



AVALON MINERALS LTD

A B N 6 8 1 2 3 1 8 4 4 1 2

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at 10.00 am on 12 December 2008 (WST) at The Celtic Club, 48 Ord St, 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

Avalon Minerals Ltd

ABN 68 123 184 412

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 10.00 am on 12 December 2008 at the Celtic Club, 48 Ord St West Perth 6005 Western Australia ("Meeting").

The Proxy Form forms part of this Notice of 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 10 December 2008 (WST).

AGENDA

ORDINARY BUSINESS

Approval to Issue Shares

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 up to 20,000,000 ordinary shares at an issue price of 10 cents per share, in accordance with the terms of the Explanatory Memorandum accompanying this Notice of Meeting."

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
10 November 2008

EXPLANATORY MEMORANDUM

1. 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 Celtic Club 48 Ord St, West Perth, Western Australia on 12 December 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 Resolution. The Explanatory Memorandum explains the Resolution and identifies the Directors' decisions for putting them to Shareholders.

2. Resolution – Issue of Shares

2.1 General

The Resolution seeks Shareholder approval for the issue of shares.

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 % limit.

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 7.1:

- (a) the maximum number of shares to be issued is 20,000,000 ordinary shares;
- (b) the shares will be issued no later than 3 months after the date of the meeting ie. by 12 March 2009;
- (c) the shares will be issued at 10 cents per share;
- (d) the shares will be issued to sophisticated investor clients of Montagu Stockbrokers, a holder of an Australian Financial Services Licence. The identity of these parties are not yet known, however, they will not be related parties of the Company;
- (e) the shares will rank pari passu with the existing shares on issue from the date of allotment;
- (f) allotment will occur progressively;
- (g) the issue of shares will raise up to \$2 million which will be used for general working capital purposes.

AVALON MINERALS LTD

ABN 68 123 184 412

PROXY FORM

By delivery:

Suite 2, 2 Richardson St West Perth WA 6005

By post:

PO Box 165 West Perth WA 6872

By facsimile:

+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 General Meeting of the Company to be held at 10.00 am on 12 December 2008 (WST) at The Celtic Club 48 Ord St 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	Approval of Share 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

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert 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 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).
