



---

## **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 9.00am on 6 October 2011 (WST) at The Celtic Club, 48 Ord Street, West Perth, 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 8 9322 2752.

## **CONTENTS PAGE**

---

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Memorandum (explaining the proposed resolutions)	6
Glossary	10
Appendix A	11
Appendix B	12
Proxy Form	15

---

# Avalon Minerals Ltd

ABN 68 123 184 412

---

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of the Company will be held at 9.00am on 6 October 2011 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and Proxy Form form 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 9.00am (WST) on 4 October 2011.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### 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 9.00am (WST) on 4 October 2011. **Proxy Forms received later than this time will be invalid.**

# AGENDA

## ORDINARY BUSINESS

---

### 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 8,362,222 Shares at an issue price of 18 cents per Share in accordance with the terms and conditions as set out in 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.

---

### 2. Resolution 2: 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 19,891,111 Shares at an issue price of 9 cents per Share in accordance with the terms and conditions as set out in 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.

---

### 3. Resolution 3: Director Participation in Share Placement – Mr David McSweeney

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

*"That, subject to Resolution 2 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 850,000 Director Shares to Mr David McSweeney (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 David McSweeney (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.

---

#### 4. **Resolution 4: 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 2 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 220,000 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.

---

#### 5. **Resolution 5: Director Participation in Share Placement – Mr Stephen Stone**

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

*“That, subject to Resolution 2 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 500,000 Director Shares to Mr Stephen Stone (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 Stephen Stone (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.

---

By Order of the Board

Paul Bridson  
Company Secretary  
31 August 2011

---

# Avalon Minerals Ltd

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

---

## 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 Celtic Club 48 Ord Street, West Perth, Western Australia on 6 October 2011 at 9.00am (WST).

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.

---

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

### 1.1 General

On 30 June 2011 and 5 July 2011, the Company issued a total of 8,362,222 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 8,362,222 ordinary shares were issued on 30 June 2011 and 5 July 2011 to those persons listed in Appendix A;
- (b) the ordinary shares were issued at an issue price of 18 cents per share;

- (c) the ordinary shares rank equally with the existing ordinary shares on issue;
- (d) a total of \$1.505 million was raised to fund additional work at the Viscaria copper and iron ore project in Sweden, general working capital requirements and to pay for the costs of the issue; and
- (e) a voting exclusion statement is included in the Notice.

---

## **2. Resolution 2: Ratification of Prior Issue of Shares**

### **2.1 General**

On 29 August 2011, the Company issued 19,891,111 Shares.

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

Resolution 2 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.

### **2.2 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 19,891,111 ordinary shares were issued on 29 August 2011 to those persons listed in Appendix B;
- (b) the ordinary shares were issued at an issue price of 9 cents per share;
- (c) the ordinary shares rank equally with the existing ordinary shares on issue;
- (d) a total of \$1.790 million was raised to fund additional work at the Viscaria copper and iron ore project in Sweden, general working capital requirements and to pay for the costs of the issue; and
- (e) a voting exclusion statement is included in the Notice.

---

### **3. Resolutions 3, 4 and 5: Director Participation in Share Placement**

#### **3.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 1,570,000 Shares (**Director Shares**) to Messrs David McSweeney, Andrew Munckton and Stephen Stone (**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 3, 4 and 5 are being issued on the same terms and conditions as the Shares that 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.

#### **3.2 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 David McSweeney, Andrew Munckton and Stephen Stone 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) 850,000 Director Shares to David McSweeney;
  - (ii) 220,000 Director Shares to Andrew Munckton; and
  - (iii) 500,000 Director Shares to Stephen Stone;
- (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 \$0.09 per share;
- (e) the Director Shares issued will be fully paid ordinary shares in the capital of the Company and will be 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 2.2(d) 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.

---

## **4. 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.

---

## 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.

**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.

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

## APPENDIX A

Name	Shares	Amount
Colorado Conversions Pty Ltd	1,000,000	\$180,000.00
Daniel Paul Wise <Ark Investments A/c>	500,000	\$90,000.00
Flue Holdings Pty Ltd	500,000	\$90,000.00
Fionnuala Catherine Edmondson	500,000	\$90,000.00
Cologne Nominees Pty Ltd <Kosmic Elect Ind PL S/F A/c>	140,000	\$25,200.00
Slade Technologies Pty Ltd <Embrey Family S/F>	500,000	\$90,000.00
Malcolm Kenneth & Gloria Ruth Virgo <Virgo S/F A/c>	80,000	\$14,400.00
Mark John Elton Papendieck	95,000	\$17,100.00
Brill Enterprises Pty Ltd	60,000	\$10,800.00
Tohei Pty Ltd <Murcia Super A/c>	200,000	\$36,000.00
Poriyal Holdings Pty Ltd <Poriyal S/F A/c>	42,000	\$7,560.00
Joanna Rachel Wiese	56,000	\$10,080.00
MSP Engineering Pty Ltd	280,000	\$50,400.00
Spectral Investments Pty Ltd <Lithgow Family A/c>	1,400,000	\$252,000.00
Timothy David Levy	100,000	\$18,000.00
Katrina Frances Banks-Smith	300,000	\$54,000.00
Gregory Doucas	70,000	\$12,600.00
Zoran Bebic <Bebic Family A/c>	400,000	\$72,000.00
Dgali Investments Pty Ltd	225,000	\$40,500.00
Vultek Pty Ltd <Elvin S/F A/c>	84,000	\$15,120.00
Edward Patrick Jacobson <Red Ventures A/c>	280,000	\$50,400.00
Jacobson Geophysical Services Pty Ltd <Jacobson Investment A/c>	280,000	\$50,400.00
Kiap Investments Pty Ltd <Kiap S/F A/c>	42,000	\$7,560.00
Emanuel Jose Fernandes Dias	560,000	\$100,800.00
Cloudcover Pty Ltd <Brand S/F A/c>	60,000	\$10,800.00
CD & RM Melican <CD & RM Melican S/F A/c>	70,000	\$12,600.00
Gregory & Stacey Doucas <Dr Gregory Doucas S/F A/c>	85,000	\$15,300.00
Anthony & Geraldine Thomas <AEC & GL Thomas S/F A/c>	281,222	\$50,619.96
Patrick & Katherine Freestone <Pat Freestone P/S A/c>	42,000	\$7,560.00
John Arthur & Marie Brenda O'Neill <Springvale S/F A/c>	130,000	\$23,400.00
<b>Total</b>	<b>8,362,222</b>	<b>\$1,505,199.96</b>

## APPENDIX B

Name	Shares	Amount
Bill Brooks Pty Ltd <Bill Brooks Super Fund A/c>	11,111,111	\$999,999.99
Argonaut Equity Partners Pty Ltd	1,100,000	\$99,000.00
Alba Capital Pty Ltd	1,100,000	\$99,000.00
Intermarine Chartering Pte Ltd	2,200,000	\$198,000.00
MSP Engineering Pty Ltd	850,000	\$76,500.00
Mrs Katrina Banks-Smith	200,000	\$18,000.00
Mr Paul Raymond Teraci	100,000	\$9,000.00
Cloudcover Pty Ltd <Brand Super Fund A/c>	40,000	\$3,600.00
Mr Emanuel Jose Fernandes Dias	560,000	\$50,400.00
Schalit Super Pty Ltd <Schalit Family S/F A/c>	110,000	\$9,900.00
Denken Pty Ltd <Coad Superannuation Fund A/c>	110,000	\$9,900.00
Spectral Investments Pty Ltd <Lithgow Family A/c>	2,300,000	\$207,000.00
Patrick & Katherine Freestone <Pat Freestone P/S A/c>	110,000	\$9,900.00
<b>Total</b>	<b>19,891,111</b>	<b>\$1,790,199.99</b>

This page has been left intentionally blank.

This page has been left intentionally blank.

**AVALON MINERALS LTD**  
**ABN 68 123 184 412**

**PROXY FORM**

**By delivery:**  
 Level 2, 91 Havelock St West Perth WA 6005

**By post:**  
 PO Box 165 West Perth WA 6872

**By facsimile:**  
 +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 9.00am on 6 October 2011 (WST) at The Celtic Club 48 Ord Street 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).

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 5** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 5 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 5.

**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	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Director Participation in Share Placement – Mr David McSweeney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Director Participation in Share Placement – Mr Andrew Munckton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Director Participation in Share Placement – Mr Stephen Stone	<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

<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).