



AVALON MINERALS LTD

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at 10.00 am on 25 November 2008 (WST) at The Park Business Centre, 45 Ventnor Ave, West Perth 6005, Western Australia.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The Company's 2008 Annual Report can be accessed on the Company's web site at www.avalonminerals.com.au or alternatively by requesting a hard copy from the Company secretary.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (08) 9322 2752

Avalon Minerals Ltd

ABN 68 123 184 412

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at 10.00 am on 25 November 2008 at the The Park Business Centre, 45 Ventnor Ave, West Perth 6005 Western Australia ("Meeting").

The Proxy Form forms part of this Notice of Annual General Meeting ("Notice").

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 10.00 am on 23 November 2008 (WST).

AGENDA

ORDINARY BUSINESS

Financial Report

To receive the financial report of the Company and its controlled entities for the year ending 30 June 2008 together with a directors' report in relation to that financial period and the auditor's report on the financial report.

1. Directors' Remuneration

To consider, and if thought fit, pass the following as a non binding ordinary resolution:

"That the Directors' Remuneration Report required by Section 300A of the Corporations Act, as contained in the Directors' Report of the Company, for the year ended 30 June 2008 be adopted."

2. Re-election of Director – Mr Gary Steinepreis

To consider, and if thought fit, pass as an ordinary resolution the following:

"That Mr Gary Steinepreis who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."

3. Ratification of Prior Issue of Shares

To consider, and if thought fit, pass as an ordinary resolution the following:

"That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 6,600,000 ordinary fully paid shares at an issue price of 15.5 cents per share in accordance with the terms of the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the Issue or any associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Approval to Issue Options

To consider, and if thought fit, pass as an ordinary resolution the following:

"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 100,000 options over ordinary shares for Nil consideration, exercise price of 20 cents per share and expiring on 31 July 2011 in accordance with the terms of the Explanatory Memorandum accompanying this Notice of Meeting including Annexure A."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed Issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By Order of the Board

Desmond Kelly
Company Secretary
6 October 2008

Avalon Minerals Ltd

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at The Park Business Centre 45 Ventnor Ave St, West Perth, Western Australia on 25 November 2008 at 10.00 am.

The purpose of this Explanatory Memorandum is to provide information the Board believes is material to Shareholders in relation to the Resolutions. The Explanatory Memorandum explains the Resolutions and identifies the Directors' decisions for putting them to Shareholders.

2. Resolution 1 – Directors' Remuneration

Pursuant to section 250R (2) of the Corporations Act the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Report for the year ended 30 June 2008 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive director, specified executives and non-executive directors.

The provisions of the Corporations Act provide that Resolution 1 need only be an advisory vote of Shareholders.

Accordingly Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report, however the board will take the outcome of the vote into consideration when considering the remuneration policy.

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

3. Resolution 2 – Re-election of Director – Mr Gary Steinepreis

The Constitution requires that at the annual general meeting in every year, one-third of the Directors for the time being shall retire from office.

The Constitution provides that a Director who retires is eligible for re-election. Pursuant to the Constitution Mr Steinepreis will retire and seek re-election.

A Brief CV of Mr Steinepreis is contained in the Annual Report.

4. Resolution 3 - Ratification of Prior Issue of Shares

4.1 General

Resolution 3 seeks Shareholder approval for the ratification of a prior issue of shares.

4.2 Listing Rule 7.4

The ordinary shares issued were issued within the 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 4 by ratifying the prior issue will be to restore the Company's ability to issue securities within that limit.

4.3 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the 6,600,000 ordinary shares were issued on 14 April 2008 to Blackmont Nominees Pty Ltd
- (b) the ordinary shares were issued at an issue price of 15.5 cents;
- (c) the ordinary shares rank equally with the existing ordinary shares on issue;
- (d) a total of \$1.023 million was raised to underpin resource and feasibility studies at the Swedish copper projects and to pay for the costs of the issue;
- (e) a voting exclusion statement is included in the Notice.

5. Resolution 4 – Issue of Options

5.1 General

Resolution 4 seeks Shareholder approval for the issue of options.

5.2 Listing Rule 7.3

Listing Rule 7.1 requires that an entity must not issue or agree to issue more equity securities than 15% of the number of ordinary paid securities on issue 12 months before the date of issue or agreement adjusted in accordance with the Listing Rule.

Approval under this resolution will exclude this issue from the calculation of the 15 % limit.

5.3 Specific Information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of options to be issued is 100,000 options over ordinary shares;
- (b) the options will be issued no later than 3 months after the date of the meeting;
- (c) allotment will occur by 25 February 2009;

- (d) the options will be issued for Nil consideration and will be exercisable at 20 cents per share;
- (e) the options will be issued to Mr Ian Stuart;
- (f) the options will be exercisable at 20 cents per share and expire on the 31 July 2011;
- (g) the options will raise no funds on issue but if exercised will raise \$30,000 which will be used for general working capital purposes;
- (h) the options are issued to Mr Stuart for assisting with the compilation and promotion of the Resource Properties Pty Ltd exploration portfolio
- (i) the full terms and conditions of the options to be issued to Mr Stuart are set out in Annexure A to this Explanatory Memorandum.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO IAN STUART (Resolution 4)

The terms and conditions of the Options to be issued to Mr Stuart are as follows:

- (a) each Option entitles the holder to subscribe for one fully paid ordinary share, ranking pari passu with existing issued fully paid ordinary shares, in the capital of the Company;
- (b) 20 cents per Share is payable on exercise of the Options;
- (c) The Options will expire on 31 July 2011 ("**Date of Expiry**");
- (d) The Options will vest on date of issue ("**Vesting Date**");
- (e) the Options are exercisable by notice in writing to the Company accompanied by payment of the exercise price on or prior to Date of Expiry.
- (f) exercise of the Options is effected by completing the notice of exercise of Options and forwarding it to the Company with the requisite application monies;
- (g) the Options are not transferable;
- (h) the Company will apply for quotation of the shares pursuant to the exercise of Options within 10 days of their exercise;
- (i) there is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised, if the Company completes a bonus or entitlement issue;
- (j) there are no participation rights or entitlements inherent in the Options and their holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with ASX Listing Rules. This will give the option holder the opportunity to exercise his option (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;
- (k) in the event of any reconstruction of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the Options shall remain unchanged; and
- (l) Options not exercised by 5.00pm WST on the Date of Expiry will automatically lapse.

AVALON MINERALS LTD

ABN 68 123 184 412

PROXY FORM

By delivery:

By post:

By facsimile:

Suite 2, 2 Richardson St West Perth WA 6005

PO Box 165 West Perth WA 6872

+61 8 9322 2827

I/We

¹

of

being a Shareholder/Shareholders of the Company and entitled to

votes in the Company, hereby appoint ²

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.00 am on 25 November 2008 (WST) at The Park Business Centre 45 Ventnor Ave West Perth, Western Australia and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Reappointment of a Director Mr Gary Steinepreis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Option Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the body corporate to attend the meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office (Suite 2, 2 Richardson St West Perth Western Australia 6005, or by post to GPO Box 165 West Perth WA 6872 or Facsimile (08) 9322 2827 if faxed from within Australia or +618 9322 2827 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).

