



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP13/42

Friday, 6 September 2013

Avalon Minerals Limited - Panel Receives Application

The Panel has received an application from Sidan Super Pty Ltd as trustee for the Sidan Superannuation Fund in relation to the affairs of Avalon Minerals Limited. The application concerns a 1 for 1 non-renounceable rights issue by Avalon.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 9 August 2013, Avalon announced a 1 for 1 pro rata non-renounceable rights issue at a price of \$0.01 per share to raise approximately \$5.89 million. The rights issue is fully underwritten by Tan Sri Abu Sahid Mohammed, who holds approximately 19.0% of Avalon and is a former director of the company. The rights issue includes a shortfall facility. If no shareholders take up their rights and there are no applications under the shortfall facility, the underwriter's voting power in Avalon will increase to approximately 59.5%.

The applicant submits (among other things) that the underwriter and his associates may obtain control of Avalon to the detriment of Avalon shareholders. The applicant also submits that the structure of, and disclosure in relation to, the rights issue are unacceptable.

The applicant seeks interim orders that Avalon not issue or allot any new shares under the rights issue until the Panel has had time to consider the issues.

The applicant seeks final orders that shareholder approval be obtained for the underwriting agreement prior to any shares being issued by Avalon.

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