

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial shareholder**

<u>To Company Name/Scheme</u>	AVALON MINERALS LIMITED
ACN	123 184 412

**1. Details of substantial holder (1)**

Name	The Goldman Sachs Group, Inc. on behalf of itself and its subsidiaries ("GSGI") including its significant subsidiaries listed in Annexure A.
ACN/ARSN (if applicable)	Not applicable
The holder became a substantial holder on	11 September 2012

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities	Number of securities	Persons' votes	Voting power
Ordinary Fully Paid Shares	19,924,858	19,924,858	6.02%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest	Class and number of securities
The Goldman Sachs Group Inc ("GSGI")	GSGI has a relevant interest in these shares by virtue of section 608(3) of the Corporations Act 2001	19,924,858    Ordinary Fully Paid Shares
Goldman Sachs International ("GSI")	Prime Brokerage with power to control the exercise of the power to dispose of shares pursuant to a Prime Broking Agreement (See Annexure B)	19,924,858    Ordinary Fully Paid Shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Class and number of securities
GSI	HSBC Custody Nominees Australia Limited	GSI	19,924,858    Ordinary Fully Paid Shares

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Number of Perpetual Preferred Units	Total Consideration
GSI	11/09/2012	19,924,858	Prime Brokerage Agreement

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN (if applicable)	Nature of association
N/A	N/A

#### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
GSGI	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, U.S.A.
Goldman Sachs International	Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom
HSBC Custody Nominees Australia Limited	GPO Box 5302, Sydney NSW 2001

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**Signature**

Print name	Michael Corwin (signing under power of attorney in accordance with section 52 of the Corporations Act)	Capacity	Authorised Person
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**Sign here**

Date

13 September 2012

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## Annexure A

**Significant Subsidiaries of The Goldman Sachs Group, Inc.**

The following are significant subsidiaries of The Goldman Sachs Group, Inc. as of December 31, 2011 and the states or jurisdictions in which they are organized. Indentation indicates the principal parent of each subsidiary. The Goldman Sachs Group, Inc. owns, directly or indirectly, at least 99% of the voting securities of substantially all of the subsidiaries included below. The names of particular subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of the end of the year covered by this report, a “significant subsidiary” as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Name	State or Jurisdiction of Organization of Entity
The Goldman Sachs Group, Inc.	Delaware
Goldman, Sachs & Co.	New York
Goldman Sachs (UK) L.L.C.	Delaware
Goldman Sachs Group Holdings (U.K.)	United Kingdom
Goldman Sachs International Bank	United Kingdom
Goldman Sachs Holdings (U.K.)	United Kingdom
Goldman Sachs International	United Kingdom
Goldman Sachs Asset Management International	United Kingdom
Shire UK Limited	United Kingdom
KPL Finance Limited	Cayman Islands
GS Financial Services L.P. (Del)	Delaware
JLQ LLC	Cayman Islands
Jupiter Investment Co., Ltd.	Japan
Goldman Sachs Global Holdings L.L.C.	Delaware
GS Asian Venture (Delaware) L.L.C.	Delaware
Triumph II Investments (Ireland) Limited	Ireland
GS Diversified Funding LLC	Delaware
Panda Investments Ltd	Mauritius
GS (Asia) L.P.	Delaware
Goldman Sachs (Japan) Ltd.	British Virgin Islands
Goldman Sachs Japan Co., Ltd.	Japan
J. Aron Holdings, L.P.	Delaware
J. Aron & Company	New York
Horizon Fundo De Investimento Multimercado Credito Privado - Investimento No Exterior	Brazil
Goldman Sachs Asset Management, L.P.	Delaware
Goldman Sachs Hedge Fund Strategies LLC	Delaware
Goldman Sachs (Cayman) Holding Company	Cayman Islands
Goldman Sachs (Cayman) Trust, Limited	Cayman Islands
Goldman Sachs (Asia) Corporate Holdings L.P.	Delaware
Goldman Sachs Holdings (Hong Kong) Limited	Hong Kong
Goldman Sachs (Asia) Finance	Mauritius
Goldman Sachs (Asia) LLC	Delaware
Goldman Sachs (Asia) Securities Limited	Hong Kong
Goldman Sachs Financial Markets, L.P.	Delaware
MTGLO Investors, L.P.	Delaware
ELQ Investors, Ltd	United Kingdom
GS European Opportunities Fund B.V.	Netherlands
GS European Strategic Investment Group B.V.	Netherlands
Opal Resources LLC	Delaware
GS Mehetia LLC	Delaware
Mehetia Holdings Inc.	Delaware
GS Lending Partners Holdings LLC	Delaware
Goldman Sachs Lending Partners LLC	Delaware
Goldman Sachs Bank USA	New York
Goldman Sachs Mortgage Company	New York
GSCP (DEL) Inc.	Delaware
Goldman Sachs Credit Partners L.P.	Bermuda
GSTM LLC	Delaware
SLK LLC	New York
Goldman Sachs Execution & Clearing, L.P.	New York
GS Financial Services II, LLC	Delaware
GS Funding Europe	United Kingdom
GS Funding Europe I Ltd.	Cayman Islands

Name	State or Jurisdiction of Organization of Entity
GS Funding Europe II Ltd.	Cayman Islands
GS Investment Strategies, LLC	Delaware
GSEM (Del) Inc.	Delaware
GSEM (Del) Holdings, L.P.	Delaware
GSEM Bermuda Holdings, L.P.	Bermuda
GSEM (Del) LLC	Delaware
GS Equity Markets, L.P.	Bermuda
GSIP Holdco A LLC	Delaware
Special Situations Investing Group, Inc.	Delaware
GS Mortgage Derivatives, Inc.	Delaware
GS Direct, L.L.C.	Delaware
Commonwealth Annuity and Life Insurance Company	Massachusetts
First Allmerica Financial Life Insurance Company	Massachusetts
Goldman Sachs Specialty Lending Holdings, Inc. II	Delaware
Goldman Sachs Specialty Lending CLO-I, Ltd.	Cayman Islands
GS Power Holdings LLC	Delaware
Natural Resources Investments S.L.	Spain
Comercializadora Internacional Colombian Natural Resources I S.A.S.	Colombia
Mitsi Holdings LLC	Delaware
Metro International Trade Services LLC	Delaware
MLO Investors, L.P.	Delaware
AR Holdings (Delaware) L.L.C.	Delaware
AR Holdings GK	Japan
GK Kagurazaka Holdings	Japan
GK Arisugawa Finance	Japan
K.K. Minato Saiken Kaishu	Japan
GS PIA Holdings GK	Japan
Crane Holdings Ltd.	Japan
Goldman Sachs Realty Japan Ltd.	Japan
Goldman Sachs Ireland Group Holdings LLC	Delaware
Goldman Sachs Ireland LLC	Delaware
Goldman Sachs Ireland Group Limited	Ireland
Goldman Sachs Ireland Holdings Limited	Ireland
Goldman Sachs Bank (Europe) plc	Ireland
Rothesay Life, L.L.C.	Delaware
Rothesay Life (Cayman) Limited	Cayman Islands
Rothesay Life Limited	United Kingdom
ELO Holdings (Del) LLC	Delaware
ELO Holdings (UK) Ltd	United Kingdom
ELO Investors II Ltd	United Kingdom
Goldman Sachs Specialty Lending Holdings, Inc.	Delaware
Goldman Sachs Holdings ANZ Pty Limited	Australia
GS HLDGS ANZ II Pty Ltd	Australia
Goldman Sachs Australia Group Holdings Pty Ltd	Australia
Goldman Sachs Australia Pty Ltd	Australia
Archon International Inc.	Delaware
Archon Group Deutschland GMBH	Germany
Goldman Sachs Private Equity Group Master Fund I, LLC	Delaware

## THE GOLDMAN SACHS GROUP, INC AND ITS SUBSIDIARIES

### Signature

print name      Michael Corwin      capacity      Authorised Person  
 (signing under power of attorney  
 in accordance with section 52 of  
 the Corporations Act)

sign here            date      13 September 2012

### Annexure B

This is Annexure B referred to in the Form 603: Notice of Initial Substantial Holder issued by The Goldman Sachs Group, Inc. and its subsidiaries.

The following is description of the Prime Brokerage Agreement referenced in the accompanying Form 603:

<b>Type of agreement</b>	Prime Brokerage Agreement (" <b>PBA</b> ")
<b>Parties to agreement</b>	Goldman Sachs International (" <b>GSI</b> "), Galena Special Situations Master Fund Limited (" <b>Lender</b> ")
<b>Transfer date</b>	11 September 2012
<b>Holder of voting rights</b>	The current registered legal owner of the referenced voting shares is GSI.
<b>Are there any restrictions on voting rights?</b> Yes/no If yes, detail	Not to our knowledge.
<b>Scheduled return date (if any)</b>	N/A
<b>Does the borrower have the right to return early?</b> Yes/no If yes, detail	No
<b>Does the lender have the right to recall early?</b> Yes/no If yes, detail	Yes, Clauses 4.5 and 4.6 of the PBA allow the Lender to call for the redelivery of the Equivalent Collateral (as defined in the PBA) upon request.
<b>Will the securities be returned on settlement?</b> Yes/no If yes, detail any exceptions	Yes, save the PBA allows the Lender to return Equivalent Collateral (as that term is defined in the PBA) rather than the relevant securities.

A copy of the agreement will be provided to Avalon Minerals Limited or the Australian Securities and Investments Commission upon request.

### Signature

Print name	Michael Corwin (signing under power of attorney in accordance with section 52 of the Corporations Act)	Capacity	Authorised Person
Sign here		Date	13 September 2012