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## **AVALON MINERALS LTD**

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### **NOTICE OF GENERAL MEETING**

**The General Meeting of the Company will be held at 10.00 am on 22 September 2010 (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.

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

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# Avalon Minerals Ltd

ABN 68 123 184 412

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 10.00 am on 22 September 2010 at The Park Business Centre, 45 Ventnor Ave, West Perth 6005 Western Australia.

The Proxy Form forms part of this Notice of General Meeting.

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 5.00 pm on 20 September 2010 (WST).

### YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Avalon Minerals Ltd, PO Box 165, West Perth, WA, 6872; or
- (b) facsimile to the Company on facsimile number (+61 8) 9322 2827,

so that it is received not later than 10:00am (WST) on 20 September 2010. **Proxy Forms received later than this time will be invalid.**

# AGENDA

## ORDINARY BUSINESS

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### 1. Resolution 1: 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 15,074,000 ordinary fully paid shares at an issue price of 21 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 and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or 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.

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### 2. Resolution 2: 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 500,000 Tranche A Options and 500,000 Tranche B Options in accordance with the terms of the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any 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, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or 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.

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### 3. Resolution 3: Placement of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 20,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any 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, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or 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.

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## **4. Re-election of Director – Mr Andrew Munckton**

To consider, and if thought fit, pass as an **ordinary resolution** with or without amendment the following:

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

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## **5. Resolution 5: Director Participation in Share Placement – Mr Andrew Munckton**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to Resolution 3 being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 300,000 Director Shares to Mr Andrew Munckton (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Andrew Munckton (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or 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.

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## **6. Resolution 6: Director Participation in Share Placement – Mr Tan Sri Abu Sahid Mohamed**

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

*"That, subject to Resolution 3 being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 8,488,191 Director Shares to Mr Tan*

*Sri Abu Sahid Mohamed (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Tan Sri Abu Sahid Mohamed (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or 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.

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By Order of the Board

Desmond Kelly  
Company Secretary  
20 August 2010

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# Avalon Minerals Ltd

ABN 68 123 184 412

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## EXPLANATORY MEMORANDUM

### Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at a General Meeting to be held at The Park Business Centre 45 Ventnor Ave, West Perth, Western Australia on 22 September 2010 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.

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## 1. Resolution 1 - Ratification of Prior Issue of Shares

### 1.1 General

On 16 December 2009, the Company issued 15,074,000 Shares.

The subscribers pursuant to this issue were not related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 1.2 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 15,074,000 ordinary shares were issued on 16 December 2009 to those persons listed in Annexure A;

- (b) the ordinary shares were issued at an issue price of 21 cents per share;
- (c) the ordinary shares rank equally with the existing ordinary shares on issue;
- (d) a total of \$3.165 million was raised to fund additional work at the Swedish copper and iron ore projects, general working capital requirements and to pay for the costs of the issue; and
- (e) a voting exclusion statement is included in the Notice.

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## **2. Resolution 2 – Issue of Options**

### **2.1 General**

Resolution 2 seeks Shareholder approval for the issue of options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

### **2.2 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% cap.

### **2.3 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 7.3:

- (a) the maximum number of Options to be issued is 500,000 Tranche A Options and 500,000 Tranche B Options;
- (b) the Options will be issued no later than 3 months after the date of the meeting;
- (c) both the Tranche A and Tranche B Options will be issued for nil consideration;
- (d) the Options will be issued to Mr Paul Bridson;
- (e) the Options will raise no funds on issue but if exercised will raise \$350,000 which will be used for general working capital purposes;
- (f) the Options are issued to Mr Bridson as reasonable remuneration under the terms of his employment contract;
- (g) the Tranche A Options are issued on the terms and conditions set out in Schedule 1;
- (h) the Tranche B Options are issued on the terms and conditions set out in Schedule 2; and
- (i) allotment of the Options will occur no later than 30 October 2010.

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### **3. Resolution 3 – Placement – Shares**

#### **3.1 General**

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 20,000,000 Shares at an issue price of \$0.16 per Share to raise up to \$3,200,000 (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 3 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 20,000,000
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.16 per Share;
- (d) the Shares will be allotted and issued to sophisticated and professional investors and clients of Hartleys Ltd broker to the issue;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards a Definitive Feasibility Study at the Viscaria Project, where Avalon is aiming to become a producer of copper and iron concentrates from open pit mining operations at Viscaria commencing in 2013.

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### **4. Resolution 4 – Re-election of Director – Mr Andrew Munckton**

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting. Mr Munckton was appointed by the Directors.



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## 5. Resolutions 5 and 6 – Director Participation in Share Placement

### 5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 8,788,191 Shares (**Director Shares**) to Messrs Andrew Munckton and Tan Sri Abu Sahid Mohamed (**Related Parties**) on the terms and conditions set out below.

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Shares to the Related Parties.

On the basis that the Shares that may be issued to the Directors under Resolutions 5 and 6 are being issued on the same terms and conditions as the Shares that or will be issued to the non-related party participants in the Share Placement, approval is not being sought under Section 208 of the Corporations Act.

### 5.2 Shareholder Approval under Listing Rule 10.11

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Shares:

- (a) the related parties are Messrs Andrew Munckton and Tan Sri Abu Sahid Mohamed and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) 300,000 Director Shares to Andrew Munckton; and
  - (ii) 8,488,191 Director Shares to Tan Sri Abu Sahid Mohamed;
- (c) the Director Shares will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Shares will be issued on one date;
- (d) the Director Shares will be issued for \$0.16 per share;
- (e) the Director Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement as set out in section 3.2(f) above.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Shares to the Related Parties will not be

included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 6. Enquiries

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9322 2752 if they have any queries in respect of the matters set out in these documents.

## 7. Glossary

**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Avalon Minerals Ltd (ABN 68 123 184 412).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice of Meeting.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedules 1 & 2.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Tranche A Options** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Tranche B Options** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## Schedule 1 – Terms and Conditions of Tranche A Options

The Tranche A Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Tranche A Option gives the Optionholder the right to subscribe for one Share.
- (b) The Tranche A Options will vest on 1 July 2011 and will expire at 5.00pm (WST) on 1 July 2014 (**Expiry Date**). Any Tranche A Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Where the Optionholder ceases to be an employee of, or to render services to the Company (**Cessation Date**), for any reason, prior to the date on which Options vest or become exercisable, the Options will lapse however, the Board may, in its absolute discretion, determine that some or all of the Options held by the Optionholder do not lapse and may be exercised by the Optionholder within such additional time as is determined by the Board following the Cessation Date.
- (c) The amount payable upon exercise of each Tranche A Option will be \$0.30 (**Exercise Price**).
- (d) The Tranche A Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Tranche A Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Tranche A Options specifying the number of Tranche A Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Tranche A Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Tranche A Options specified in the Exercise Notice.
- (h) The Tranche A Options are not transferable.
- (i) All Shares allotted upon the exercise of Tranche A Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Tranche A Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Tranche A Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Tranche A Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Tranche A Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Tranche A Options prior to the date for determining entitlements to participate in any such issue.
- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Tranche A Options, the exercise price of the Tranche A Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

## Schedule 2 – Terms and Conditions of Tranche B Options

The Tranche B Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Tranche B Option gives the Optionholder the right to subscribe for one Share.
- (b) The Tranche B Options will vest on 1 July 2012 and will expire at 5.00pm (WST) on 1 July 2015 (**Expiry Date**). Any Tranche B Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Where the Optionholder ceases to be an employee of, or to render services to the Company (**Cessation Date**), for any reason, prior to the date on which Options vest or become exercisable, the Options will lapse however, the Board may, in its absolute discretion, determine that some or all of the Options held by the Optionholder do not lapse and may be exercised by the Optionholder within such additional time as is determined by the Board following the Cessation Date.
- (c) The amount payable upon exercise of each Tranche B Option will be \$0.40 (**Exercise Price**).
- (d) The Tranche B Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Tranche B Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Tranche B Options specifying the number of Tranche B Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Tranche B Options being exercised;
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Tranche B Options specified in the Exercise Notice.
- (h) The Tranche B Options are not transferable.
- (i) All Shares allotted upon the exercise of Tranche B Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Tranche B Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Tranche B Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Tranche B Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Tranche B Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Tranche B Options prior to the date for determining entitlements to participate in any such issue.
- (m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Tranche B Options, the exercise price of the Tranche B Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

## Annexure A

Name	Shares	Amount
Husif Nominees Pty Ltd <RC Lynton-Brown Family a/c>	100,000	21,000.00
Mr John Joseph & Mrs Maritza Ivonne Byrne <John Byrne Private Pen Fund>	1,000,000	210,000.00
Frijlink Pty Ltd	200,000	42,000.00
Flue Holdings Pty Ltd	1,000,000	210,000.00
Daniel Paul Wise	1,000,000	210,000.00
Phillip John Coulson	595,238	124,999.98
Foster West Securities Pty Ltd ATFT The Spartacus Trust	357,143	75,000.03
Colin Leslie & Mary Berger	100,000	21,000.00
Bradley & Amanda Berger	100,000	21,000.00
Alex Walker	50,000	10,500.00
Barry John Panizza <The BJ Panizza Family A/C>	100,000	21,000.00
Turf Moor Pty Ltd	50,000	10,500.00
Gregory Peter & Joanne Plumb	100,000	21,000.00
Teresa Maria Holmes	47,619	9,999.99
Quincy Nominees Pty Ltd	95,238	19,999.98
Shane Hoehock Wee <Wee Family A/c>	27,143	5,700.03
Dilligaf CB Pty Ltd <Brown Family No 1 A/c>	70,000	14,700.00
Batio Pty Ltd <The Wild Super Fund A/C>	100,000	21,000.00
DBB Pty Ltd	109,523	22,999.83
Tarago Holdings Pty Ltd	50,000	10,500.00
Roderick Rieve Laidlaw	50,000	10,500.00
Peter Reeves	50,000	10,500.00
Timothy McKenzie	50,000	10,500.00
Equities & Securities Pty Ltd	50,000	10,500.00
Tidal Holdings Pty Ltd <The Swaqn Super Fund A/c>	50,000	10,500.00
Raven Investment Holdings Pty Ltd <Raven Investment A/c>	58,095	12,199.95
Peter Scott Markham	50,000	10,500.00
Mark Priestley Belton and Adam Priestley Belton	50,000	10,500.00
Attic Holdings Pty Ltd <The Big Mac A/c>	30,000	6,300.00
Thunderbirds Are-A-Go Pty Ltd <CB Investment account>	40,000	8,400.00
Oldview Enterprises Pty Ltd <The Priestley A/C>	50,000	10,500.00
Black Gold Nominees Pty Ltd <Beverley Family A/c>	47,619	9,999.99
Shane Peter Bowler	20,000	4,200.00

## Annexure A (continued)

Name	Shares	Amount
Laurie Tony Sorgiovanni	95,238	19,999.98
Mr I G & Mrs L M Stuart ATF Stuart Superannuation Fund	200,000	42,000.00
Ormond Nominees Pty Ltd	200,000	42,000.00
Kiarma Pty Ltd <The Tibballsbose A/C>	80,000	16,800.00
David Ian McCall	180,000	37,800.00
VTSE Super Fund	80,000	16,800.00
Michael Murray	25,000	5,250.00
Finepoint Holdings Pty Ltd	50,000	10,500.00
Matthew Spencer Fogarty	50,000	10,500.00
Benlee Company Pty Ltd <The Benlee Trust>	100,000	21,000.00
Cobblestones Corporate Pty Ltd	47,619	9,999.99
Robert Wittencoom	952,381	200,000.01
Osiris Capital Investments Pty Ltd	1,428,572	300,000.12
Oceanic Capital Pty Ltd	476,190	99,999.90
BR Corporation	240,000	50,400.00
Pamela Mary Wittencoom	119,048	25,000.08
Robert Horne Wittencoom	119,048	25,000.08
Alpha Investment Partners Ltd	240,000	50,400.00
General Research GMBH	195,668	41,090.28
Sycamore Capital	100,000	21,000.00
Karsten Behrens	200,000	42,000.00
HSBC Custody Nominees (Australia)	2,380,952	499,999.92
Gary Anthony Craik & Suzanne Rosalind Craik	88,095	18,499.95
Gary Anthony Craik & Aon Consulting	150,000	31,500.00
Topsfield Pty Ltd	238,095	49,999.95
Jeremy John Bond	119,048	25,000.08
Surfboarded Pty Ltd <Arw Super Fund No 1 A/C>	476,190	99,999.90
Adrian Fini Yalaba	95,238	19,999.98
Scott Gibson	119,048	25,000.08
Lithgow Family Account	238,095	49,999.95
Mighty River International	142,857	29,999.97
<b>Total</b>	<b>15,074,000</b>	<b>3,165,540</b>

**AVALON MINERALS LTD**

ABN 68 123 184 412

**PROXY FORM**

**By delivery:**

**By post:**

**By facsimile:**

Level 2, 91 Havelock St West Perth WA 6005

PO Box 165 West Perth WA 6872

+61 8 9322 2827

I/We

<sup>1</sup>

of

being a Shareholder/Shareholders of the Company and entitled to

votes in the Company, hereby appoint <sup>2</sup>

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.00 am on 22 September 2010 (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 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:

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Issue Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr Andrew Munckton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Director Participation in Share Placement – Mr Andrew Munckton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Director Participation in Share Placement – Tan Sri Abu Sahid Mohamed	<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

[Signature Box]

[Signature Box]

[Signature Box]

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup>Insert name and address of Shareholder

<sup>2</sup> 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 (Level 2, 91 Havelock St West Perth Western Australia 6005, or by post to PO 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).

