



Viscaria & Adak Copper Projects
Sweden

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

Sweden – Exploration Hot-Spot



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

Economic Geology Northern Sweden



Kiruna Region

📍 Kiruna Iron Mine

- Underground 1,100Mt @ 48% Fe magnetite-apatite resource, ore production of 15Mtpa

📍 Aitik Copper Mine

- Open cut, resource 1,600Mt at 0.3% Cu & 0.2g/t Au, mining at 20Mtpa, planned 36Mtpa

Kiruna – The Kalgoorlie of Northern Sweden



LKAB Underground Iron Ore Mine

- Population of ~25,000
- Daily rail & air services
- Connected by road and rail to ports
- LKAB iron mine operated for over 100 years
15Mtpa of iron ore

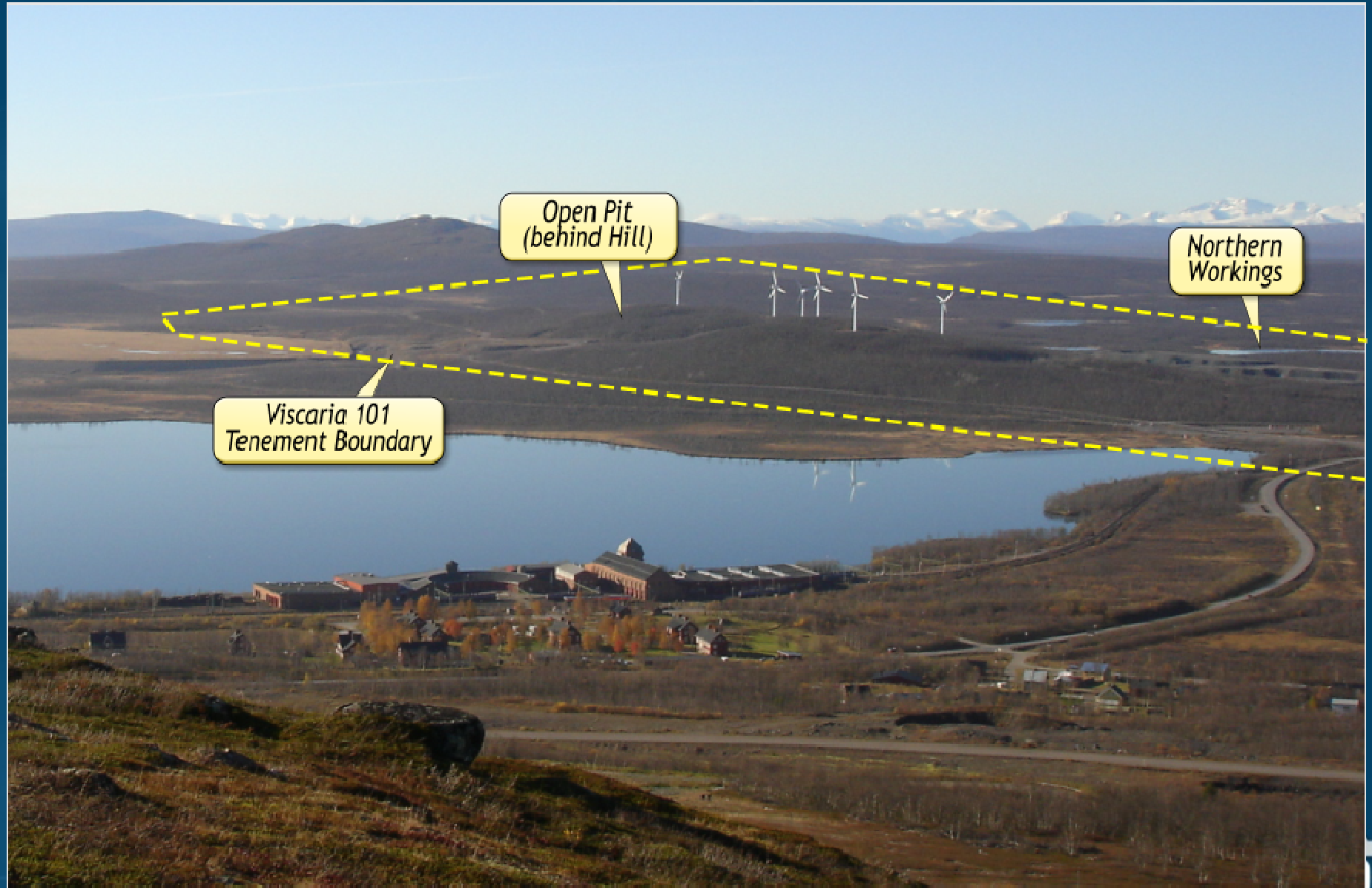
Kiruna



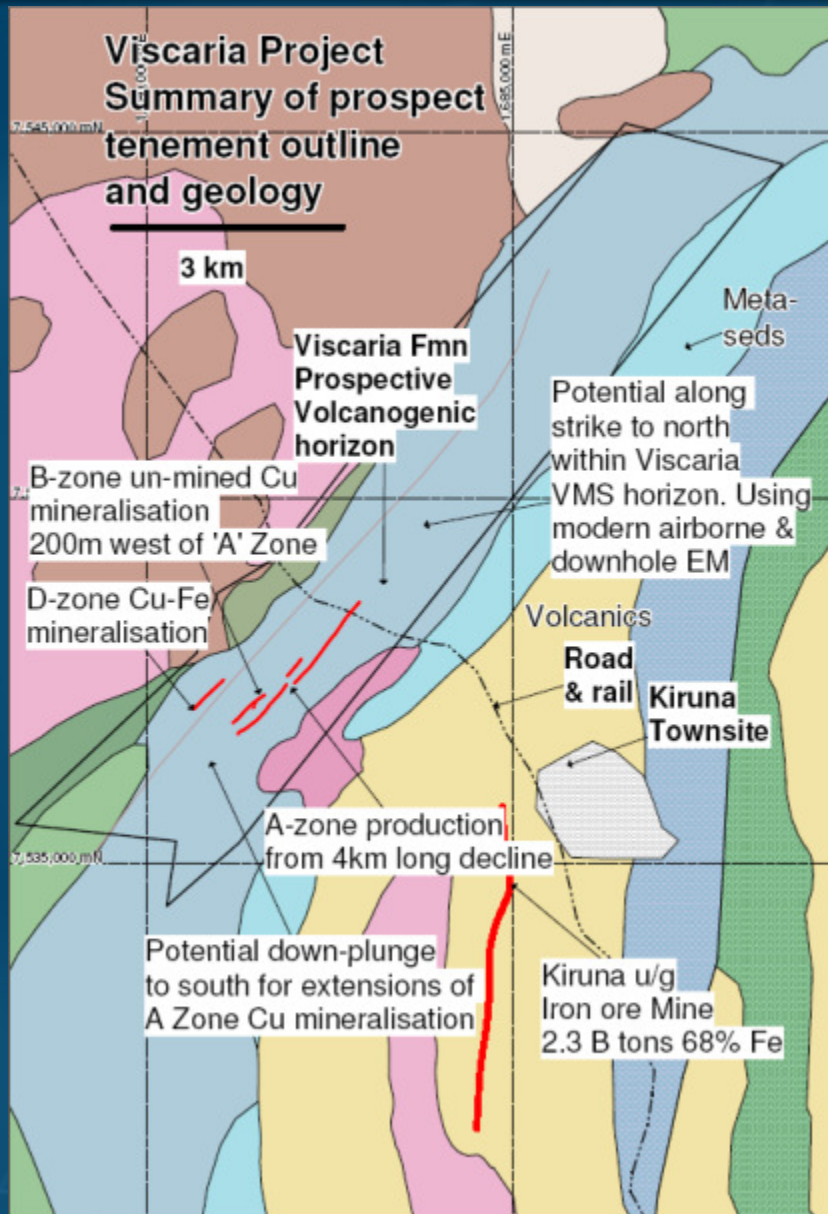
Kiruna
Iron Ore

Viscaria
Copper

Viscaria Copper Project *(looking west)*

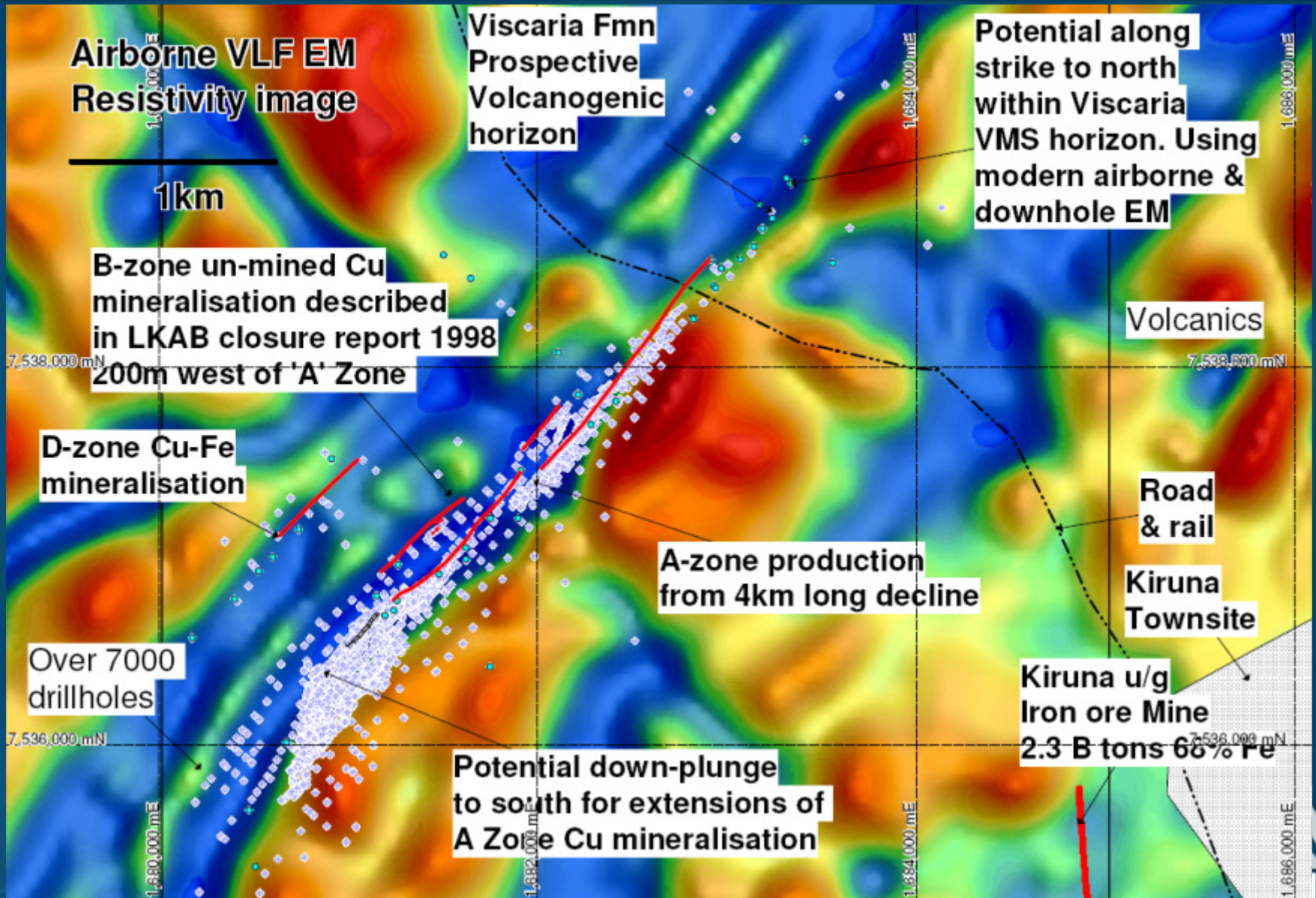


Viscaria Project Summary Geology

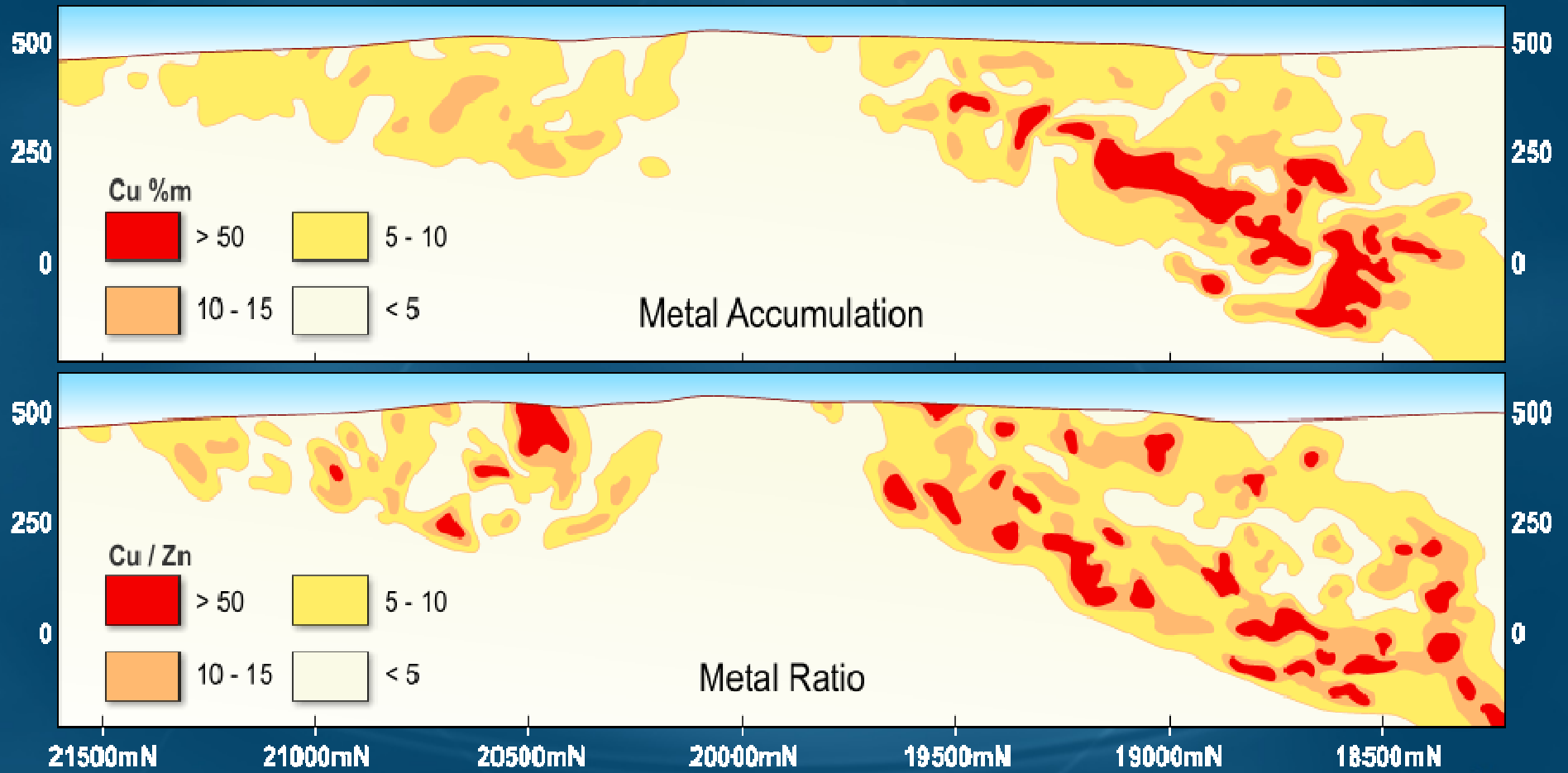


- ⚠ 4km west of Kiruna
- ⚠ 50km² tenements (incl application) covers 12km strike of Viscaria Formation, host to VHMS base-metal + gold mineralization
- ⚠ Operated by Outokumpu from 1982 to 1997
- ⚠ Mined 12.5 million tonnes grading 2.3% copper and 0.3g/t gold
- ⚠ Produced 280,000 tonnes of copper in concentrate @ 25% Cu

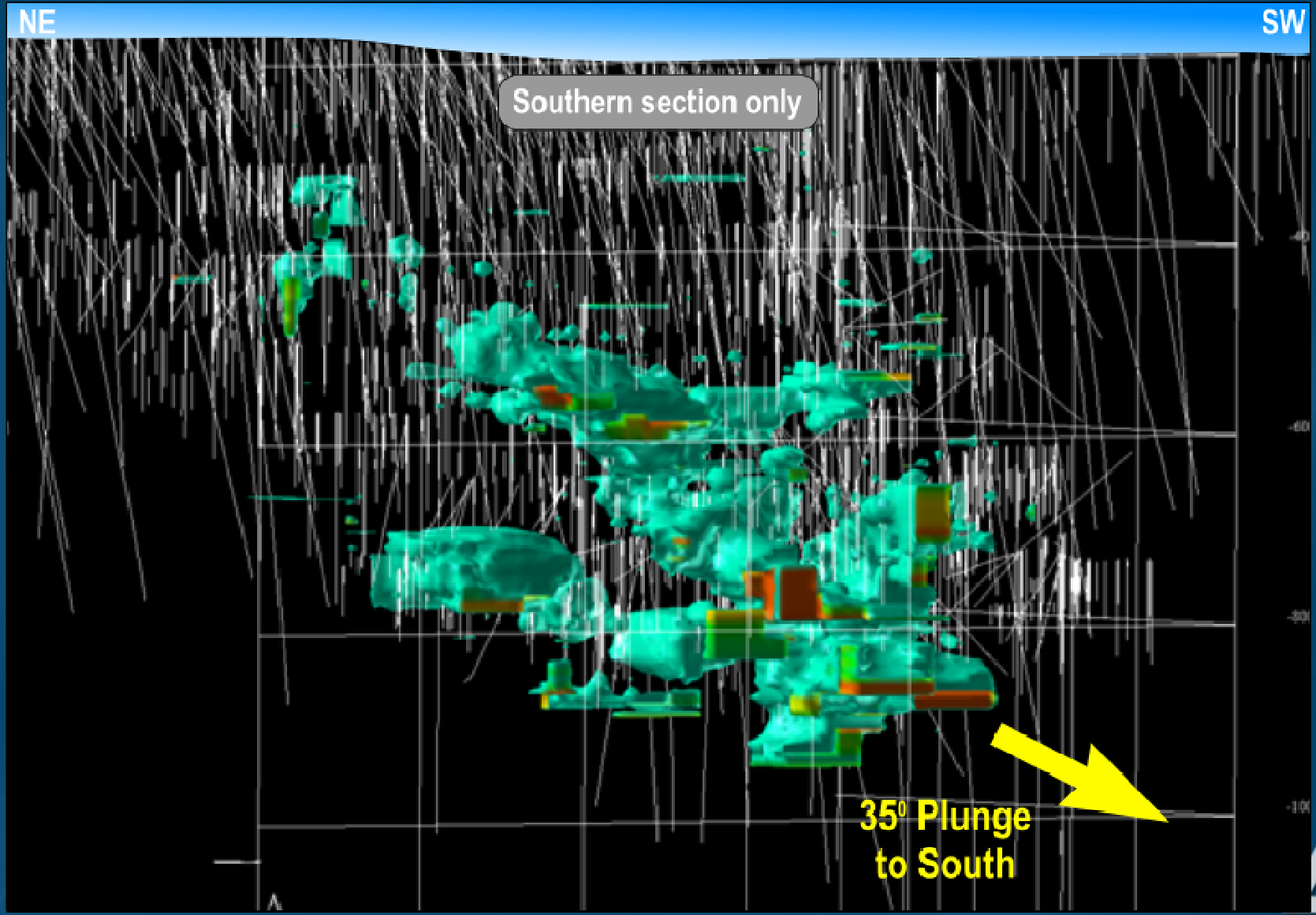
Airbourne VLF EM



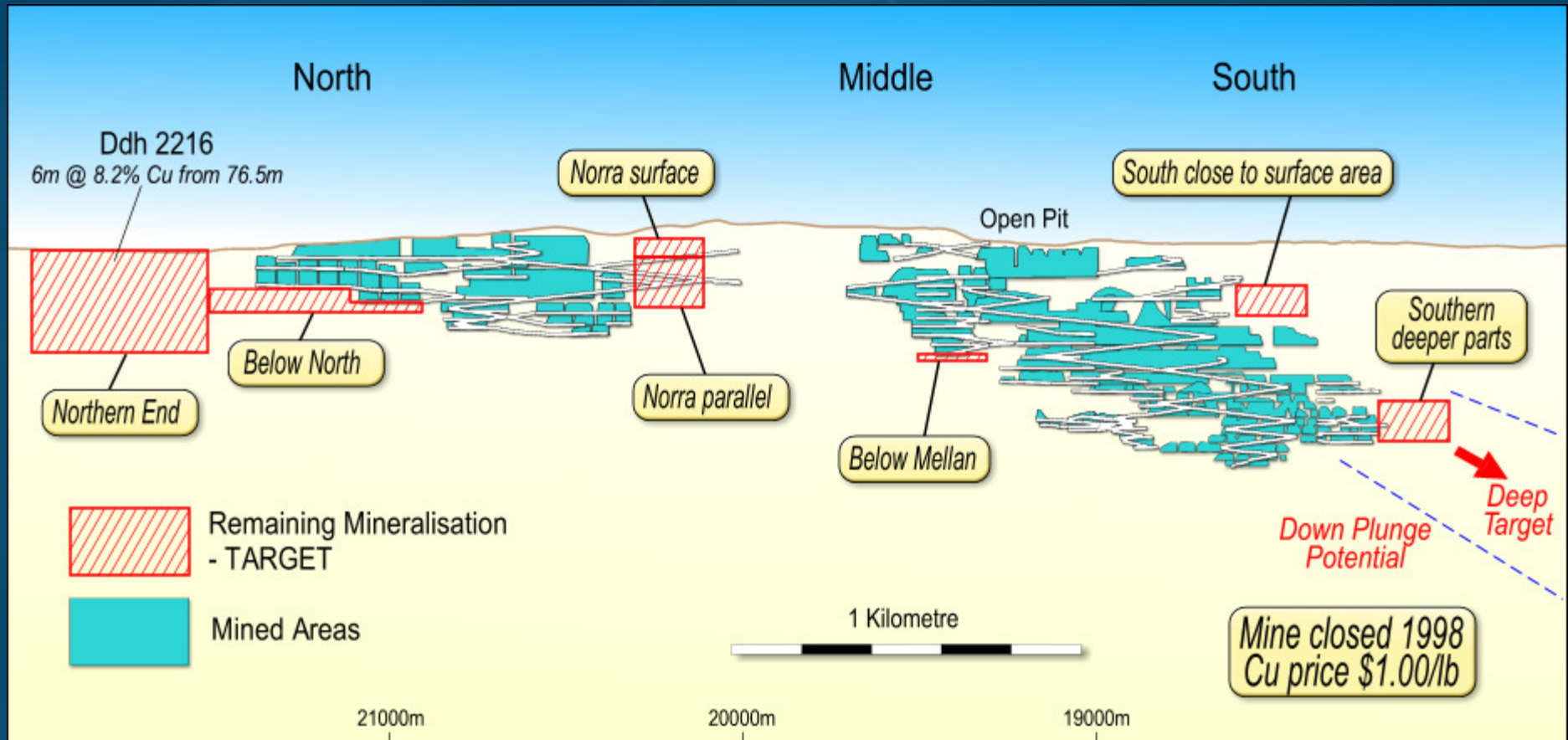
A-zone Long Projection



A-zone Mineralization



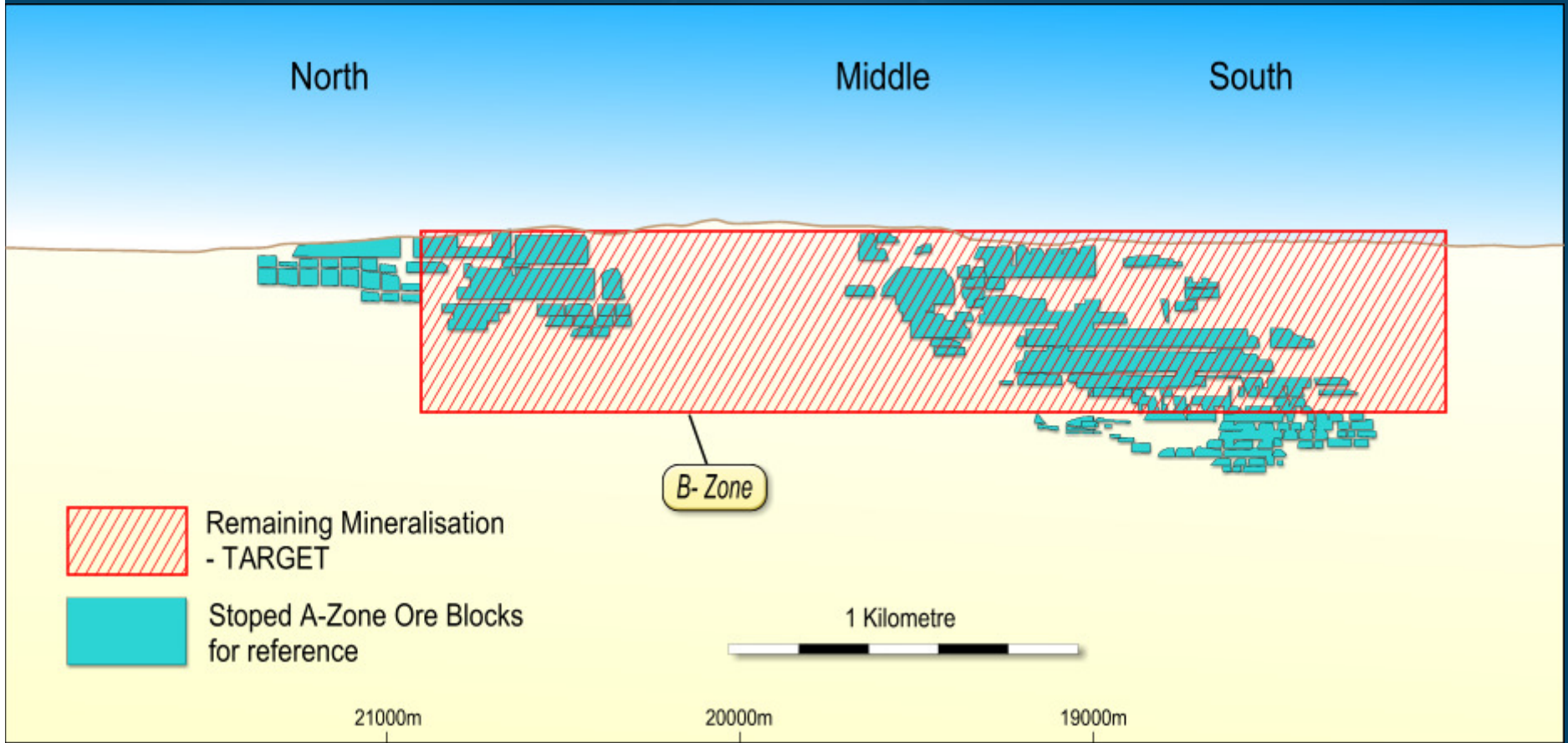
Remaining A-zone Mineralisation & Development



Mining ceased 1998 due to low Copper prices

Note: This is a target based on Outokumpu closure reports. It is not a JORC-compliant resource.

B-zone 200m across strike from A Zone crosscut into it



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Regional Exploration

- Regional peat bog sampling
- Prospective zone defined by copper values $>200\text{ppm}$ over Viscaria formation volcanics & sediments
- 20km prospective strike length defined
- Regional discoveries 10km south of Viscaria include 34m @ 1.2% Cu and 0.4g/t Au from same stratigraphic horizon
- Interpretation of historical EM and new EM required

Sweden Exploration Team

- 🔺 Exploration Manager – Geoff Hewlett
- 🔺 Sweden Geologist – Nigel Baker
- 🔺 Consultant Geologists – CSA
- 🔺 Sweden Consultants – Hifab
- 🔺 Sweden Accountants – Ernst & Young

Viscaria Open Pit *(looking northeast)*



A-zone Sulphide Photographs



Banded M-ore High Grade Copper



Massive N-ore High Grade Copper



P-ore Underground

Economic Geology Northern Sweden



Skellefte Volcanic Arc

📍 Kristinberg

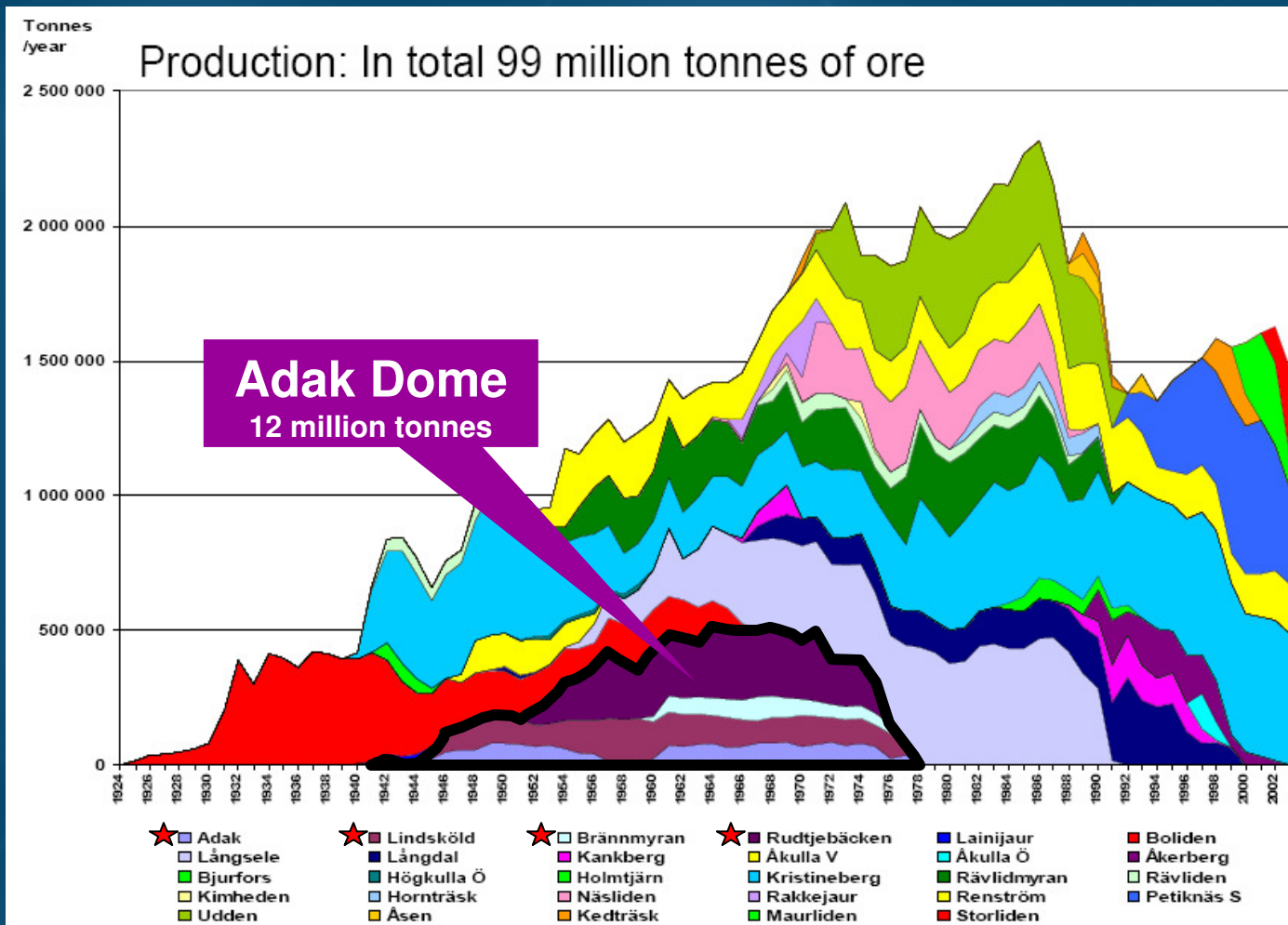
- VHMS, resource 22Mt @ 3.6% Zn, 1% Cu, 1.3g/t Au, ore production 0.55Mtpa

📍 Renström

- VHMS, resource 9Mt @ 6.4% Zn, 1.4% Pb, 2.8g/t Au, ore production 0.23Mtpa

Skellefte District – Past Production

29 mines 1925-2003

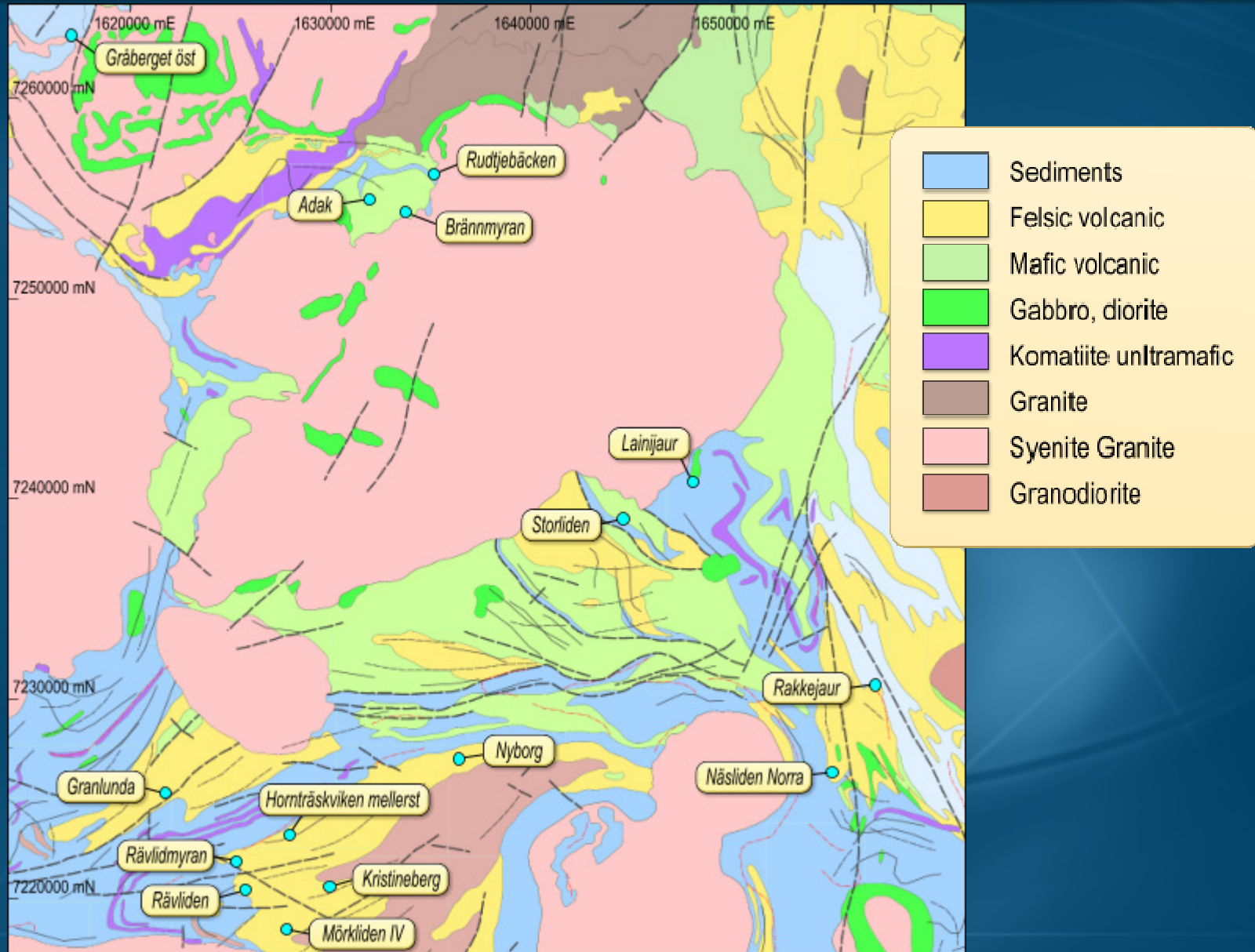


Source: New Boliden

Total pre-mining reserves 160Mt @ 0.7% Cu, 3% Zn, 0.4% Pb, 1.9g/t Au & 47g/t Ag



Regional Geology

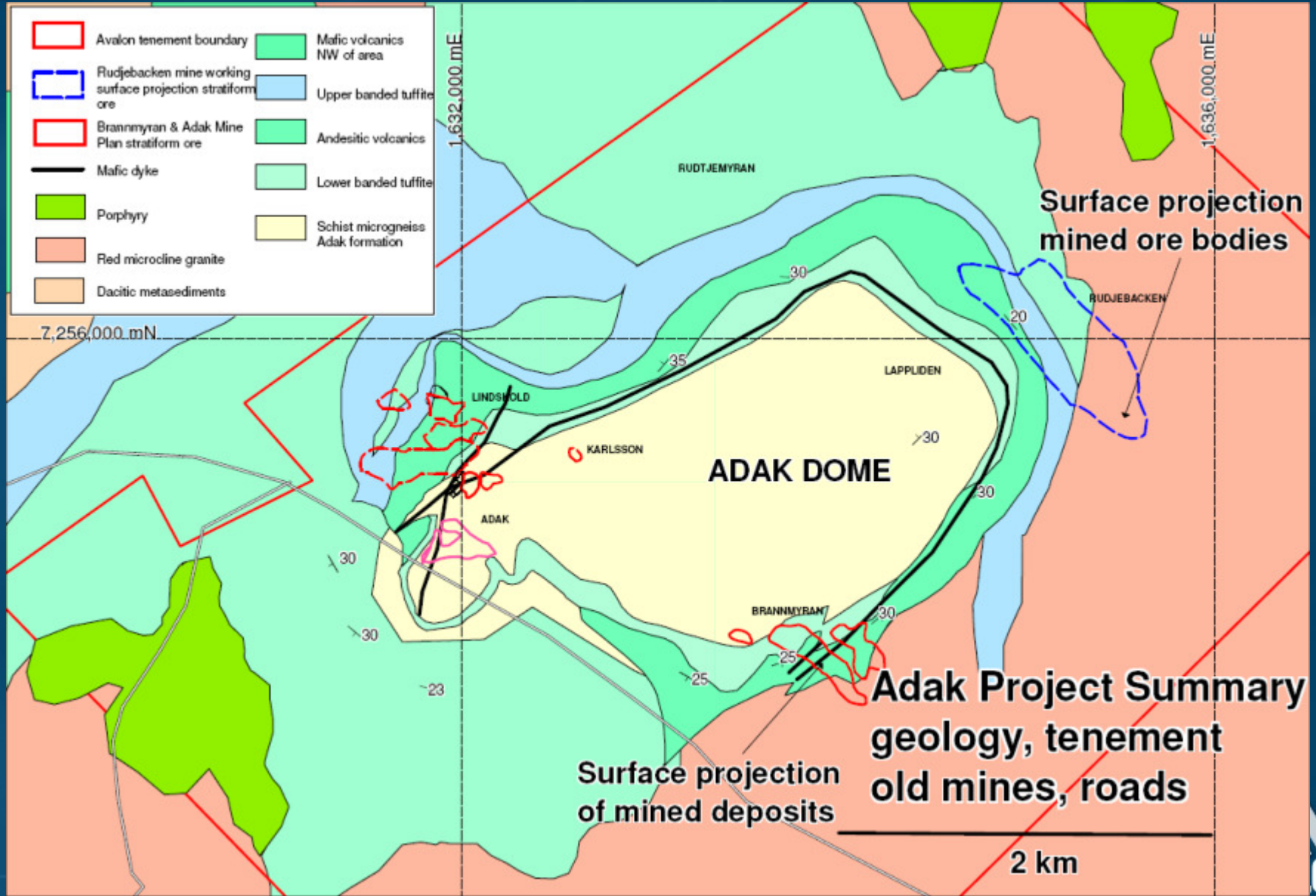


Adak Project

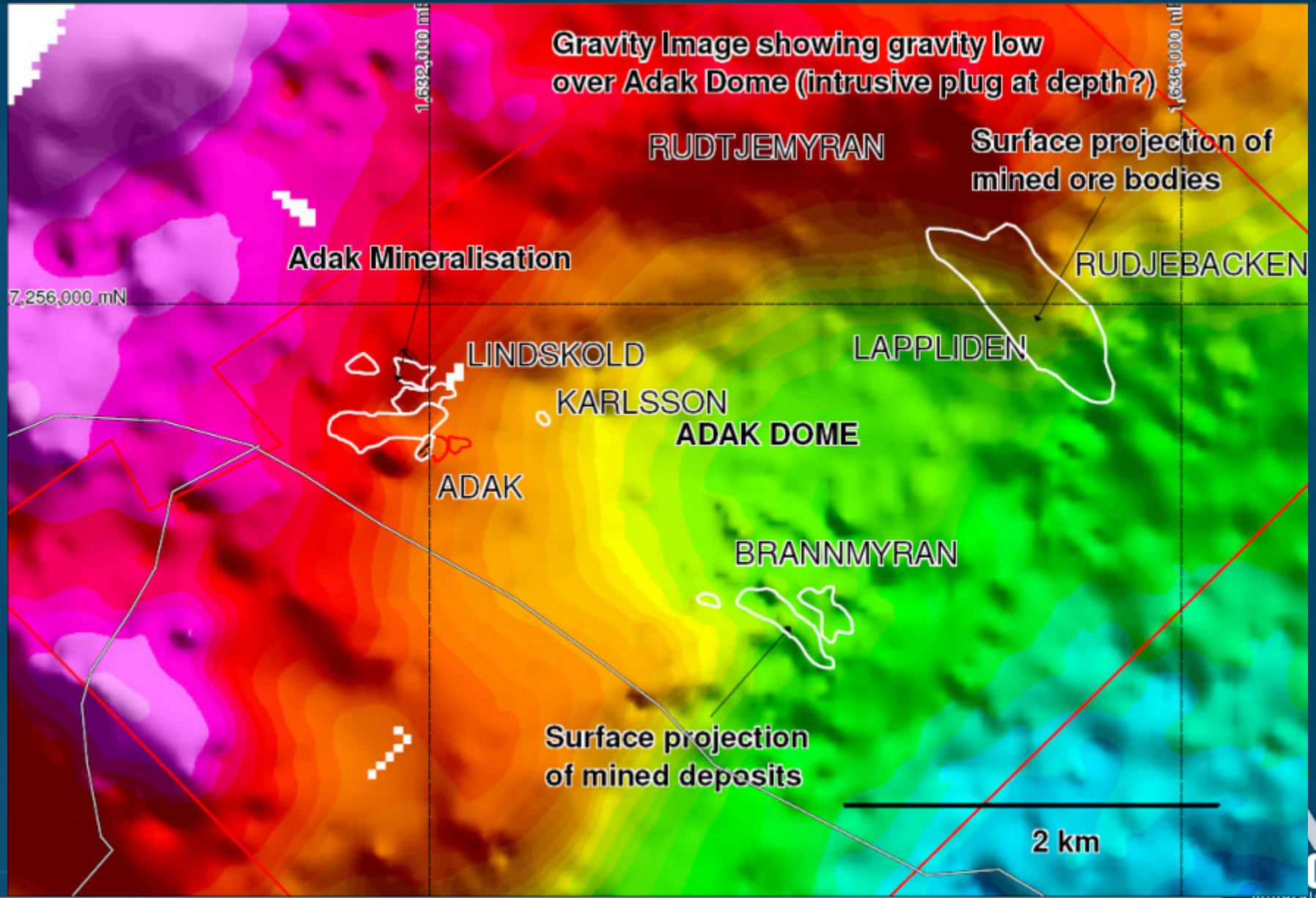


- 📍 20km North West of Malå
- 📍 35km to railway at Slangäs
- 📍 26.5 km² tenement covers Adak Dome
- 📍 Operated by Boliden from 1940 to 1977. Adak plant burned down in Jan 1978 and operation closed
- 📍 Total production 12.1 million tonnes @ 1.5% copper, plus some gold, silver and zinc credits
- 📍 Adak plant produced 0.45Mt of concentrate containing 25% copper

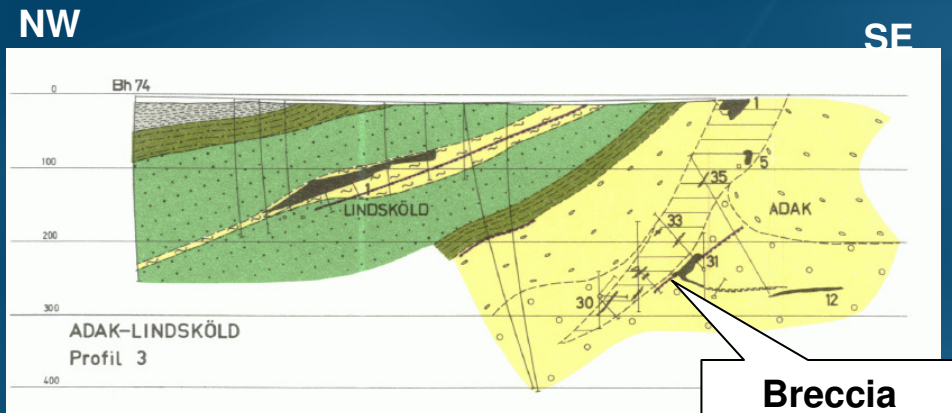
Adak Dome



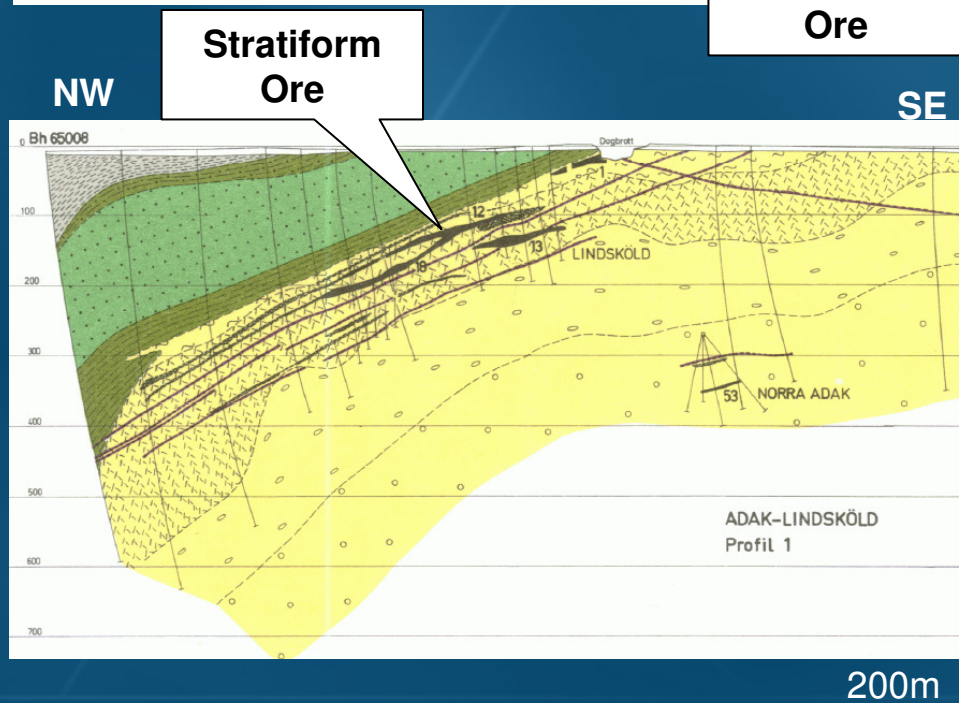
Adak Dome Gravity



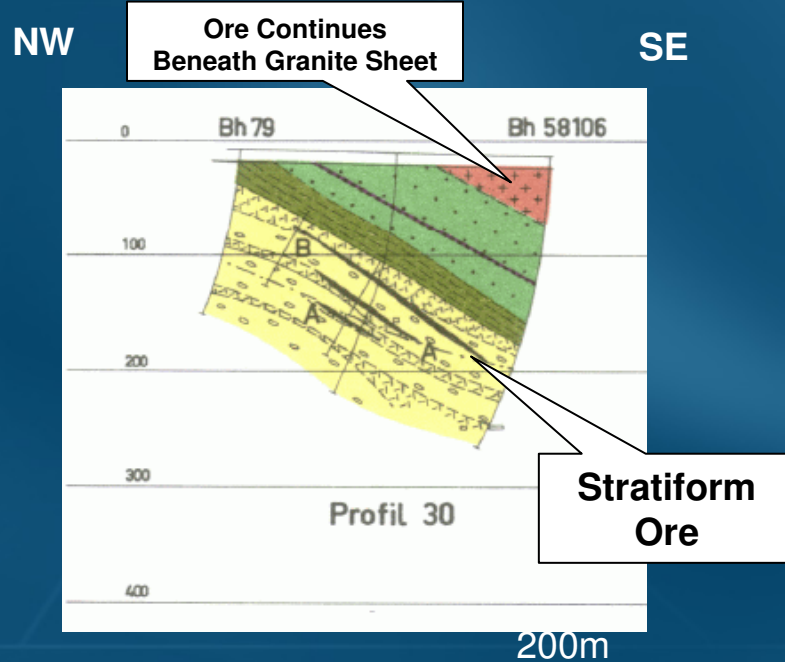
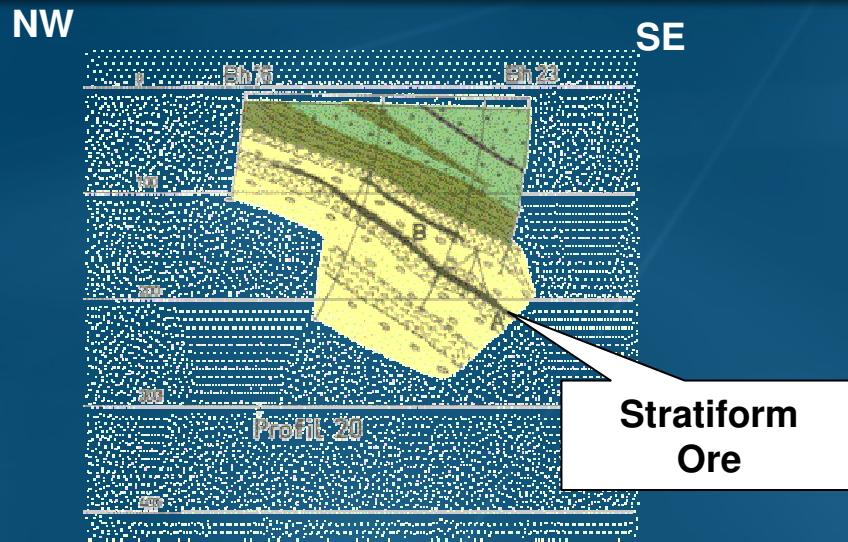
Adak-Linsköld Mine



- Located in West quadrant of Adak Dome
- The mine was developed by open cut & underground over an area of 1,200m²
- Mined 6.3Mt @ 1.9% Cu
- Two styles of mineralisation stratiform and breccias

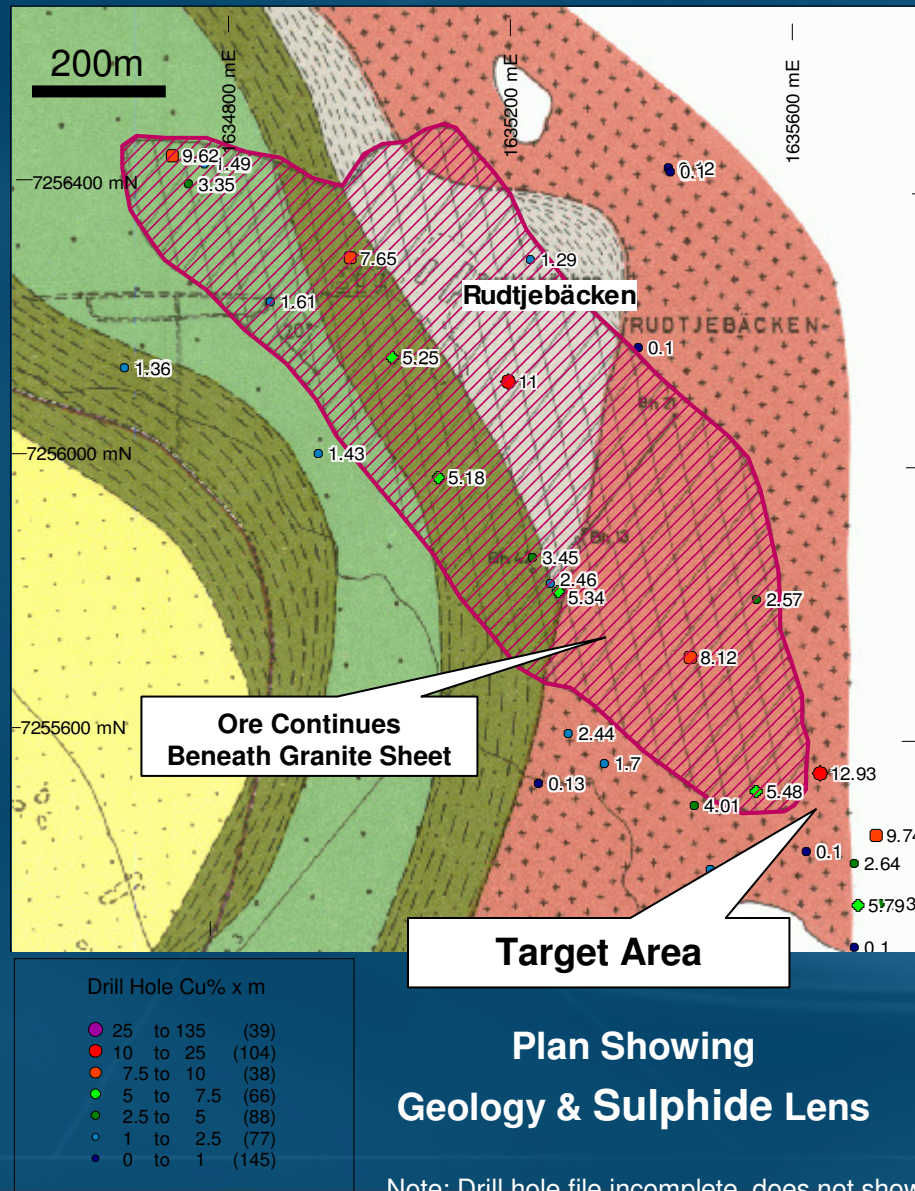


Brännmyran Mine



- Located in South East quadrant of Adak Dome
- The Brännmyran Mine was developed by underground over an area of 1,200m²
- Comprises two sheets of VHMS ore
- Mined 1.0Mt @ 1.7% Cu, 1960 - 1976

Rudtjebäcken Mine



Note: Drill hole file incomplete, does not show all holes.

- ⚠ Located in North quadrant of Adak Dome
- ⚠ underground with a length of 1km and average thickness of 4-5m
- ⚠ Dips to North East at 20°
- ⚠ Comprises a VHMS lens, the SE section is enriched and averages 2.5% Cu
- ⚠ Mined 4.7Mt @ 0.9% Cu, 3% Zn, 0.3g/t Au & 10g/t Ag, 1947 - 1975
- ⚠ Ore transported to Kristinberg for milling

Avalon 2008 Program

- ⚠ Complete review all historical data
- ⚠ Commence PFS - Viscaria
- ⚠ Conduct EM surveys - Viscaria and Adak
- ⚠ Commence Drilling - Viscaria and Adak
- ⚠ Regional exploration
- ⚠ Management team build-up

Aim: To become a copper producer in Sweden