

11 November 2013

# ASX ANNOUNCEMENT



## Avalon Minerals Limited (ASX:AVI) ("Avalon" or "Company")

**ASX: AVI**

### Notice of Breach of ASX Listing Rules

#### REGISTERED OFFICE

On 1 May 2013 and on 5 June 2013 Avalon made a placement of ordinary shares (**Placements**) with Tan Sri Abu Sahid Mohamed (**Tan Sri Abu**). The placements were made at a time when the Company was in urgent need of funding which was sought for ongoing project expenses and general working capital. Tan Sri Abu had resigned as Director on 26 March 2013 and, at the time of the Placements, the Company inadvertently overlooked the fact that Tan Sri Abu remained a related party under the ASX Listing Rules notwithstanding his resignation.

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ASX has advised Avalon that it considers that the Placements were made in breach of ASX Listing Rules 7.1 and 10.11 on the basis that Tan Sri Abu was a related party and could therefore not participate in the Placements without shareholder approval under listing rule 10.11.

ASX has advised Avalon that, as a consequence, the Company is precluded from issuing any equity securities (as defined in the ASX Listing Rules) under listing rules 7.1 and 7.1A without security holder approval for the issue until 5 June 2014 (unless the issue comes within an exception in ASX Listing Rule 7.2). In this regard, the Company has provided to ASX an undertaking not to issue any equity securities without security holder approval until 5 June 2014, unless the issue comes within an exception in ASX Listing Rule 7.2.

It is the Company's understanding that ASX's decision will not prevent the Company from issuing shares under the re-opened rights issue as the issue will come within an exception in ASX Listing Rule 7.2.

The Company has notified CPS Capital Group Pty Ltd, the underwriter of the re-opened rights issue, of ASX's decision.

For further information please visit [www.avalonminerals.com.au](http://www.avalonminerals.com.au)

