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## **AVALON MINERALS LTD**

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### **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at 9.00am (WST) on Tuesday, 29 November 2011 at The Terrace Lounge, 185 St Georges Tce, Perth, Western Australia 6000.**

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.

The Company's 2011 Annual Report can be accessed on the Company's web site at [www.avalonminerals.com.au](http://www.avalonminerals.com.au) or alternatively by requesting a hard copy from the Company Secretary.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 2752.



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# Avalon Minerals Ltd

ABN 68 123 184 412

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at 9.00am (WST) on Tuesday, 29 November 2011 at The Terrace Lounge, 185 St Georges Tce, Perth, Western Australia 6000 ("Meeting").

The Proxy Form forms part of this Notice of Annual 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 9.00am (WST) on 27 November 2011.

To vote in person, attend the Annual 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 Computershare Investor Services Pty Limited,  
GPO Box 242, Melbourne, Victoria 3001 Australia; or
- (b) facsimile to +61 3 9473 2555,

so that it is received not later than 9:00am (WST) on Sunday, 27 November 2011.

### **Proxy Forms received later than this time will be invalid.**

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

## Transfer of non-Chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

## AGENDA

### ORDINARY BUSINESS

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## 1. Financial Statements and Reports

To receive the financial report of the Company and its controlled entities for the year ending 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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## 2. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2011."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

### Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

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### **3. Resolution 2: Re-election of Director – Mr Stephen Stone**

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

*"That Mr Stephen Stone who retires in accordance with Article 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."*

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### **4. Resolution 3: Re-election of Director – Tan Sri Abu Sahid Bin Mohamed**

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

*"That Tan Sri Abu Sahid Bin Mohamed who retires in accordance with Article 13.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."*

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### **5. Resolution 4: Appointment of KPMG as Auditor**

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

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, KPMG having been nominated by a Shareholder and having consented in writing to act in the capacity of auditors, be appointed as auditors of the Company with effect from the close of the Annual General Meeting."*

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By Order of the Board

Paul Bridson  
Company Secretary  
20 October 2011

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# Avalon Minerals Ltd

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## EXPLANATORY MEMORANDUM

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### Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at The Terrace Lounge, 185 St Georges Tce, Perth, Western Australia on 29 November 2011 at 9.00 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. Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditors' report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report can be found on its website at [www.avalonminerals.com.au](http://www.avalonminerals.com.au).

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### 2. Resolution 1 – Adoption of Remuneration Report

#### 2.1 General

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2012 Annual General Meeting. All of the Directors who were in office when the Company's 2012 Directors' Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

## **2.2 Proxy Restrictions**

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

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## **3. Resolution 2 – Re-election of Director – Mr Stephen Stone**

The Constitution requires that at the Annual General Meeting in every year, one-third of the Directors for the time being shall retire from office.

The Constitution provides that a Director who retires is eligible for re-election. Pursuant to the Constitution Mr Stephen Stone will retire, and being eligible, seek re-election.

A Brief CV of Mr Stone is contained in the Annual Report.

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## **4. Resolution 3 – Re-election of Director – Tan Sri Abu Sahid Bin Mohamed**

The Constitution requires that at the Annual General Meeting in every year, one-third of the Directors for the time being shall retire from office.

The Constitution provides that a Director who retires is eligible for re-election. Pursuant to the Constitution Tan Sri Abu Sahid Bin Mohamed will retire, and being eligible, seek re-election.

A Brief CV of Tan Sri Abu Sahid Bin Mohamed is contained in the Annual Report.

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## **5. Resolution 4 – Appointment of KPMG as Auditor**

Ernst & Young, which is the Company's current auditor, is expected, by the date of the Meeting, to have given notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Ernst & Young is expected to advise that it will submit a notice of resignation to the Company in accordance with sections 329(5) of the Corporations Act, with such resignation to take effect from the date of the Annual General Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for KPMG to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

KPMG has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Ernst & Young.

If Resolution 4 is passed, the appointment of KPMG as the Company's auditors will take effect from the close of the Annual General Meeting.

If Ernst & Young does not obtain ASIC approval and resign by the date of the Annual General Meeting, the Company will not put Resolution 4 to Shareholders but instead intends to appoint KPMG as its auditor under section 327C(1) of the Corporations Act once ASIC approval is obtained and Ernst & Young has resigned. The Company will then seek Shareholder approval for the re-appointment of KPMG as its auditor at its next annual general meeting.

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## **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.

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

**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.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**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 Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

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

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2011.

**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.

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## ANNEXURE A – NOMINATION OF AUDITOR

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Avalon Minerals Ltd  
Level 2, 91 Havelock Street  
West Perth WA 6005

In accordance with the provisions of Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**), Brookman Resources Pty Ltd, being a member of Avalon Minerals Ltd (**Company**), hereby nominates KPMG to fill the office of auditor of the Company.

Please distribute copies of this notice of nomination as required by Section 328B(3) of the Act.

Signed and dated 17 October 2011:

A handwritten signature in black ink, consisting of several overlapping loops and a final horizontal stroke, positioned to the left of the name and title.

**David McSweeney**  
Director  
Brookman Resources Pty Ltd

Intentionally blank



## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 9:00am (WST) Sunday 27 November 2011**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. Subject to the important information outlined below in relation to Resolution 1, if you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**Important Information for Resolution 1:** If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of the member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View the Annual Report:

[www.avalonminerals.com.au](http://www.avalonminerals.com.au)

Update your securityholding, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

Your secure access information is: SRN/HIN: I9999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Avalon Minerals Ltd hereby appoint

 the Chairman of the Meeting **OR** 

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Avalon Minerals Ltd to be held at The Terrace Lounge, 185 St Georges Tce, Perth, Western Australia on Tuesday, 29 November 2011 at 9:00am (WST) and at any adjournment of that meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business other than in respect of Resolution 1, where the company has determined that the Chairman is unable to do so.

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director - Mr Stephen Stone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director - Tan Sri Abu Sahid Bin Mohamed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Appointment of KPMG as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_