

9 August 2013

# ASX ANNOUNCEMENT



## UNDERWRITTEN NON-RENONCEABLE PRO-RATA RIGHTS ISSUE NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 AS MODIFIED BY ASIC CLASS ORDER 08/35

This notice is given by Avalon Minerals Ltd (**Company** or **Avalon**) under section 708AA(2)(f) of the Corporations Act 2011 (Cth) (**Act**) as modified by Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**).

Where applicable, references in this notice to sections of the Act are to those sections as modified by CO (08/35).

Avalon has today announced a fully underwritten, non-renounceable, pro rata, rights issue (**Rights Issue**).

The Rights Issue will be an offer of new fully paid ordinary shares (**Rights Issue Shares**) on the basis of one (1) Rights Issue Share for every one (1) share held (**Entitlement**) by Eligible Shareholders (defined below) on the Record Date (defined below) (**Existing Shares**), at a price of \$0.01 per Rights Issue Share (**Issue Price**). Based on the current shares on issue a total of 562,017,007 Rights Issue Shares will be offered to raise up to approximately A\$5.62 million (before costs of the Rights Issue).

Holders of shares in the Company on 19 August 2013 (**Record Date**) will be eligible to participate in the Rights Issue (**Eligible Shareholders**). The Company will also make available a shortfall facility to enable Eligible Shareholders to subscribe for additional shares from any shortfall under the Rights Issue if they wish to do so.

The Company confirms that:

1. The Rights Issue Shares will be offered for issue without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Act**).
2. This notice is being given under section 708AA(2)(f) of the Act in compliance with the requirements of sub-section 708AA(7) of the Act.
3. As at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Act; and
  - (b) section 674 of the Act,as they apply to the Company.

## ASX: AVI

### REGISTERED OFFICE

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### CONTACTS

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### MANAGEMENT TEAM

**Managing Director**  
Jeremy Read

**Business Manager**  
Ian Wallace

**Exploration Manager**  
Dr Quinton Hills

**Country Manager**  
Louise Lindskog

**Chief Financial Officer**  
Linda Cochrane

**Company Secretary**  
Roslynn Shand

4. As at the date of this notice, the Company confirms that it has no excluded information (as that term is defined in section 708AA(8) of the Act) to disclose.
5. The potential effect the Rights Issue will have on the control of the Company is as follows:
  - (a) if all shareholders take up their Entitlements under the offer then the Rights Issue will have no effect on the control of the Company;
  - (b) if all shareholders do not take up their Entitlements and the resultant shortfall is not taken up in full by shareholders pursuant to the shortfall facility the remaining shortfall may be taken up by the Underwriter. The Underwriter's current voting power in the Company is 19.9%. The maximum voting power of the Underwriter after the Rights Issue if no other shareholders take up any of their Entitlements is 61%;
  - (c) the options that the Company currently has on issue (**Options**) are not expected to be exercised prior to the Record Date as the exercise price for these Options exceeds the Issue Price and the last closing share price prior to the date of this announcement of \$0.014 per share, therefore the Options are expected to have no effect on the Rights Issue or the control of the Company.
  - (d) the Performance Rights (Tranche 1 and Tranche 3) that the Company currently has on issue (**PR's**) are not expected to vest prior to the Record Date as the vesting conditions will not be met by that time, therefore the PR's are expected to have no effect on the Rights Issue or the control of the Company.

Dated 9 August 2013

Signed for and on behalf of the Company:



**Roslynn Shand**  
**Company Secretary**  
**AVALON MINERALS LTD**