

Mining Exploitation Concessions K3 and K4 at Viscaria Granted

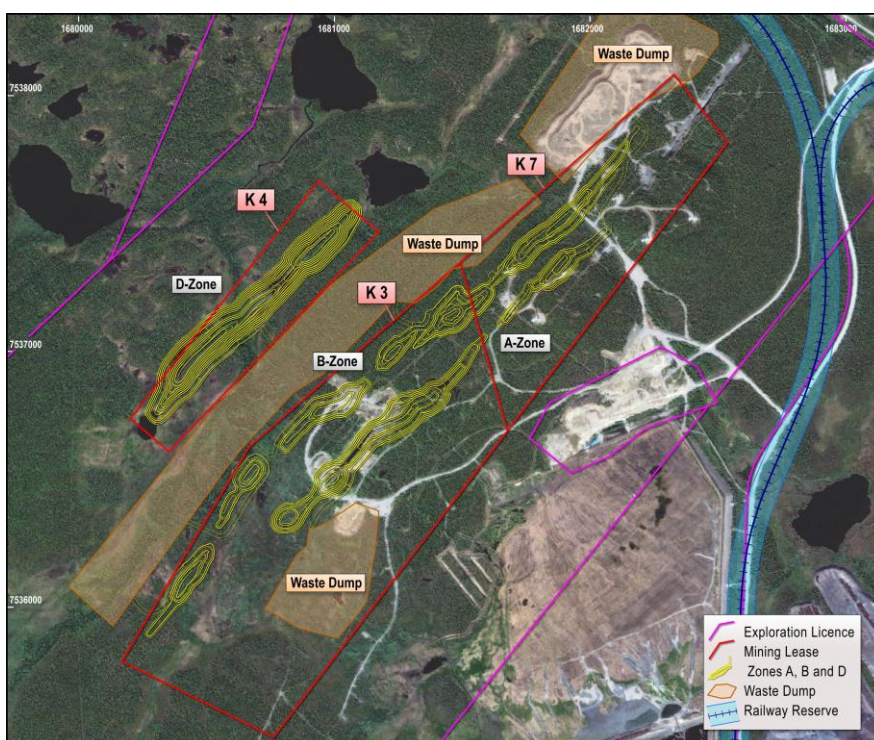
The Board of Avalon Minerals (ASX code AVI) are pleased to announce that Mining Exploitation Concessions (MEC) Viscaria K3 and Viscaria K4 covering D zone and part of A Zone and B Zone mining areas at Viscaria have been granted by the Mining Inspector of the Bergsstaten (Mines Department of Sweden). See Figure 1

The granting of the mining concessions is a precursor to approval by the Environmental Court of Sweden of the Licence to Operate at Viscaria.

The granting of the MEC Viscaria K3 and K4 is subject to several conditions including

- Consultation with the local Sameby reindeer herding groups and protection of reindeers during the annual migration.
- Cooperation with neighbouring mining companies, principally LKAB, on land use.
- Payment of Performance bonds totalling 600,000 SEK (approximately A\$90,000) prior to mining commencement.
- Protection of infrastructure (principally the E10 highway and railway) which are adjacent to the granted MEC.

Figure 1



A third MEC, Viscaria K7 which covers the northern part of the A Zone and B Zone deposits was not granted at this time. The Mining Inspector stated there were no objections to the grant of Viscaria K7 however the area is subject to land use rezoning to allow both mining and wind power generation to occur. The County Administration Board which is the functional administrator of the land use zoning around the city of Kiruna has no objection to the rezoning. The grant of Viscaria K7 is expected to be available by mid 2012.

Andrew Munckton Managing Director of Avalon said

“We are very pleased that two of the three Mining Concessions at Viscaria have been granted and that there are no objections to the granting of the third MEC.. As you would expect for concessions, so close to the city of Kiruna there was a large amount of interest and comment from the general public and affected parties which required longer than usual consideration by the Mining Inspector.

The company can now move forward at Viscaria with greater certainty and we look forward to further discussion and cooperation with the regulator”.

– ENDS –

On behalf of:
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