



## **ASX ANNOUNCEMENT & MEDIA RELEASE**

**24 April 2008**

### **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2008**

#### **HIGHLIGHTS**

- **Priority Iron Ore exploration targets identified at Diemals with Ground Investigation of target areas confirmed for May,**
- **Airborne Geophysical Survey over Wentworth Project scheduled to commence during the Quarter**

#### **DIEMALS**

The Diemals Iron Ore project is located 240 kilometres north of Southern Cross in a well known iron ore producing region in Western Australia. Portman Mining Ltd's Koolyanobbing Iron Ore Project is located in this region with 26.9 million tonnes of ore processed over the previous five years and total mineral resources of 146.5 million tonnes of ore at 61.94% Fe.

The Diemals Iron Ore Project covers approximately 200 square kilometres of ground and the Company has an 85% interest in the rights to Iron Ore (with 15% free carry to Bankable Feasibility Study). An interpreted 20 kilometres strike of Banded Iron Formation (BIF) exists within the tenement, which has received little, if any exploration for Iron Ore. LandSat TM data shows the target BIF sequence outcropping in the southern portion of the tenement.

Shortly after acquisition of the project a total of 27 random rock samples were collected from 4 areas over some 18 kilometres of strike. These samples were collected from sub-cropping to out-cropping BIF and tested on site, with 25% of these samples showing Fe values above 55%.

The Company considers the BIF sequence to be the northern extension to the BIF sequence that occurs within ground held by Transit Holdings Ltd. No systematic mapping or sampling for Iron Ore along the entire interpreted strike length has been completed.

A number of companies are actively exploring for iron ore in the Diemals region. These include:

- Portman Ltd, who in addition to exploring are operating the Windarling Iron Ore Mine 60 kilometres south of the Diemals Project, (one of three operating Portman mines in the region and the closest to the Diemals Project);
- Transit Holdings Ltd (ASX:TRH) are exploring for Iron Ore immediately south of the Diemals Project where rock chip samples over 60% Fe have been collected from the “Bolger” Prospect from BIF; and
- Polaris Metals NL (ASX:POL) are exploring for Iron Ore near the Diemals Project.

Please also refer to Attachment 1 – which identifies nearby Mines and Prospects.

### Geology

A number of individual BIF units exist at Diemals. These are interbedded with Iron-rich sediments, and Fe-cherts. Widths of individual BIF units vary from 2 to 25metres, however the entire package of BIF, Fe-chert and Iron-rich sediments (here named the “BIF sequence”) can range from 60-150metres+. The BIF generally forms low to moderately steep strike ridges which can be up to 1 kilometre long. Float from the ridges can be widespread and persist downslope for 100’s of metres.

### Regional Investigation

During the last quarter, Aeromagnetic Interpretation and Aerial Photograph Interpretation has been undertaken within the Diemals project. The aim of the regional mapping interpretation was to define primary hematite mineralisation related to Archaean BIF within the Project. It was reasoned that such accumulations could be related to two sources;

1. Weathered magnetite BIF (i.e.: supergene iron), occurring as surficial zones.
2. Hematite- facies BIF.

The regional mapping interpretation has defined target areas that require ground verification and follow-up work.

The Ground Investigation of target areas at Diemals Iron Ore Project is confirmed for May.

## **WENTWORTH**

The Wentworth Project consists of two Exploration Permit Minerals ("EPM"), EPM 14662 and EPM 14745, located in the Drummond Basin of Central Queensland, approximately 300kilometres southwest of McKay. The closest regional centre is Moranbah, 40kilometres to the south east.

The Wentworth project is considered prospective for Mt Wright or Kidston style breccia systems associated with felsic volcanics.

The Company is finalising plans to begin field work at the Wentworth Project and will initially focus on the Pretoria Hill Prospect, where drilling by previous explorers has returned encouraging results.

Historical results from several holes include **17 metres @ 0.71% zinc, 70m @ 0.4 g/t Au, 11m @ 0.75 g/t Au and 1.2m @ 174g/t silver and 1.5% zinc.**

It is anticipated the Aeromagnetic and Radiometric Survey planned this quarter at the Wentworth Project will better define controls to mineralisation at known areas as well as potentially identifying new targets. The survey has been booked for May.

For further information, please contact Andrew Gastevich on 08 9476 9202 or contact the company at [admin@avonleaminerals.com.au](mailto:admin@avonleaminerals.com.au).

Yours sincerely,



**Andrew Gastevich  
Executive Director**

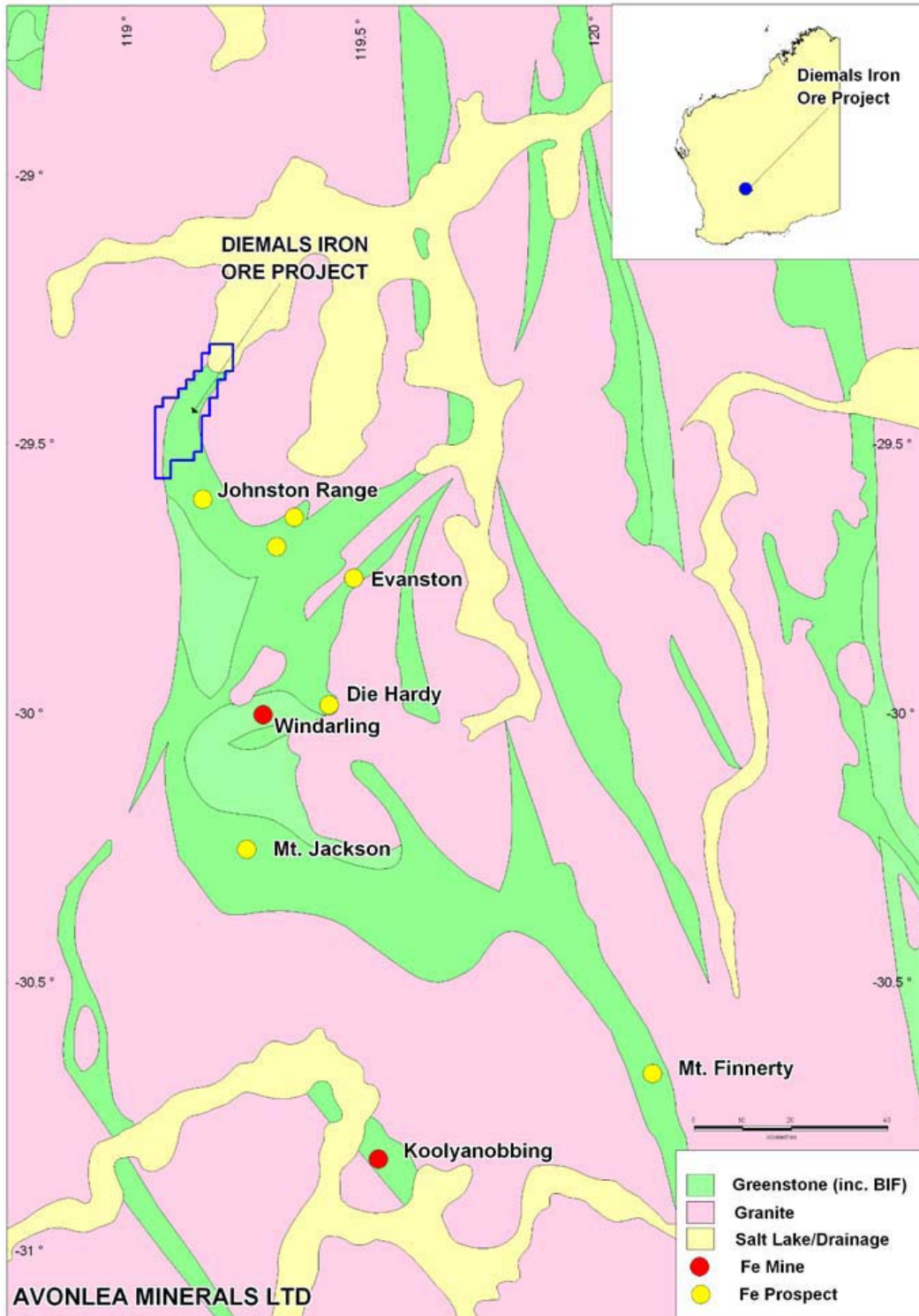
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### **Attachments:**

Attachment 1 – Diemals Iron Ore Project – Location of nearby Mines and Prospects

*In accordance with Listing Rules 5.6 of the Australian Stock Exchange, the technical information contained in this report has been compiled by Mr. DJ Holden, a Director of Avonlea Minerals Ltd. Mr. Holden is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience with the mineralisation reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Mineral Resources and Reserves. Mr. Holden consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*



Attachment 1 – Diemals Iron Ore Project – Location of nearby Mines and Prospects