

ASX:AVI

ASX ANNOUNCEMENT
25 FEBRUARY 2013



NOTICE OF GENERAL MEETING

Please find attached the following documentation dispatched today to all shareholders of Avalon Minerals Limited ('Avalon' or 'Company').

1. Notice of General Meeting and Explanatory Memorandum; and
2. Proxy Form

An electronic copy of the Notice of Meeting material is available on the Company's website.

For further information please visit www.avalonminerals.com.au or contact:

Mr Jeremy Read - Managing Director
Avalon Minerals Limited
Tel: 07 3368 9888
Em: jeremy.read@avalonminerals.com.au
www.twitter.com/avalonminerals

Mr James Harris
Professional Public Relations
Tel: 08 9388 0944
Mob: 0400 296 547
Em: james.harris@ppr.com.au



AVALON MINERALS LTD
ABN 68 123 184 412

NOTICE OF GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: Wednesday 27 March 2013

Time of Meeting: 10.00am (Brisbane time)

Venue of Meeting: St Germain Room
Mezzanine Level
Sofitel Brisbane Hotel
249 Turbot Street Brisbane
Queensland

This Notice of Meeting and Explanatory Memorandum should be read in its entirety.

If Shareholders are in doubt as to how they should vote,
they should seek advice from their professional adviser prior to voting.

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Shareholders of Avalon Minerals Ltd ACN 123 184 412 (**Company**) will be held on Wednesday 27 March 2013, commencing at 10.00am (Brisbane time) at the St Germain Room, Mezzanine Level, Sofitel Brisbane Hotel, 249 Turbot Street Brisbane, Queensland.

Registration will commence just prior to the Meeting.

The business of the Meeting will be to consider the Resolutions set out below. Full details of the Resolutions are set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Capitalised terms are defined in the Glossary to this Notice of Meeting and Explanatory Memorandum.

This Notice of Meeting should be read in its entirety together with the Explanatory Memorandum and Proxy Form.

ORDINARY BUSINESS

RESOLUTION 1: Ratification of the previous issue of 49,285,714 Shares to professional and sophisticated investors

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior allotment and issue of a total of 49,285,714 Shares at \$0.07 per Share to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum.”

Short Explanation: In accordance with the Listing Rules, if Shareholder approval is obtained with respect to a previous issue of securities that did not breach Listing Rule 7.1, that issue is treated as having been made with approval for the purposes of Listing Rule 7.1. This will enable the Company to give the Board flexibility to issue further securities up to the 15% Threshold over the 12 month period following approval of this Resolution. Please refer to the Explanatory Memorandum accompanying this Notice of Meeting for further information.

Voting exclusion: The Company will disregard any votes cast on this Resolution 1 by:

- any of the persons who participated in the issue of Shares identified in this Resolution; and
- any associate of those persons.

However, the Company will not disregard any votes cast on this Resolution if:

- it is cast by a person excluded from voting as 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.

RESOLUTION 2: Approval to issue up to 70,000,000 New Shares

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 70,000,000 New Shares on the terms and conditions set out in the Explanatory Memorandum.”

Short Explanation: A proposed equity issue can be pre-approved by Shareholders in accordance with the Listing Rules and provided the equity is subsequently issued in accordance with that approval and the Listing Rules, the equity will not count towards the Company’s 15% Threshold. This allows the Company the flexibility to preserve its 15% Threshold. Please refer to the Explanatory Memorandum accompanying this Notice of Meeting for further details.

Voting exclusion: The Company will disregard any votes cast on this Resolution 2 by:

- any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the proposed issue if the Resolution is passed; and
- any associate of those persons.

However, the Company will not disregard any votes cast on this Resolution if:

- it is cast by a person excluded from voting as 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.

ATTENDANCE AND VOTING AT THE MEETING

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that the Shareholders who are on the Company’s share register at 25 March 2013 (being not more than 48 hours before the Meeting) will be taken, for the purposes of the Meeting, to be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. All of the Resolutions at this Meeting are ordinary resolutions.

Every question arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company’s constitution.

On a show of hands, every Shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney will have one vote for each Share held by that person.

Proxies

A Shareholder who is entitled to attend and vote at the Meeting may appoint a person, who need not be a Shareholder of the Company, as the Shareholder's proxy to attend and vote on behalf of the Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

A Proxy Form accompanies this Notice of Meeting. Should you wish to appoint a proxy, please complete the Proxy Form and return it to the Company at least 48 hours before the Meeting, **being no later than 10.00am (Brisbane time) on Monday 25 March 2013 to:**

By hand	Avalon Minerals Ltd Level 1, 65 Park Road Milton Qld 4064 Australia
By post	Avalon Minerals Ltd PO Box 1565 Milton QLD 4064 Australia
By fax	From within Australia: 07 3368 9899 From outside Australia: +61 7 3368 9899
By email	<u>ros.shand@avalonminerals.com.au</u> Please put the words "Avalon Proxy Form" in the subject line

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each Resolution by marking either **For**, **Against** or **Abstain** on the voting form for that item of business.

By order of the Board



Roslynn Shand
Company Secretary
25 February 2013

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum contains an explanation of, and information about, the Resolutions to be considered at the Meeting. Shareholders should read this Explanatory Memorandum in full. This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Capitalised words used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary section at the end of this Explanatory Memorandum. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 25 February 2013.

SHAREHOLDER QUERIES

Shareholders with queries regarding anything in this Explanatory Memorandum should contact the Company Secretary, Roslynn Shand on (07) 3368 9888.

Shareholders with queries regarding their shareholding or voting entitlements should contact the Company's share registry as noted below:

Computershare Investor Services Pty Limited
ABN 48 078 279 277
117 Victoria Street
West End QLD 4101
GPO Box 523
Brisbane QLD 4001
Australia
Investor Enquiries: 1300 850 505
Telephone: +61 7 3237 2100
Fax: +61 3 9473 2555

RESPONSIBILITY OF INFORMATION

The information contained in this Explanatory Memorandum has been prepared by the Company and is the responsibility of the Company.

A copy of this Notice of Meeting, the Explanatory Memorandum and Proxy Form were lodged with the ASX in accordance with the Listing Rules before being sent to Shareholders. ASX nor any of its officers take any responsibility for the contents of this Notice of Meeting and Explanatory Memorandum.

ORDINARY BUSINESS

Resolution 1 – Ratification of previous issue of 49,285,714 Shares to professional and sophisticated investors

Background

Avalon issued 119,285,714 new Shares (**Total New Shares**) to professional and sophisticated investors under section 708 of the Corporations Act (noted in the table below), allotted on 7 November 2012 (**Equity Raising**). Of the Total New Shares, Avalon:

- (a) received Shareholder approval under ASX Listing Rule 7.1 to issue 70,000,000 new Shares at general a meeting of Avalon Shareholders, held on 8 October 2012 (**Approved Shares**); and
- (b) issued the remaining 49,285,714 new Shares using its 15% Threshold (defined below) (**Remaining Shares**).

Pursuant to ASX Listing Rule 7.4, this Resolution 1 seeks ratification by Shareholders of the issue of Remaining Shares.

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (shares) representing more than 15% of its total issued securities during a rolling 12 month period without Shareholder approval (**15% Threshold**).

ASX Listing Rule 7.4 allows an issue of equity securities (shares), for which Shareholder approval was not first obtained, to not be counted towards the 15% Threshold when Shareholder approval for that issue is subsequently obtained. That is, ASX Listing Rule 7.4 permits a company to obtain ratification from its shareholders in relation to a prior issue of shares (and thereby refresh the company's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval). Moreover, ASX Listing Rule 7.4 provides that an issue of shares is treated as having been made with Shareholder approval if ASX Listing Rule 7.1 was not breached at the time the shares were issued and Shareholders subsequently approve (ratify) the issue. The Company did not breach ASX Listing Rule 7.1 at the time the Remaining Shares were issued.

By Shareholders approving this Resolution 1, the Board is given the flexibility to issue more Shares up to the 15% Threshold over the next 12 month period. Once the issue of the Remaining Shares to the persons noted in the table below is approved, these Shares will not be counted for the purposes of the 15% Threshold.

Listing Rule Requirements

Details of the issue of the Remaining Shares, as required by ASX Listing Rule 7.5 are as follows:

Required disclosure	
Number of securities allotted	49,285,714 Shares to the Allottee (defined below).
Issue price	7 cents per Share
Gross proceeds and use	\$3.45 million was raised by issuing the Remaining Shares under the Equity Raising. Proceeds have been applied to the following activities at Avalon's Viscaria Copper Project in northern Sweden: <ul style="list-style-type: none">(a) undertake drilling at the A and D Zone Mineral Resources on the Viscaria Copper Project in order to extend the existing Mineral Resources at both zones;

	<ul style="list-style-type: none"> (b) complete drill testing of up to four regional exploration targets with the potential to host copper-iron-gold mineralisation; (c) add to the working capital and administration costs for the Viscaria Copper Project; (d) allow the Company to advance its corporate strategy of looking for value adding acquisition opportunities of copper-gold and copper-iron projects within Scandinavia; (e) assist the Company with its ongoing expansion; and (f) provide working capital to the Company generally.
Terms of the securities	The Shares were issued as fully paid ordinary shares ranking equally with existing Shares for which quotation on the ASX was sought and obtained.
Name of allottee or basis on which determined	Allottee: the Shares were allotted to investors identified by the Company's brokers, Foster Stockbroking Limited and who fall within the definition of "sophisticated" or "professional" investors under sections 708(8) or 708(11) of the Corporations Act.

None of the allottee(s) who received Shares as explained above were related parties (as that term is defined under the Corporations Act) of the Company.

Recommendation: The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 2 – Approval for the issue of up to 70,000,000 New Shares

Background

This Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 70,000,000 Shares (**New Shares**) to investors under section 708 of the Corporations Act (**Investors**) by way of a placement.

The issue price for the New Shares has not yet been determined; however the minimum price for the New Shares will be at least 80% of the average market price of the Company's Shares. The average will be calculated over the last five trading days prior to the day on which the issue is made.

At this stage (and depending on the amount of funds raised) it is intended that the funds raised by issuing the New Shares will be used to:

- (a) prepare the Viscaria Copper Project for the commencement of a bankable feasibility study;
- (b) undertake drilling at the A and D Zone Mineral Resources on the Viscaria Copper Project in order to extend the existing Mineral Resources at both zones;
- (c) complete drill testing of up to four regional exploration targets with the potential to host copper-iron-gold mineralisation;
- (d) add to the working capital and administration costs for the Viscaria Copper Project;
- (e) allow the Company to advance its corporate strategy of looking for value adding acquisition opportunities of copper-gold and copper-iron projects within Scandinavia;
- (f) assist the Company with its ongoing expansion; and
- (g) provide working capital to the Company generally.

However, the Directors reserve the right to vary the application of funds raised by the issue of the New Shares in the best interests of the Company.

The Company is seeking Shareholder approval under Resolution 2, so that the New Shares offered to Investors does not count towards the 15% Threshold. If Shareholder approval is not obtained for Resolution 2, the Company may still issue the New Shares up to the maximum allowed under the 15% Threshold without Shareholder approval.

However, if Resolution 2 is approved, the effect will be that provided the New Shares are issued as set out in this Explanatory Memorandum no later than 3 months after the date of the Meeting, they will not count towards the Company's 15% Threshold.

Approval to issue the New Shares

The New Shares will be issued progressively but no later than 27 June 2013 (3 months after the date of the Meeting).

The New Shares will be available to Investors that are identified by the Company or its brokers to fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act (for which no disclosure is required). The New Shares will be issued in accordance with the Listing Rules at an issue price that is at least 80% of the average market price of the Company's Shares. The average will be calculated over the last five trading days prior to the day on which the issue is made.

Listing Rule Requirements

In compliance with the requirements of Listing Rule 7.3, Shareholders are advised of the following information in relation to the proposed New Shares:

<i>Required disclosure</i>	
<i>Maximum number of securities to be issued</i>	Up to 70,000,000 New Shares.
<i>Date by which the New Shares will be issued</i>	<p>The New Shares will be issued as soon as practicable after Shareholder approval is obtained and the issue price for the New Shares (as noted below) is received by the Company, but in any event for the purposes of relying on the Shareholder approval obtained for this Resolution, the New Shares will be issued no later than 3 months after the Meeting (27 June 2013).</p> <p>The Company is not bound to issue the maximum number of New Shares for which Shareholder approval is sought. The Company may, in its absolute discretion, issue such lesser number of New Shares as it may determine.</p> <p>The issue of New Shares may occur progressively, provided that any New Shares are issued no later than 3 months after the date of the Meeting.</p>
<i>Issue price</i>	The issue price for the New Shares has not yet been determined; however the minimum price for the New Shares will be at least 80% of the average market price of the Company's Shares. The average will be calculated over the last five trading days prior to the day on which the issue is made.
<i>Allottees</i>	New Shares will be allotted and issued to Investors that are identified by the Company or its brokers as an investor who qualifies for one or more of the exemptions specified in section 708 of the Corporations Act (for example "sophisticated investors" or "professional investors" within the meaning given by those terms under the Corporations Act).

	The Company reserves the right to pay any broker a commission on all monies raised from allottees introduced by the broker. As Shareholder approval is only being sought under this Resolution 2 for the purposes of Listing Rule 7.1, in accordance with Listing Rule 10.11 the New Shares cannot be issued to “related parties” of the Company as that term is defined by the Listing Rules. The term “related parties” includes (but is not limited) to the Directors and their spouses and entities controlled by the Directors.
Terms of the securities	The New Shares that are issued will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of the Constitution.
Use of funds	As outlined above, the intended use of the funds raised from the New Shares is to: <ul style="list-style-type: none"> (a) prepare the Viscaria Copper Project for the commencement of a bankable feasibility study; (b) undertake drilling at the A and D Zone Mineral Resources on the Viscaria Copper Project in order to extend the existing Mineral Resources at both zones; (c) complete drill testing of up to four regional exploration targets with the potential to host copper-iron-gold mineralisation; (d) add to the working capital and administration costs for the Viscaria Copper Project; (e) allow the Company to advance its corporate strategy of looking for value adding acquisition opportunities of copper-gold and copper-iron projects within Scandinavia; (f) assist the Company with its ongoing expansion; and (g) provide working capital to the Company generally.

Effect of the Resolution

Resolution 2, if passed, will allow the Company to issue up to 70,000,000 New Shares.

This issue of up to 70,000,000 New Shares will have a dilutive effect on the existing Shareholders. The exact dilutive effect will depend on whether the full 70,000,000 New Shares are allotted and issued. If the full 70,000,000 New Shares are allotted and issued, and assuming no Shares are issued or options exercised in the interim, the maximum dilutive effect will equate to 13.09% of the Shares on issue.

Accordingly, each existing Shareholder’s percentage ownership in the Company will be reduced upon the issue of the New Shares, reducing the existing Shareholder’s percentage ownership and their control over the affairs of the Company.

Recommendation: The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

15% Threshold means the prohibition under Listing Rule 7.1, which prohibits the Company (subject to certain exceptions such as pro-rata issues), from issuing or agreeing to issue equity securities representing more than 15% of its total issued ordinary Shares, during a rolling 12 month period, without Shareholder approval;

Approved Shares means the portion of the Total New Shares, being 70,000,000 Shares, that the Company issued under the Equity Raising with Shareholder approval under ASX Listing Rule 7.1 obtained at a general meeting of Shareholders on 8 October 2012;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

Board means the board of Directors of the Company;

Business Day means a day on which trading takes place on the stock market of ASX;

Chairman means the chairman of the Board;

Company or **Avalon** means Avalon Minerals Ltd ACN 123 184 412;

Constitution means the constitution of the Company currently in force;

Corporations Act means the *Corporations Act 2001* (Cth);

Director means a director of the Company as at the date of this Explanatory Memorandum;

Equity Raising means the issue of the Total New Shares to professional and sophisticated investors under section 708 of the Corporations Act, allotted on 7 November 2012, raising \$8.4 million;

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Listing Rules means the Official Listing Rules of ASX;

Meeting means the general meeting of the Company to be convened by the Notice of Meeting;

New Shares means the new Shares to be allotted and issued by way of placement in accordance with Shareholder approval given to Resolutions 2;

Notice of Meeting means the notice of general meeting dated 25 February 2013 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Proxy Form means the proxy form that accompanies and forms part of the Notice of Meeting;

Remaining Shares means the portion of the Total New Shares that the Company issued using its 15% Threshold, being 49,285,714 Shares and that the Company is now seeking ratification of by Shareholders under Resolution 1;

Resolutions means the resolutions referred to in the Notice of Meeting;

Shares means fully paid ordinary shares in the Company;

Shareholder means a holder of Shares;

Total New Shares means 119,285,714 Shares;

Viscaria Copper Project means the Company's Viscaria Copper Iron Ore Project located in Sweden.

AVALON MINERALS LTD
ACN 123 184 412
PROXY FORM

SHAREHOLDER/S NAME/S AND ADDRESS - PLEASE COMPLETE IN BLACK INK

Name/s:

Address/es:

I/we appoint as my/our proxy the person named below at the General Meeting of Avalon Minerals Ltd ("Company") to be held on Wednesday 27 March 2013 commencing at 10.00am (Brisbane time) at the St Germain Room, Mezzanine Level, Sofitel Brisbane Hotel, 249 Turbot Street Brisbane in the State of Queensland and at any adjournment thereof.

APPOINTMENT OF PROXY:

I/We being a member of Avalon Minerals Ltd and entitled to vote and attend hereby appoint

The Chairman of the meeting (mark with an 'X') **OR** If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

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 General Meeting of Avalon Minerals Ltd to be held on Wednesday 27 March 2013 commencing at 10.00am (Brisbane time) at the St Germain Room, Mezzanine Level, Sofitel Brisbane Hotel, 249 Turbot Street, Brisbane in the State of Queensland and at any adjournment of that Meeting.

VOTING DIRECTIONS TO YOUR PROXY – please mark to indicate your directions

X

No	RESOLUTION	FOR	AGAINST	ABSTAIN*
1	Ratification of the previous issue of 49,285,714 Shares			
2	Approval to issue up to 70,000,000 New Shares			

If you leave your proxy undirected with respect to any resolution and in favour of the Chairman (or if your appointed proxy fails to attend), then the Chairman will vote such proxies in favour of those Resolutions.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy: I/we wish to appoint a second proxy

Mark with an "X" if you wish to appoint a second proxy **AND** % **OR** State the percentage of your voting rights or the number of securities for this Proxy

PLEASE SIGN HERE This section *must* be signed in accordance with the Signing Instructions overleaf to enable your directions to be implemented.

Individual or Security holder 1 Security holder 2 Security holder 3

Individual/Sole Director and Sole Company Secretary Director Director/Company Secretary

IMPORTANT – This Proxy Form (and any power of attorney under which it is signed) MUST be received no less than 48 hours before the proposed time for the General Meeting. Any Proxy Form received after that time will not be valid.

NOTES FOR COMPLETION OF PROXY FORM

1. YOUR ADDRESS

This is the address that should appear on the Company's share register. Security holders sponsored by a broker (in which case your reference number will commence with an 'X') should advise their broker of any change of address. **Please note you cannot change ownership of your securities using this Proxy Form.**

2. APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company. Do not write the name of the issuer company or the registered security holder in the space.

3. VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All of your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this Proxy Form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box;
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that Proxy Form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded; and
- (c) return both Proxy Forms together in the same envelope.

5. SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the security holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged that Power of Attorney with the Avalon share registry. If you have not previously lodged the Power of Attorney for notation, please attach the original or a certified copy of the Power of Attorney to this Proxy Form when you return it. If a Power of Attorney is not lodged with the Company's share registry as required by the Company, the relevant Proxy Form will not be valid.

Companies: This Proxy Form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this Proxy 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. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate security holder or proxy is to attend the Meeting, the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

RECEIPT OF PROXIES

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address or fax number given below no later than 10.00am on Monday 25 March 2013. Any Proxy Form received after that time will not be valid for the General Meeting.

Documents may be lodged:

IN PERSON: By delivery to Avalon Minerals Limited, Level 1, 65 Park Road, Milton Qld 4064 Australia.

BY MAIL: By mailing your Proxy Form to Avalon Minerals Limited, PO Box 1565, Milton Qld 4064 Australia.

BY FAX: By faxing your Proxy Form to 07 3368 9899 (from within Australia) or +61 7 3368 9899 (from outside Australia).

BY EMAIL: By scanning and emailing your completed Proxy Form to ros.shand@avalonminerals.com.au. Please put the words "Avalon Proxy Form" in the subject line for easy clarification.