

ASX ANNOUNCEMENT



PARTIAL UNDERWRITING AVALON MINERALS LIMITED (ASX:AVI) ("Avalon" or "Company")

23 October 2013

Avalon Minerals Limited (ASX:AVI) announces that it has agreed terms with CPS Capital Group Pty Limited (**CPS**) for the partial underwriting of the 1:1 non-renounceable rights issue to be re-opened pursuant to orders made by the Takeovers Panel on 14 October 2013.

CPS has agreed to underwrite up to A\$2,100,000 (**Underwritten Amount**) of the approximately A\$3,700,000 that will be available to be taken up under the re-opened rights issue for which Underwritten Amount it will be paid an underwriting fee of 2%. In addition CPS will receive a 2% fee on the gross amount otherwise raised by the issue of any shortfall shares to its clients, to be arranged on a best endeavours basis.

CPS is continuing to explore, at Avalon's request, the possibility of increasing the amount of its underwriting commitment in relation to the rights issue, but it is not certain that any increased commitment will be forthcoming.

The terms and conditions agreed are standard in nature and typical of such agreements, including as to the circumstances in which CPS may terminate their commitment. Further details of the underwriting agreement will be included in the materials to be dispatched to shareholders on the re-opening of the rights issue, which are expected to be available shortly in accordance with the Panel's orders.

ASX: AVI

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