



ASX/Media Release

27th July 2007

## AVALON ACQUIRES 70% INTEREST IN EMPRESS SPRINGS GOLD/BASE METALS PROJECT, NORTH QUEENSLAND

### Key Points

- Acquisition of a 70% interest in the highly prospective Empress Springs gold, base metals and uranium project in North Queensland, through JV with Independence Group NL.
- Survey data indicates large-scale magnetic signature with interpretive work laying the grounds for a walk-up drilling program planned to commence this field season, targeting gold, base metals and uranium.

Avalon Minerals Ltd (**ASX: AVI**) is pleased to announce that it has entered into a joint venture agreement with ASX-listed nickel producer, Independence Group NL (**ASX: IGO**), to earn a **70% interest** in the **Empress Springs** gold, base metals and uranium project in North Queensland.

The project, located 30km south of Croydon, comprises two exploration licences (one granted, one pending) covering a total area of 833km<sup>2</sup>. The region is a well-known gold producing region with historical production of 750,000oz at Croydon and the more recent discovery by Gold Aura Ltd of the polymetallic Wallabadah deposit, located 30 km north of Croydon, where polymetallic vein style mineralization was intersected with significant levels of zinc, tin silver and copper (including 133m @1.1% zinc, 18.3g/t silver, .15% tin and .36% Cu.)

Interpretative work completed in identifying the target zones at Empress Springs has laid the foundation for a walk-up drilling program planned to commence this field season. Avalon plans to immediately commence an exploration program to include a program of Reverse Circulation (RC) drill traverses to be directed across the targeted zones of alteration.

"The Empress Springs project is our first step into North Queensland and is in line with our stated objectives of acquiring high-quality, advanced projects where exploration work can be undertaken within a relatively short space of time" Said Avalon's Managing Director Mr David McSweeney.

"This acquisition broadens and significantly enhances our existing portfolio of advanced zinc and uranium exploration projects in the Pilbara, Yilgarn and Kimberley regions of Western Australia. It also provides a near-term focus for exploration drilling, which we plan to commence before the end of this year." He added.

The Empress Springs Project also has the potential for uranium mineralization based on exploration drilling carried out by ESSO in the 1970's for roll-front or

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**ASX Code:** AVI

**Issued Capital**  
40 million shares  
11 million unlisted options  
Nil convertible notes

**Market Capitalisation**  
~A\$11.2 million

**Cash**  
A\$3 million

**Directors**  
David McSweeney  
(Managing Director &  
CEO)

Stephen Stone  
(Director)

Gary Steinepreis  
(Director)



drainage channel redox-style uranium mineralization. The regional granites are fluorine-tin enriched and also have potential to generate uranium mineralizing fluids.

Under the terms of the Joint Venture with Independence Group, Avalon must spend \$125,000 in the first 12 months and a total of \$750,000 over 4 years to earn its 70% interest in the project.

#### **Avalon Minerals – Background**

Avalon Minerals Ltd completed a successful listing on the Australian Stock Exchange on the 22nd of March 2007, after closing an A\$3.5 million IPO oversubscribed, approximately three weeks after its launch.

The Company is initially seeking to become an independent zinc producer by focusing on the exploration and evaluation of its substantial Lennard Shelf Project, located in the West Kimberley region of Western Australia, within a world-class mineral province.

Avalon is simultaneously conducting exploration programs on its Paterson Uranium and Copper-Gold Projects, covering seven exploration licence areas in the mineral rich East Pilbara region of Western Australia. In addition, it aims to identify and evaluate other mineral resource opportunities, both in Australia and overseas including its recently acquired Kimberley and Yilgarn uranium prospects.

Avalon has commenced and will maintain an active project generation and review program for advanced projects which it can independently develop and operate.

#### *Competent Persons Statements*

*The information in this report relates to Exploration information reviewed by Mr Geoff Hewlett MSc DIC MAIG who is a Member of the Australasian Institute of Mining and Metallurgy and acts as a geological consultant to Avalon Minerals Ltd. Mr Hewlett has four years relevant experience in the style of mineralisation and types of deposit under consideration and 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".*

**- ENDS -**

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