

6 June 2014

ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Attention: Kerrie Papamihail

Dear Ms Papamihail,

**AVANCO RESOURCES LIMITED – PRICE AND VOLUME QUERY**

We refer to the Price and Volume query issued by the Australian Securities Exchange on Friday 6 June 2014 and comment as follows:

1. Avanco Resources Limited (the Company) is not aware of any information that has not been announced that would explain the recent trading in the securities of the Company.
2. Not Applicable.
3. The Company has recently completed a placement for \$23M to Strategic Investors at a premium to the closing price before the announcement. The Strategic Investors are substantial shareholders of the Company and their substantial shareholder notices have been lodged with the ASX enabling investors to identify the two specialist London based funds.
4. The Company confirms that in its opinion it is, and has been at all times, in compliance with listing rule 3.1.

Yours faithfully,

**Scott Funston**  
**Company Secretary**  
**AVANCO RESOURCES LIMITED**



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Perth WA 6000

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6 June 2014

Mr Scott Funston  
Company Secretary  
Avanco Resources Limited  
Level 1, 33 Richardson Street  
WEST PERTH WA 6005

By email: [sfunston@garrisoncapital.net](mailto:sfunston@garrisoncapital.net)

Dear Scott

**Avanco Resources Limited (the "Entity"): ASX price query**

We have noted a change in the price of the Entity's securities from a close of 8.8 cents on 5 June 2014 to an intraday high of 9.7 cents today. We have also noted an increase in the volume of trading in the Entity's securities today.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
  - a. Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - b. Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by **not later than 12.30pm on 6 June 2014**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Jenny Cutri

**Assistant Manager, Listings Compliance (Perth)**

Direct Line: (08) 9224 0003