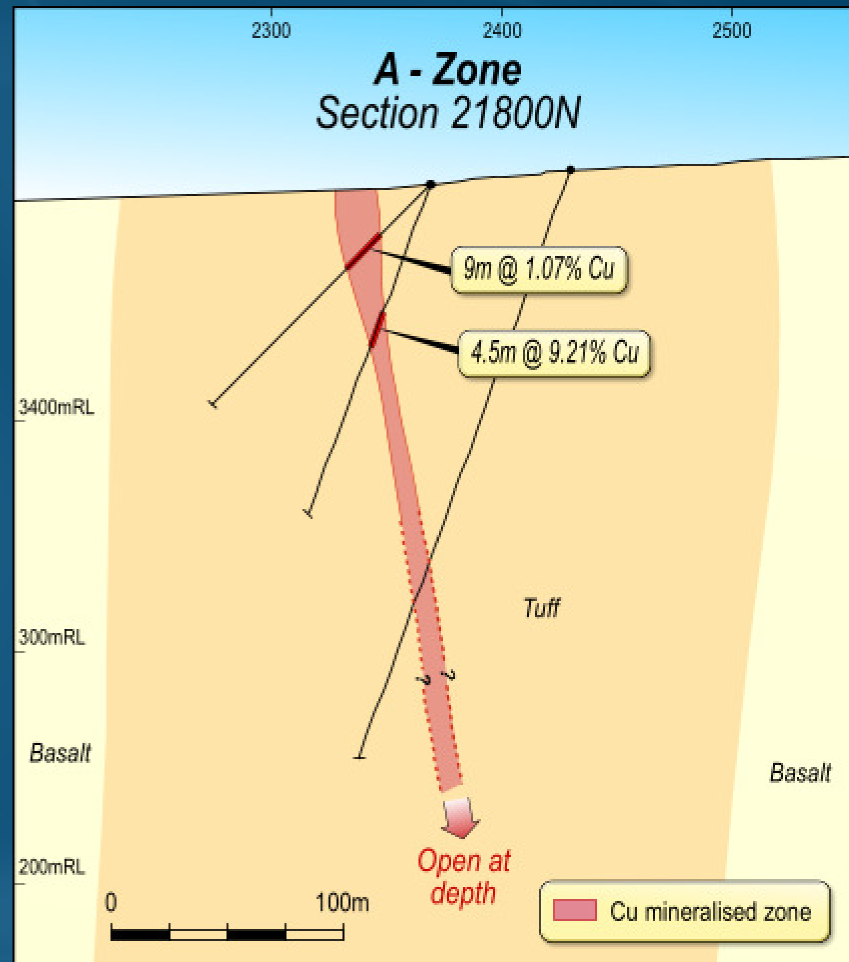
# Viscaria Sections ( A & B - Zone)

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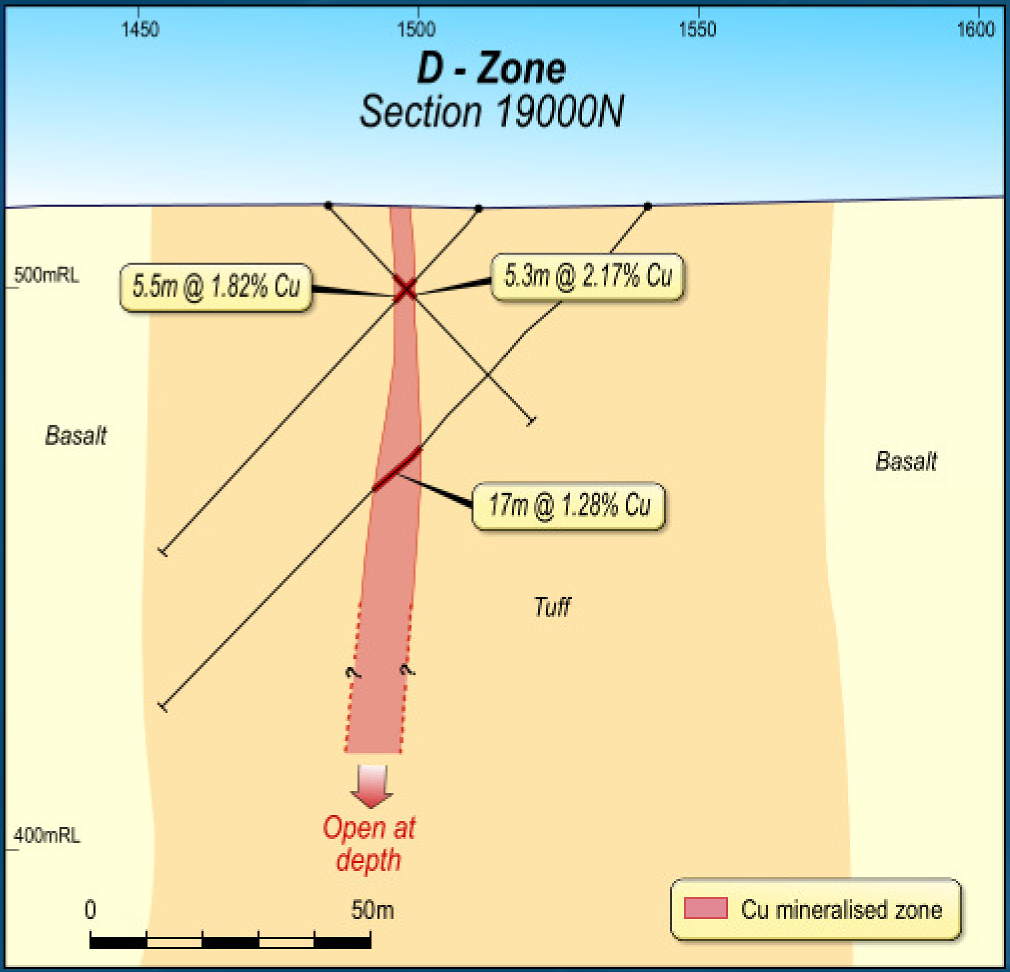
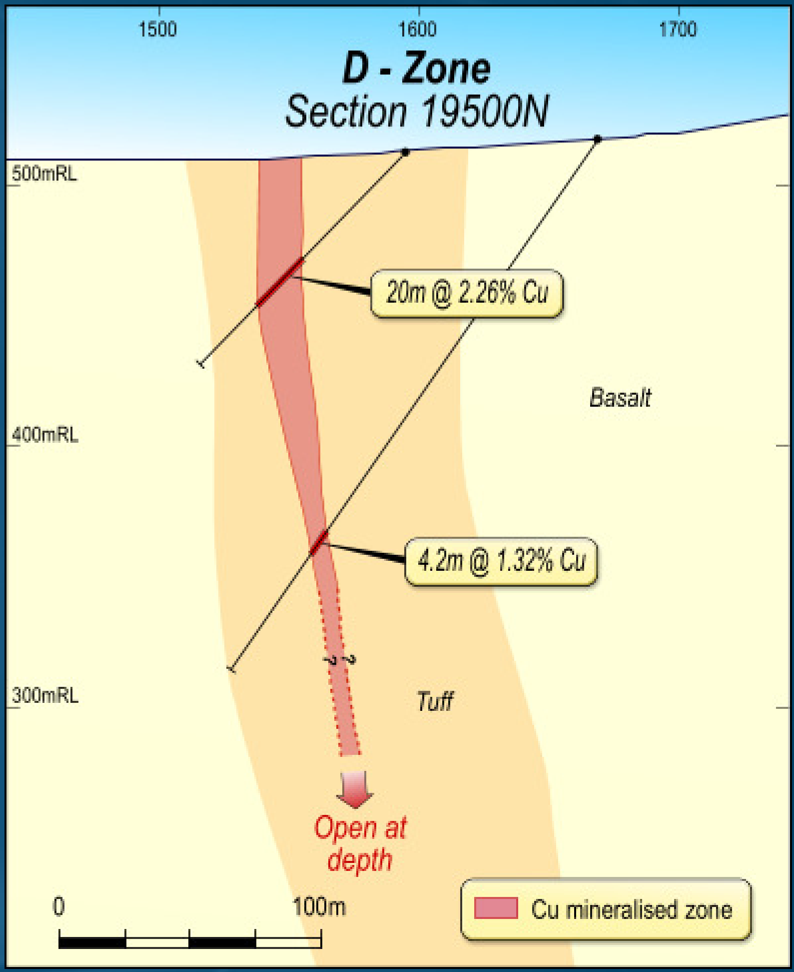
# Viscaria Sections ( D - Zone)

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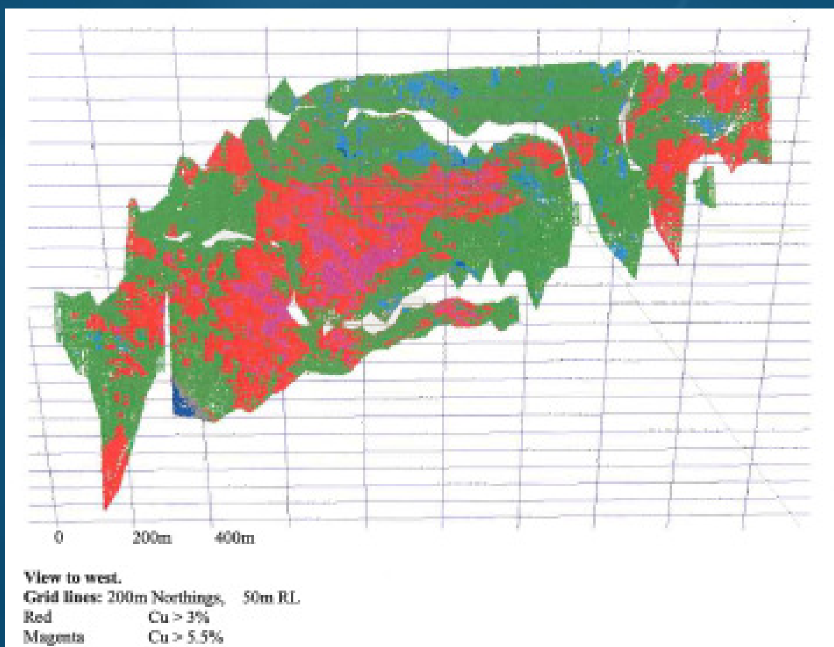
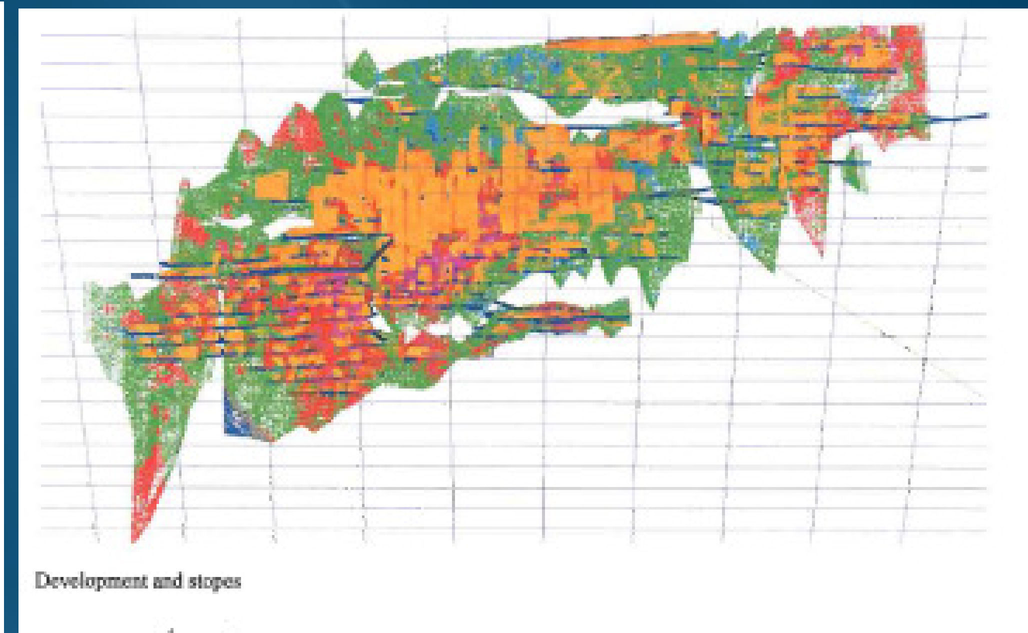
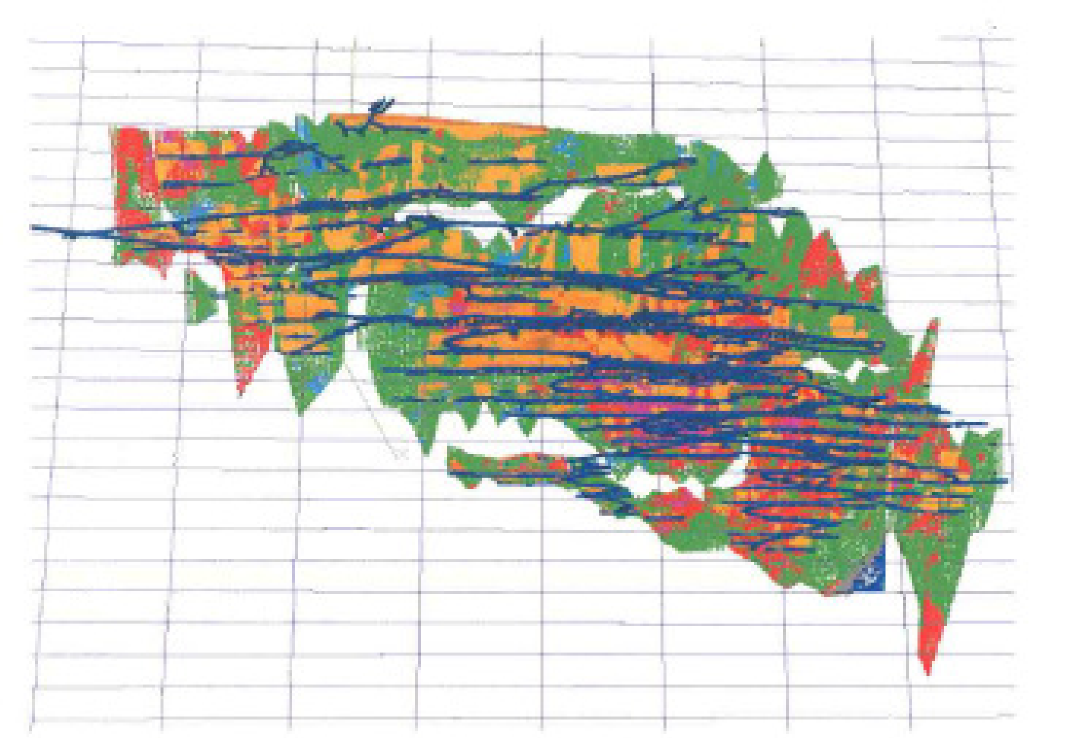
# A Zone South Long Section Block Model facing West




Grades; Magenta: >5.5% Cu, Red >3.0% Cu

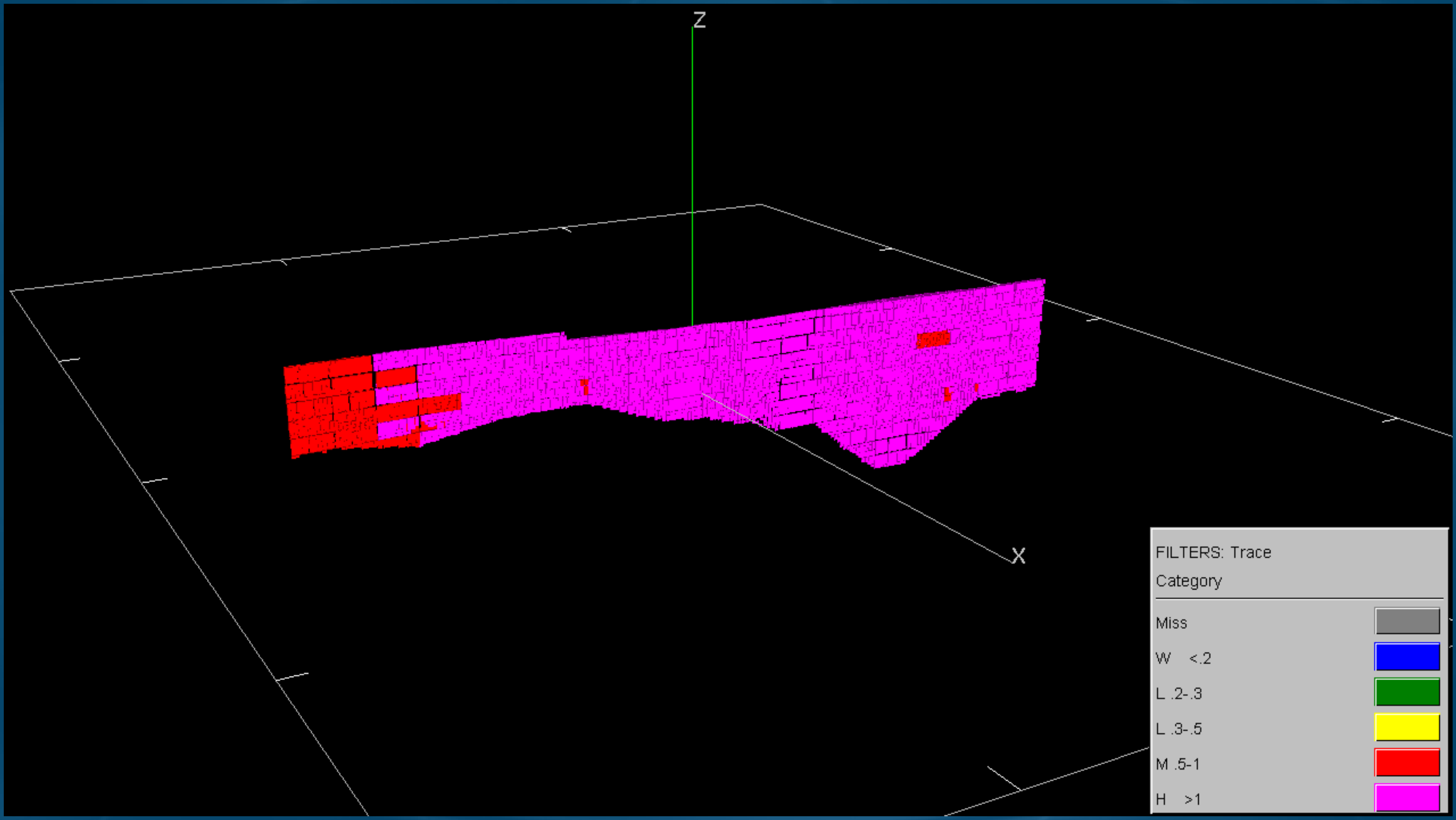
# A Zone South Long Section Block Model facing East



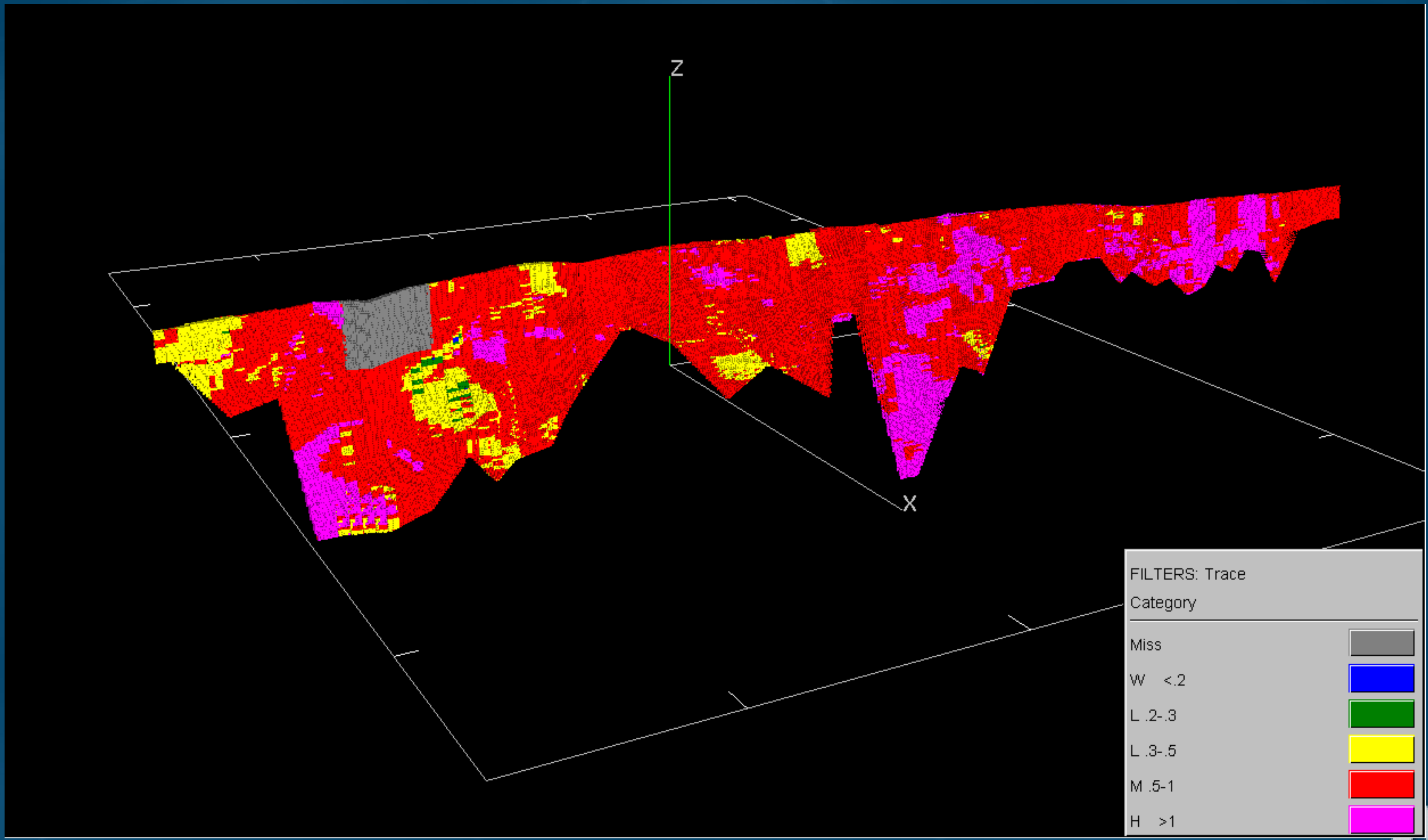
Reverse view (to East). Development in footwall.

Showing decline and stope development in footwall
Grades; Magenta: >5.5% Cu, Red >3.0% Cu

# D Zone Block Model- Open



# B Zone Block Model- Access from A Zone



# Mining

- Studies Underway
  - Resource Models – CSA.
  - Geological Models – CSA.
  - Dewatering A Zone studies commenced.
  - Mine design consultants, Rapallo - received resource models in mid September. These will form the basis of mining cost estimates, scoping level production and development schedules prior to a Bankable Feasibility Study.
  - Cost models (owner operator) being developed from first principles for use at Viscaria.
  - Underground mine design and plant infrastructure requirements are being assessed by Rapallo Engineers & MSP Engineers.

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# Production scenario - Viscaria

## **STAGE 1** - 2011

| | |
|---|---|
| Plant Capacity | - 300,000 tpa @3.0% Cu |
| Concentrate | - 36000 t @ 25% Cu |
| Copper | - 9000tpa |
| Copper price | - US $6000/t ( $2.7/lb) |
| NSR | - US$45.3M/annum (US $1258.3/t concentrate) |
| Opex | - US $900.0/t concentrate |
| Capex | - US $30.0M |

NOTE historical A Zone South shoots 1mt @ 7% Cu)

# Infrastructure at Viscaria

- Viscaria benefits from existing infrastructure–
  - 10km Decline and 20km of development drives – ($50m replacement cost)
  - Accommodation in Kiruna Town – (population 20,000)
  - House & office established at Kiruna
  - Hydro-grid power
  - Rail & road
  - Experienced workforce
  - Daily flights from Stockholm

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# Viscaria – Stage 1 Scenario



- Mining
  - Initial production (first 2 years) sourced from D Zone open cut and A Zone open cuts.
  - Continuation of A Zone Mining was cut short by Outokumpu in 1997 due to copper price and Outokumpu corporate strategy.
  - Undeveloped u/g ore positions identified with minimal access required from existing infrastructure.

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# Mining and Geology

- Personnel & Infrastructure
  - Previous Viscaria Mine Foreman has been retained.
  - Project Geologist Sweden – Nigel Baker.
  - Project Mining Engineer to be appointed.
  - CSA - Resources
  - Infill and extensional diamond drilling tenders underway.
  - Rapallo – Mining.
  - Swedish environmental consultants retained - Hifab.
  - MSP – Processing.
  - Office and warehouse in Kiruna established.

# Viscaria Milestones

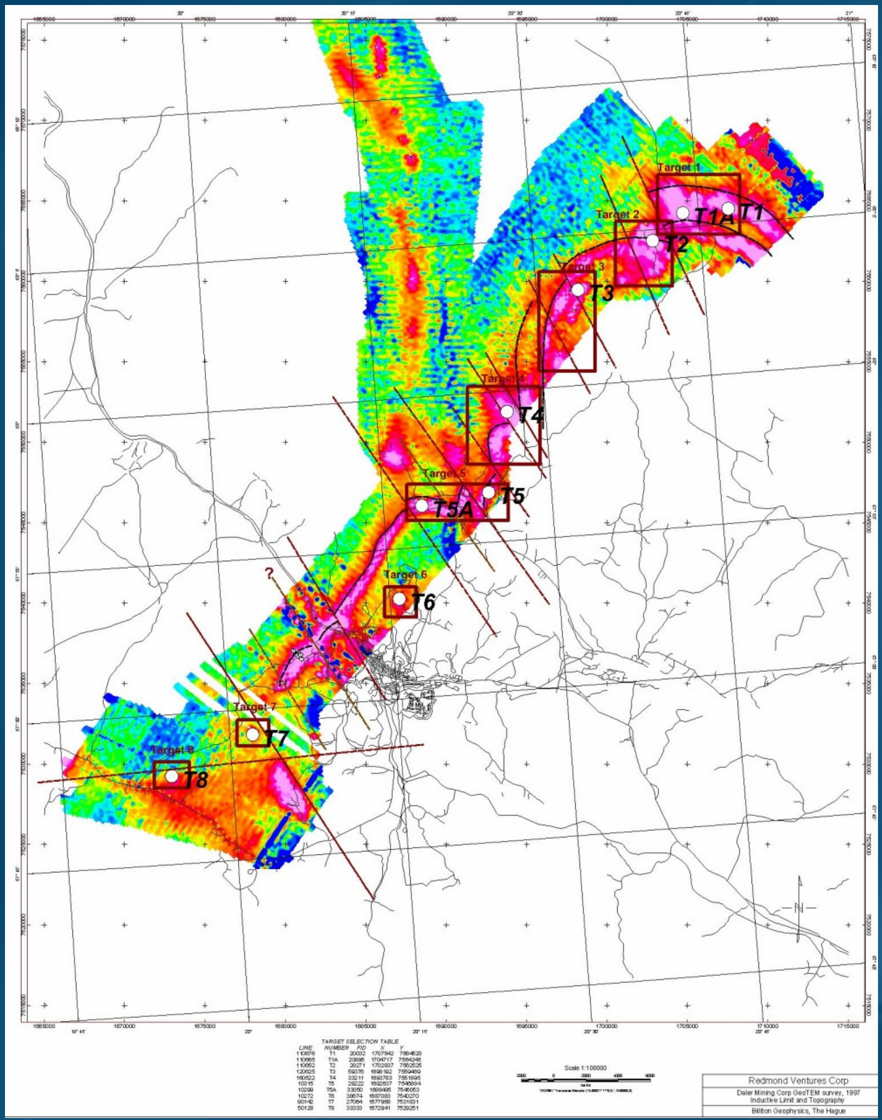
- Scoping Studies 08
- BFS 09
- Diamond drilling – Feb 09
- Assaying and metallurgical testwork to follow

  - Optimise the crushing and grinding circuits to establish –

  - Flotation testwork to establish the optimum grind size and reagent regime to maximise flotation recovery.
- Dewatering and permitting studies underway

# Photos

# Viscaria Regional Target > 100Mt




- Flown by Redmond Ventures Corp & Billiton Resources
- Targeting IOCG mineral deposits (Roxby Downs)
- Billiton target size +300Mt
- Avalon will target Viscaria sized targets from data
- Avalon purchased 600 line kms of data

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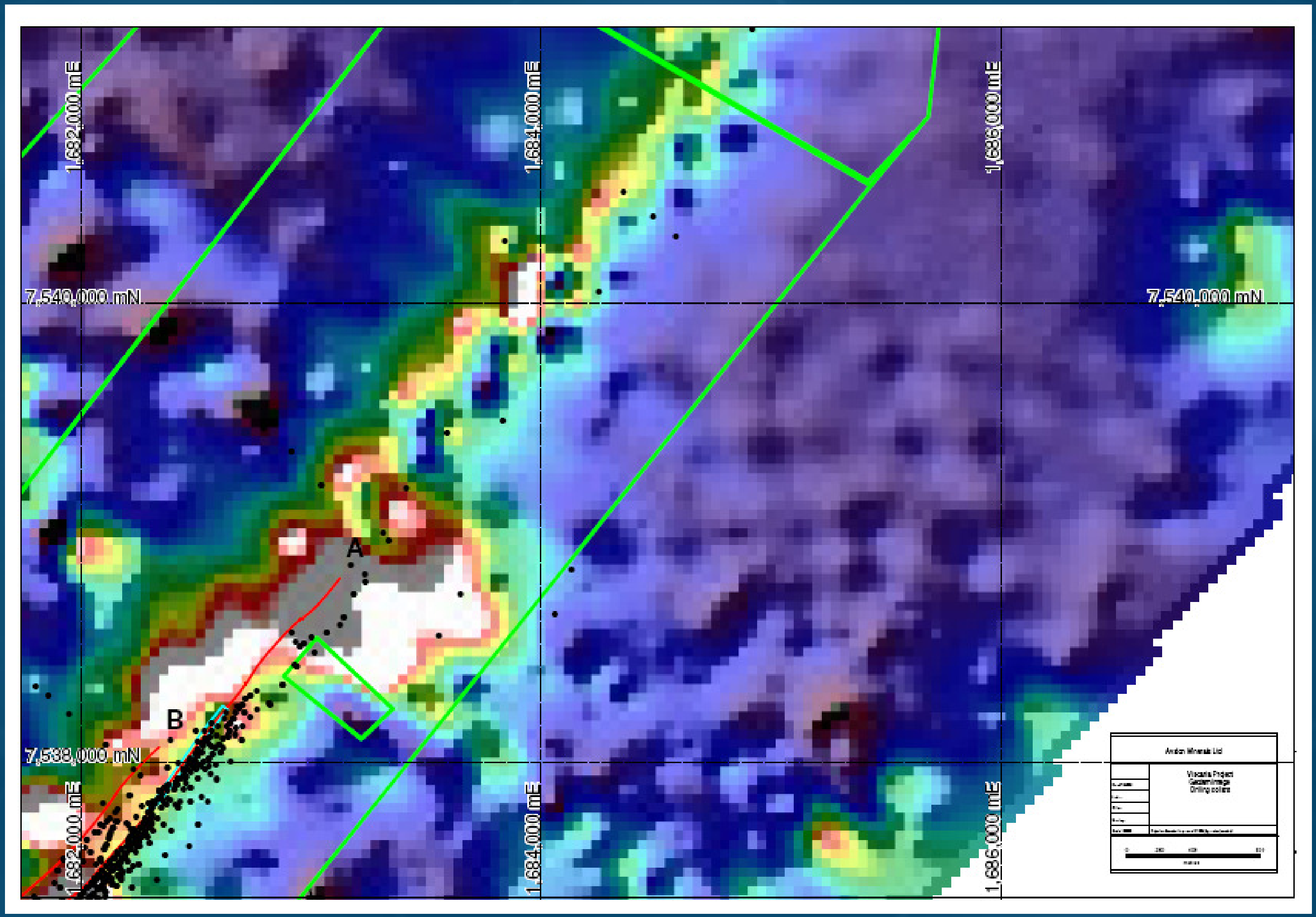
# A Zone NorthTarget- generated by Avalon

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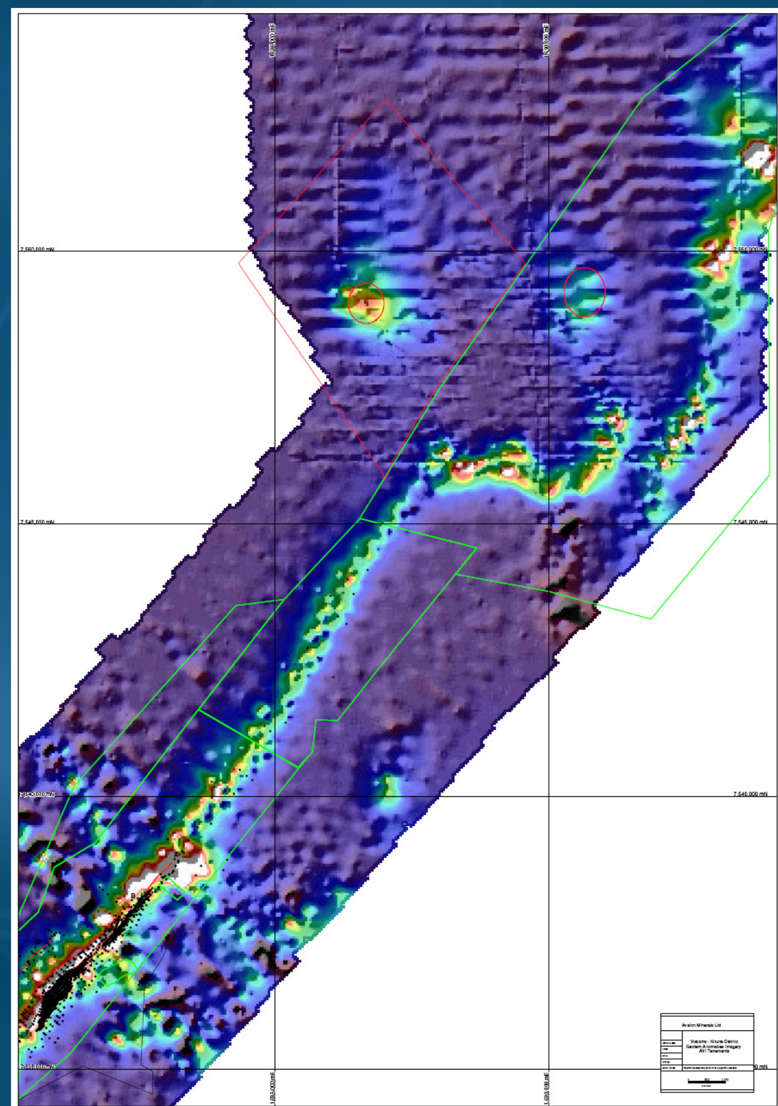
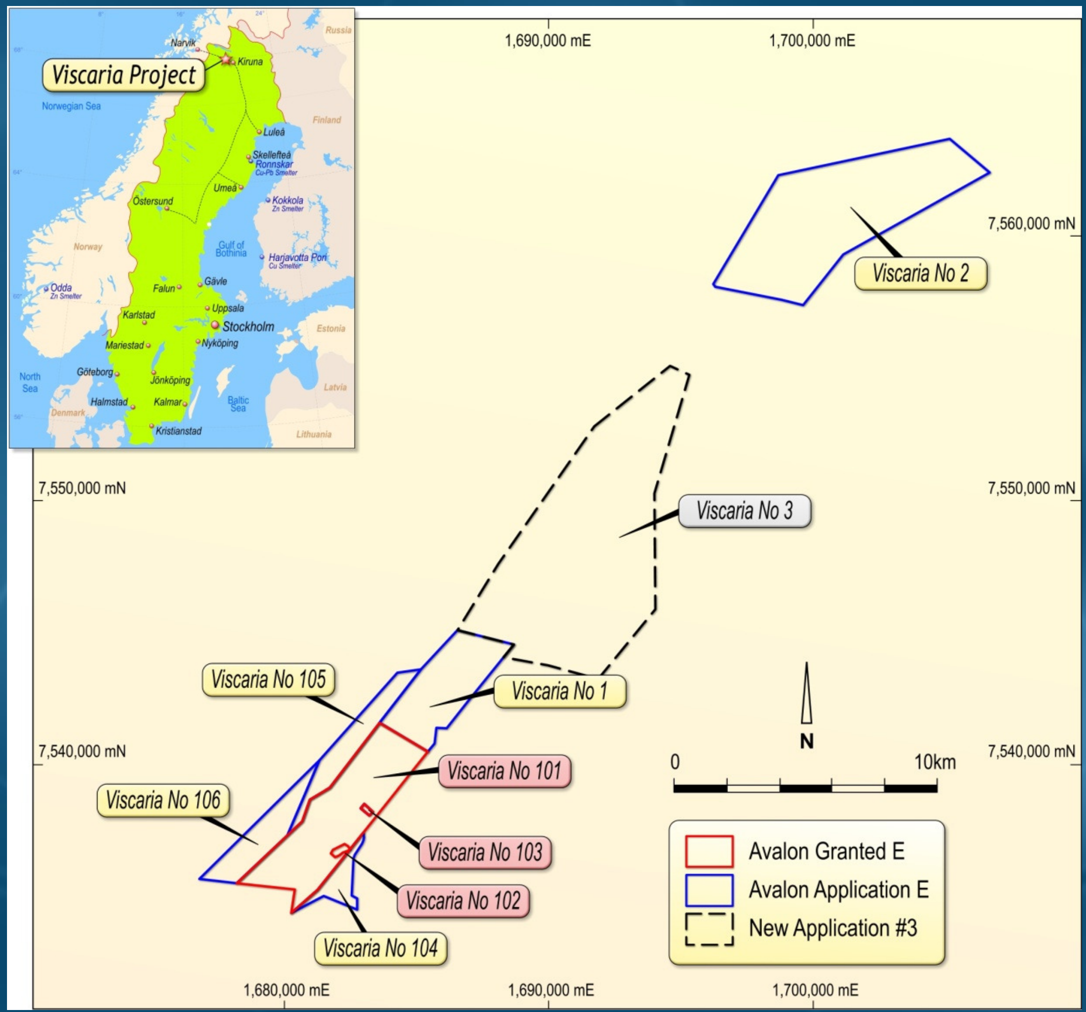
# 110 km 2 tenements with Conductors



# Viscaria Properties



# VISCARIA STRENGTHS

- High Grade A Zone > 3% Cu
- Large system (4km) + multiple zones (x3)
- Open at depth and along strike
- Existing decline and unmined stopes
- Copper smelters in country- Ronskarr
- Early cash flow and growth opportunities
- Regional producer benefits- area of influence
- Regional exploration targets

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# Photos

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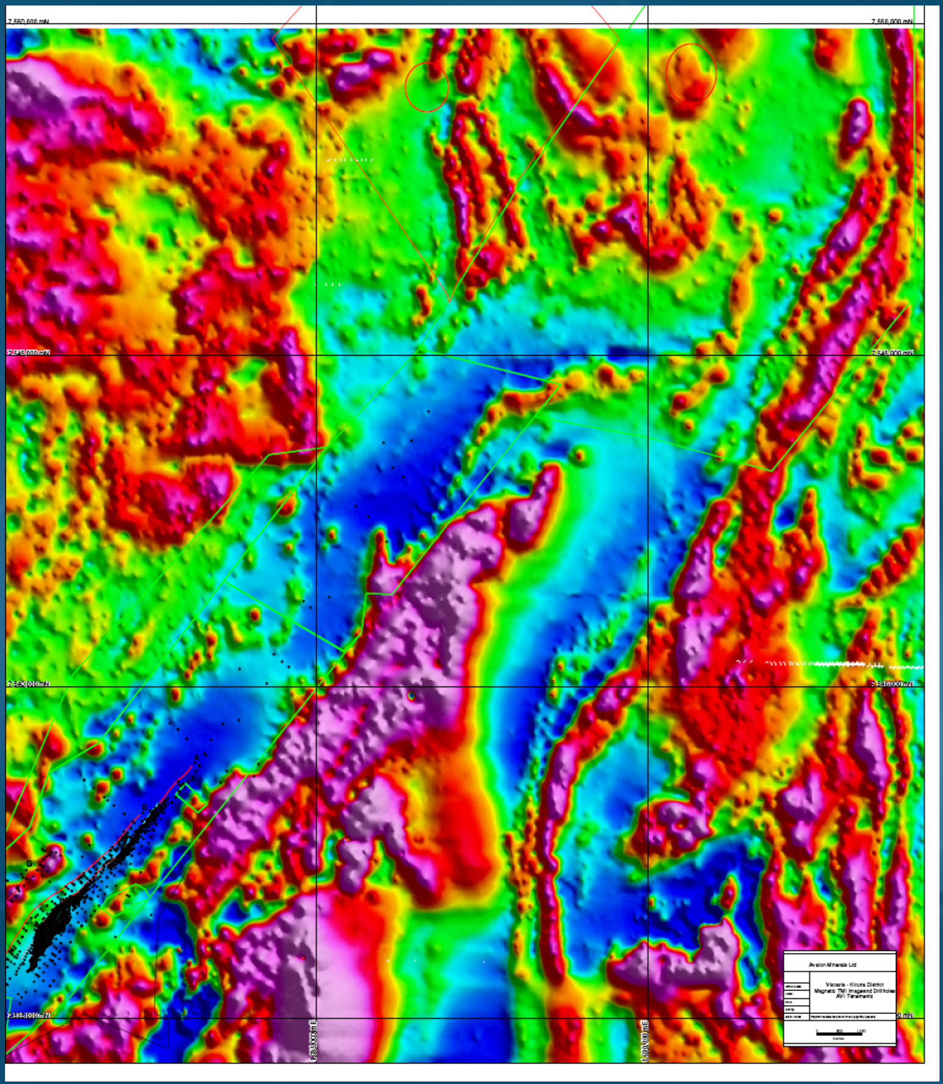
# Detailed Airmagnetic TMI Data with Geotem targets



# Competent Persons Statement

*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 presentation 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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